

# Agenda

## Cabinet

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Dyddiad: Dydd Mercher, 22 Gorffennaf 2020

Amser: 4.00 pm

Lleoliad: Cyfarfod Rhithwir

At: Cynghorwyr: J Mudd (Cadeirydd), Councillor R Jeavons, P Cockeram, G Giles, D Harvey, D Mayer, Councillor R Truman, D Davies and M Rahman

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### Eitem

### Wardiau Dan Sylw

- 1 Ymddiheuriadau dros Absenoldeb
- 2 Datganiadau o ddiddordeb
- 3 Cofnodion Drafft o Gabinet Mehefin (Tudalennau 3 - 14)
- 4 Canlyniad Refeniw 2019/20 (Tudalennau 15 - 48)
- 5 Canlyniad ac Ychwanegiadau Cyfalaf (Tudalennau 49 - 70)
- 6 Canlyniad Rheoli'r Trysorlys 2019/20 (Tudalennau 71 - 84)
- 7 Mai Monitor Cyllideb Refeniw (Tudalennau 85 - 106)
- 8 Adferiad Ysgolion (Tudalennau 107 - 120)
- 9 Porth y Gorllewin - Persbectif Casnewydd (Tudalennau 121 - 128)
- 10 Nodau Adfer Strategol - Trefniadau Llywodraethu a Democrataidd (Tudalennau 129 - 150)
- 11 Nodau Adfer Strategol - Trefniadau Llywodraethu a Democrataidd (Tudalennau 151 - 196)
- 12 Rhaglen Waith
- 13 I weld Gwe-ddarlliediad Live Cabinet cliciwch ar y ddolen isod:  
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Mae'r dudalen hon yn wag yn



# Minutes

## Cabinet

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Date: 24 June 2020

Time: 10.00 am (Due to technical issues, the meeting commenced at 10.30 am)

Present: Cllrs Jane Mudd (Chair); P Cockeram, D Davies, G Giles, D Harvey, R Jeavons; D Mayer, M Rahman, R Truman

In attendance: Mrs B Owen; Mr G Price; Mr M Rushworth; Mr R Cornwall, Mrs T Brooks.

### Part 1

The Leader opened the meeting by confirming that at the last Cabinet meeting on the 18<sup>th</sup> March, the Council had moved to emergency powers. Today's Cabinet meeting is the first to be held since that time and is being held virtually. The Leader asked for everyone to take a moment of quiet reflection for those who have lost their lives and to give thought to those families who have lost loved ones to this virus.

#### 1 Apologies for Absence

No apologies received

#### 2 Declarations of Interest

There were no Declarations of Interest.

#### 3 Newport City Council's Strategic Recovery Aims in response to the Covid-19 Health Emergency

The Leader presented the report that set out the strategic recovery aims that will enable the Council's services to recover and operate whilst continuing to support the Council's strategic aims set in the Corporate Plan 2017/22.

The report confirmed the Covid-19 health emergency has posed significant and unprecedented challenges to the way the Council delivers its services and the impact on the way of life.

The Leader confirmed that:

- The Council's focus has been to preserve life, minimise the spread of the virus and support its communities and the vulnerable that have been impacted by this disease.
- During this difficult time, the Council has ensured that frontline services continue to be delivered to communities across Newport. At the very outset Cabinet said it would focus on:
  - Continuation of waste collection from households;
  - Over 700 food parcels distributed from the Council's Neighbourhood Hubs;
  - Schools supporting children of key workers and vulnerable children.
  - 10 Flying Start settings looking after 94 children and supporting 81 key workers;
  - Continued care and support provided by the Council's Children and Adult Social Services and ensuring front line staff had access to PPE;
  - Administered £30 million of business grants to 2,250 eligible businesses within Newport;

- With our partners providing safe and secure accommodation for the homeless in Newport;
- Council staff working from home through the IT support provided by the Shared Resource Service.
- Operating virtual contact centre; answering over 31,000 calls and over 2,400 emails.

The Leader and Cabinet extended their thanks to all members of staff, volunteers, partners and communities that have continued to deliver services and support vulnerable people throughout this difficult and challenging time. Working from home with excellent IT support has been a success and a virtual contact centre was established which has worked extremely well. This has been an unprecedented period and the citizens of Newport have been outstanding. Heads of Service and the senior leadership team have provided exceptional performance and service which is very much welcomed and appreciated.

The Leader reported that over the last few weeks, statistics from Public Health Wales have shown encouraging signs of Covid-19 cases slowing but that future peaks could still occur, therefore the City has to remain vigilant and adhere to the guidance provided by the Welsh Government and Public Health Wales.

There has been some easing of restrictions and the re-establishment of the Council's services such as the Household Waste Recycling Facility, establishment of a Track and Trace Centre and preparation for the safe reopening of schools.

The Leader confirmed that further Council services are recovering into a 'new normal' way of working and there is a renewed focus to ensure that this good work is not undone; the Council is supporting Newport's economy to rebuild and focus on those communities that have been impacted the most by Covid-19. To support the Council to do this, four Strategic Recovery Aims have been proposed that will provide a focus for members, staff, partners, and communities to understand what the priorities are for this next year.

The Leader invited Cabinet colleagues to make comments/observations on the Council's response to the crisis:

Cabinet Members commended staff for the way in which they have stepped up to the challenges brought about by Covid-19, particularly frontline staff who have continued to provide services in the public realm.

Cabinet noted that the Council was technically advanced to be able to deal with the crisis in terms of video conferencing, enabling staff to work from home and the Council's Hubs have been pivotal in providing help and support to the most vulnerable communities of Newport.

Thanks were expressed to the Council's housing team who have worked relentlessly to ensure the homeless were taken care of. Also the finance team for the work done on providing grants and rates relief to businesses as well as council tax relief to residents.

Cabinet was pleased to confirm there had been no demarcation of jobs with staff helping out in different service areas – all of whom have stepped up to the plate to ensure delivery of services.

Thanks were expressed to all partners and charities across the city and also thanks to the residents who provided charitable actions/donations throughout.

Cabinet expressed thanks to the Leader of the Council for her guidance and leadership during this.

The Leader thanked all members of the Council across all political groups who have worked closely together to ensure there has been a one-Newport response; thanks also to the Council's partners on the one-Newport partnership board.

The Leader thanked the Acting Chief Executive for her efforts and applauded her strong leadership which has been at the forefront of the Council's response.

The Acting Chief Executive gave thanks to colleagues in the senior team for their hard work but also huge thanks to the wider staff team across all service areas. She also thanked the Leader, Cabinet and all elected members for their support over the past few months in being able to make some important decisions in tackling the impact of this crisis.

The Leader emphasised the good work done by everyone to keep Newport safe and thanked all residents of Newport for their efforts in following Welsh Government/Council guidelines.

The Leader reported that the Strategic Recovery Aims do not replace the Council's existing Corporate Plan (2017-22) and Well-Being Objectives, but are intended to support them, and when services and partners are ready, the Plan will continue to be delivered.

- The four Strategic Recovery Aims have been developed with the Council's Wellbeing Objectives (Corporate Plan 2017-22) at the core of structuring focus for this year:
  1. Understand and respond to the additional challenges that Covid-19 has presented, including loss of employment, impact on businesses and on the progress, achievement and wellbeing of both mainstream and vulnerable learners.
  2. Understand and respond to the impact of Covid-19 on the city's economic and environmental goals to enable Newport to thrive again.
  3. Promote and protect the health and wellbeing of our people, safeguarding our most vulnerable, and building strong, resilient communities. And,
  4. Provide people with the resources and support that they need to move out of the crisis, considering in particular the impact that Covid-19 has had on our minority and marginalised communities.

The Leader confirmed the four Strategic Aims will be focusing on building on the positive work that has been undertaken across the Council but also acknowledging the further work required by the Council and its partners to address the areas that have been impacted the most in this crisis.

For example, the long term sustainability of the social care sector, emerging unemployment, the inequality and poverty that Covid-19 has highlighted across our community and which has impacted the most on the (BAME) communities across Newport.

To get to the 'new normal' way of working the Council is looking at:

- Phased re-opening of the Council's libraries;
- Supporting future re-opening of cultural and leisure facilities in Newport;
- Safe return of businesses including retail and construction to boost the City's economy; the Leader was pleased to report she had visited Debenhams on the re-opening of their store in Friars Walk and had seen at first hand the work being undertaken to re-open the store, as well as other retail businesses in Newport;
- Supporting people including the young that have lost their jobs to retrain, enter further education and support back into work;
- Supporting schools on their phased return.

The Leader confirmed that in order to support the delivery of the Strategic Aims, the Council is undertaking a Community Impact Assessment that will assess and address the impacts of the Covid-19 crisis across Newport's communities and will help inform future direction of the Council's priorities and actions.

The Strategic Aims set out the broad principles for recovery and will be implemented at a number of operational levels by more detailed service delivery actions and measures. Service areas will review and

revise their service plans for 2020/21 to support the delivery of the Strategic Aims and will be monitored/reported throughout the year.

The following actions will be taken to ensure delivery of the Strategic Aims, Council Services and Governance (The Leader confirmed that an infographic has been made available to illustrate these actions):

- The Council's Communications' Team will be supporting the promotion of the Strategic Recovery Aims to all stakeholders and Communities in Newport.
- The need to safely restore Council services, whilst maintaining a safe working environment for staff, councillors and service users. A programme of work is underway to address this.
- Restoring the governance and democratic process to ensure that there is accountability and transparency in the decisions made.
- The revision of the Local Government Meetings Regulations will enable the Council to undertake Council meetings remotely and work is underway to look at ways of reintroducing other Council meetings for the future.

The Leader confirmed a report is being prepared for July Cabinet setting out how the Council can get back to full council meetings, etc. Training for all members will be arranged for them to participate fully in these meetings.

The Leader invited Cabinet Member comments on the Strategic Aims:

Councillor Giles confirmed the opening of schools is the next major stage for education services with work ongoing to prepare children for return to school in September. Wellbeing will remain a major priority for ensuring a safe return to schools for all. The Cabinet Member confirmed the Council had provided the highest number of support hubs in the region, and provided IT equipment for children to continue to be educated.

Councillor Davies confirmed that one of the benefits arising from the pandemic was the reduction in traffic which has led to an improvement in air quality. The Council continues to work towards being carbon neutral by 2030 and there is a need to ensure that we take advantage of the situation and build on these improvements. . Also the reduction in grass cutting has enabled the wildlife to flourish and as a bee friendly city this has been welcomed. However, there is also a need to understand the impact on those most vulnerable in our society and there is much work to be done to help and assist people going forward.

Councillor Harvey confirmed that the Council's parks are now open full time albeit with restriction on play equipment; looking at plans to reopen the central library, the mobile library has been working; plans are also being progressed to reopen the transporter bridge.

Councillor Jeavons confirmed that in respect of air quality and active travel, the Council has been successful in its bids to Welsh Government. Waste and recycling services service continued throughout with the council working in partnership with Newport Wastesavers on recycling. The booking system for visitors to the HWRC is working extremely well and staff are keen for the system to continue. Staff were retrained in order to redeploy people to cemeteries to cope with excess death funerals. Councillor Jeavons

concluded by commending all staff who had assisted Debenhams with their request for rate relief which has resulted in the store reopening.

Councillor Cockeram confirmed that there had been 600K childcare sessions with food parcels, enormous pressure on children's services, and safeguarding and mental health issues have risen by a third. The crisis has made the service look at different ways of working with some staff going out to homes with PPE and doing respite in the children's own homes; the Council is now doing its own domiciliary care with disabled and vulnerable children. With regard to PPE, the Council's own care homes had stock of this equipment and the Council was also able to supply PPE to independent care homes. There have been no Covid-19 deaths recorded in the Council's care homes. Going forward there will be significant pressure in relation to safeguarding. The Cabinet Member thanked all social services staff for their tremendous hard work. Councillor Cockeram also paid tribute to the community connectors who have been supporting carers during this time.

Councillor Rahman commended the Council for the work done in partnership with the Salvation Army, the Wallich, Pobl, and other organisations to provide accommodation, meals and health checks to the homeless within the city, these people being amongst the most vulnerable. He also gave thanks to everyone for the help given to the BAME community who have been badly affected by this virus and also gave thanks to staff for the support with the BLM campaign and community cohesion issues.

The Leader shared with colleagues that she is due to have a roundtable discussion with the organiser of the BLM march in Newport in order to continue this dialogue and to keep any actions at the forefront of the agenda.

Councillor Giles reported that in line with Councillor Cockeram's comments regarding supporting vulnerable children, a system is in place with Gwent Police who work very closely with schools in regard to vulnerable children who may be at risk. Newly reported vulnerable children have been identified by education to social services. Councillor Giles also confirmed the free school meal voucher scheme has been very successful and provision will continue throughout August.

Councillor Harvey applauded the work done to get food parcels out to those that required them, all Newport's Flying Start facilities remained open. She gave special thanks to the Headteacher of Llanwern High who had delivered papers to children at home who didn't have IT access to enable them to continue with their education.

Councillor Davies confirmed that through the community hubs over 600 food parcels had been delivered to support those most vulnerable in the community, and an extra £30K funding has been given to the hubs to ensure food parcels can continue to be delivered. She thanked Newport City Homes for providing logistical support to make this happen.

Councillor Jeavons confirmed that parks, cemeteries, the HWRC have been able to reopen following thorough rigorous risk assessments, these assessments have contributed to the success within the Aneurin Bevan University Health Board area as it was the worst affected area at the outset of the pandemic.

Councillor Truman praised the Council's staff for stepping up to the plate, to some degree at their own personal risk, to ensure services were maintained.

The Leader thanked her cabinet colleagues for their comments and proposed that Cabinet endorse the Strategic Recovery Aims that will enable the Council's services to recover and operate whilst continuing to support the Council's Strategic Aims set out in the Corporate Plan 2017/22.

**Decision:**

Cabinet voted unanimously to endorse the report and the Strategic Recovery Aims, which will enable the Council to provide a strategic way forward for its Members, staff, service users and partners as the Council responds to the Covid-19 health emergency.

#### 4 Covid-19: Economic Impact and Recovery

The Leader presented the report that set out the Economic Impact and Recovery Strategy to support and facilitate Newport's businesses to recover and to continue operating.

The Leader confirmed:

- The Newport Economic Growth Strategy was adopted in 2015; and updated and approved by Cabinet in February 2020. At that time it was recognised that Newport had become a more competitive city with a growing influence in high value sectors and a rapidly expanding tourism sector.
- Following the announcement of lockdown on 23rd March 2020, the UK and Welsh Governments announced unprecedented intervention packages to help mitigate the worst of the economic damage a prolonged lockdown would bring. Over 2000 Newport businesses have received more than £26m in grant support. There has been a huge effort by the finance team to support businesses at this time and a number of very positive letters and feedback have been received from the business community in Newport.
- Economically, Newport is now in a different place. Unemployment in Wales is expected to rise from 3.2% to over 7.3% and it has been confirmed the UK economy shrank by 20.4% in April. Further reports predict the UK to be on the brink of the worst recession for three centuries.
- In order to recover and reposition itself, Newport needs to identify what areas of its economy will require support, where there are new opportunities and how the Council can shape the 'new normal' with businesses and investors; and to work collaboratively towards Newport's recovery.
- The strategy contained in the report will form an addendum to the adopted Economic Growth Strategy; the strategy proposed three key areas of focus: Recovery, Repositioning and Renewal:
  - Short term **RECOVERY**. Supporting businesses to ensure they claim all the grants and financial support available, supporting new opportunities and making sure interventions are appropriate, efficient and most of all timely.
  - Medium term **REPOSITIONING**. Continuing to attract inward investment and being clear about what the City has to offer in terms of quality of life and employment opportunities. Accelerating improvements to the digital infrastructure to support increased levels of home working, and growing the education and skills offer for the workforce to be able to adapt to a 'new normal'; not just across the Council but across the whole of Newport.
  - Longer term **RENEWAL**. Repositioning Newport in a new world where there will be opportunities to rebalance the economy with the environment and society to give greater resilience and improved well-being for residents, now and in the future.



The Leader confirmed this is a partnership approach and the Council will work with all partners, including the Cardiff Capital Region and the Western Gateway, to ensure that Newport emerges in a stronger and more resilient position.

The Leader had no hesitation in presenting the Strategy to Cabinet with the recommendation that Cabinet endorse it and start Newport's journey to economic recovery.

The Leader invited Cabinet Member comments on the report:

All Cabinet Members agreed that these are unprecedented times but that the Council will step up to the extremely challenging times ahead. This crisis provides an opportunity to look at different ways of working to support in particular the most vulnerable; the Council also needs to provide support and guidance to those who find themselves unemployed within the hospitality, leisure and retail sectors. Young people not in employment, education or training (NEETS) will be severely affected as their opportunities for employment will be massively reduced. Through the past 10 years of austerity, Newport has found ways in which to well serve the city and its residents and will continue to strive to enable people to get back into work and to re-start Newport's economy. The Council has to ensure there are no wasted opportunities and that interventions are timely and well managed to ensure a good recovery. The Council's good financial planning will be important in achieving these goals.

The Leader invited the Acting Head of Regeneration, Investment and Housing to comment: Mrs Brooks reinforced the comments already made, and confirmed this is definitely an opportunity for Newport to reposition itself and shape and influence its 'new normal'.

The Acting Chief Executive thanked the team for their hard work in pulling this important document together. Mrs Owen confirmed that a task and finish group had been set up with partners and this work has been a corporate team effort to look at ways to support and sustain the economy.

The Leader confirmed that at the July Cabinet meeting a report on the Western Gateway will be on the agenda which will aid further discussion on Newport's economic recovery.

The Leader thanked colleagues for their comments and proposed that Cabinet agreed to adopt the Covid-19 Economic Impact and Recovery Strategy as an addendum to the Economic Growth Strategy (as updated in February 2020) to ensure that the Council continues to support Newport's economy and identify where new opportunities may be found in order to shape the 'new normal' and continue to capitalise on opportunities for growth and investment until 2025.

#### **Decision:**

Cabinet voted and unanimously agreed and endorsed the Strategy.

### **5 Financial Management and Costs – Covid-19**

The Leader presented the report that outlined to Cabinet the key issues and risks to the Council's finances resulting from Covid-19, the estimated additional costs and funding for the Council's response to the crisis and progress in administering financial support given to local businesses and taxpayers during the Covid-19 lockdown period.

The Leader confirmed that Local Authority Leaders, Welsh Local Government Association, Welsh Government Ministers have been meeting regularly and commended the Minister for Local Government and Housing for the work she has done in partnership with local authorities.

The Leader reported the three key financial issues resulting from the Covid-19 situation:

- What has the Council done to support businesses and vulnerable households/individuals?
- What is all this forecast to cost and how is it being funded?

- What does this mean for the financial outlook this year – what impact will it have on the Council's finances?

The Leader confirmed the situation is very dynamic, with the response to the crisis at an all-Wales level and locally, changing daily. In that respect, the impact on the Council's finances is subject to change and the report highlights the current areas of potential risk and the costs the Council is incurring (mainly up to June). The situation remains fluid and is dependent on further responses to the situation.

Welsh Government have responded to the crisis with over £2.4 billion of initiatives and local government has been at the frontline in delivering the various support schemes that are in place; the Leader applauded their support.

The Leader confirmed the report detailed where the funding has been spent with most going to support businesses through the 'Economic Resilience Fund' and providing rates relief for eligible businesses. In addition, health service capacity is being supported, and local government is being funded to provide specific support for free school meal pupils, the homeless and care providers.

The Leader reported that locally the Council is providing financial support to businesses and vulnerable households/individuals, and highlighted the following:

- actioned rate relief of a considerable amount of money to those eligible businesses meaning they will not need to pay business rates for this year;
- paid out over £28m of non-repayable grants to approximately 2,300 businesses to provide short term financial support whilst closed over the period. The Council has been complemented on the speed in which they addressed this, in fact the Council borrowed money in order to get this cash out to them as fast as possible and by doing so, paid about £16m by the end of the first week of April;
- the Council has also worked with many households and deferred payments of Council Tax to those suffering some financial loss or uncertainty over this initial period.

The Leader further confirmed the Council is forecasting spend of approximately £6m in specific initiatives to support:

- those children eligible for free school meals whilst schools are shut – to the end of August.
- increasing its stock of short-term accommodation provision to support the homeless in this period.
- supporting care providers with additional financial support to cover their increased costs.

The leader highlighted the statistics and facts behind some of these figures:

- Over 60,000 food vouchers distributed to eligible families;
- 75 rough sleepers offered temporary accommodation and specific support;
- 232 families offered emergency and temporary housing;

- Over £900k financial support given to care homes to help them meet the increased costs of supporting the City's older and vulnerable population.

The Leader confirmed that whilst much of this is being funded by Welsh Government, the Council is facing significant financial uncertainty itself through this period and the Leader highlighted some of the key issues in the report:

- costs will continue to be incurred beyond June whereas funding commitment from Welsh Government is only available until June (this is the current understanding);
- a significant reduction in the Council's income from fees and charges; some support has been announced to help with this but going forward that support will not completely cover all the Council's losses;
- losses on collection of Council Tax; the revenues team have taken a sympathetic approach and will continue to do so but council tax does need to be collected and the Leader asked for Newport's council tax payers to be understanding of this;
- the increased cost of the Council Tax Reduction Scheme. The Leader urged all those families who are struggling to pay Council Tax to look into and apply for this benefit.

The Leader was pleased to report that the Council continues to work well with Welsh Government and continues to seek further funding wherever possible. However, the situation is changing regularly and therefore there is much uncertainty in the Council's finances for this financial year. The Leader confirmed the Council does have a contingency available to help with this if required.

The Leader emphasised the need for all service areas to manage their core budgets as well as possible and to avoid overspending. The usual budget monitoring processes continue; these are challenging due to the crisis and Cabinet will be receiving a report on the revenue outturn.

The Leader was pleased to report that to date, the Council's response has been comprehensive and robust, with essential services being more or less maintained and additional support given to those most vulnerable. All this has been made possible because of the herculean efforts made by Council staff. The Leader gave sincere thanks for this as the efforts have made a very positive impact on people's lives in this most challenging of times.

The Leader invited Cabinet Member comments:

Cabinet Members agreed that going forward more services may need to be cut in order to provide a balanced budget and they urged the UK Government to discontinue its austerity agenda. Praise was given to staff and the excellent way in which the Council's finances are prudently managed. There is a need to reflect on the costs to alterations in the services provide and new costs that may arise due to Covid-19.

The Leader thanked her colleagues for their comments and reiterated that prior to Covid-19 local authorities were feeling the impact of the Government's austerity agenda. The Leader again praised the Welsh Government for the work they have done with local authorities in providing as much financial assistance as possible; she also commended Newport East's MP Jessica Morden for raising this in the House of Commons and also Baroness Wilcox of Newport who has also raised the plight of local government in the House of Lords.

The Leader invited the Head of Finance to comment. Mr Rushworth encouraged businesses to apply for the business grants offered by Welsh Government – there are six days left before these grants end; he confirmed that mailshots have been sent out to businesses to remind them to apply and he encouraged businesses to apply for the grants before the deadline date of 30 June. He went on to say that there is

some uncertainty going forward with regard to about half a dozen key financial issues and these are currently being discussed with Welsh Government. The situation remains changeable but he expects the first financial budget forecast will be available in the next two weeks. He asked all Heads of Service to look after their core budgets as robust financial management will help the Council get through this difficult period.

The Acting Chief Executive confirmed that work is starting next week on the MTFP for 2021/22 onwards which will be very different to what was proposed previously.

The Leader thanked everyone for their comments and proposed that Cabinet:

- note and comment, as necessary, on the financial support administered and delivered to local businesses, organisations and households
- note the Council's costs in the delivery of specific Covid-19 service support in the first quarter of the year, and in particular that funding support for these costs is currently planned to cease at the end of June, with exception of free school meal provision which will continue until the end of August.
- note and comment, as necessary, on the key areas of financial risks and challenges the Council will face this year as a result of the current situation and the uncertainty that surrounds much of this given the very dynamic nature of the situation.
- note, agree and instruct the importance that all services operate within their core budget for 'non Covid-19 response activities' in this coming year as best they can, given the additional challenges created by Covid-19.

#### **Decision:**

Cabinet voted and unanimously agreed the report.

### **6 COVID-19: Test, Trace & Protect – Creation of a Contact Tracing Cell in Newport**

The Leader was pleased to say that this report goes some way to confirming our recovery period and the way forward.

The Leader introduced the report, the purpose of which was to ensure that Cabinet are aware of the current situation and to seek endorsement of the approach going forward for the delivery of Contact Tracing in Gwent.

The Leader introduced the Cabinet Member for Licensing and Regulation to present the report.

The Cabinet Member confirmed the report sets out the work that has been undertaken, to date, to establish a Local Contact Tracing Team in Newport. The Cabinet Member confirmed that these are just interim arrangements for the first three months, in order to get the service operational in an extremely short timescale. A future strategy will need to be agreed in conjunction with other partners, to develop a delivery model and governance structure for the longer-term. Key to this will be the funding that Welsh Government make available to pay for the service, as this cannot be delivered within existing Council resources.

The Cabinet Member went on to say, as everyone will be aware, the Test Trace Protect Strategy is a key element of the Welsh Government route plan for relaxing the Coronavirus lock-down in Wales. The increased testing and contact tracing will allow identification of who has the virus and who is at risk of having caught it so they can self-isolate and prevent spreading it to others.

The Cabinet Member confirmed that in Wales, councils have been tasked with the responsibility to establish local community contact tracing cells in each of their areas, in partnership with the regional Health Boards, with the contact-tracing being overseen at a national level by Public Health Wales.

Welsh Government published their plan on the 13<sup>th</sup> May so there was a very short timescale to set this up and running. The Cabinet Member paid tribute to the officers for the enormous amount of work that has gone into setting up the Local Contact Tracing Team in Newport. This required a collective effort across all Council services, to recruit and train staff, set up the equipment, develop temporary databases and put in place interim management arrangements.

The Council's Environmental Health Officers, due to their experience in dealing with contagious diseases, are leading on this work at both a local and regional level. The Cabinet Member stressed that this would not have been possible without significant numbers of staff from other services volunteering to carry out this contact tracing work from home, many of whom are currently vulnerable and "shielding".

Due to the rapid pace of change, there have been significant developments since the report was first drafted, and the Cabinet Member updated Cabinet on progress in the past few weeks:

- started contact tracing work on 1<sup>st</sup> June with 10 contact advisers from Customer Services and five contact tracers from Public Protection, all working from home and using an interim database set up by the Shared Resource Service (SRS).
- the new CRM national data base is now on line and operational, but it has meant re-training the staff to use a different IT system. Since then, we've had a steady flow of positive cases.
- In the first two weeks in June, there were 11 positive cases referred, which generated 54 separate contacts. It is anticipated that the work will increase as restrictions are relaxed and testing is increased. PHW deal with distribution of the data.
- On 9<sup>th</sup> June, confirmation received from Welsh Government that funding will be made available for the costs of delivering the service from July to the end of March 2021 but no specific amount has been allocated. Provisional estimates suggest that a workforce of over 400 staff would be required across Gwent at a cost of approximately £13 million. This included six local teams with 70 staff in each and a Regional Overview Team led by Health Board Clinical Leads and Environmental Health Officers.
- There is no clear agreement on the future delivery model and governance arrangements. It was envisaged that the Health Board would employ the staff and manage the service regionally but discussions are now focussing on councils continuing to employ the local contact tracing teams. In relation to governance, the proposed model envisages a partnership board at the top of the structure, which could include elected members. But, as indicated earlier, the delivery model is entirely dependent on the available funding.
- PHW expect the service to run on a 24 hour service 7 days a week.

In closing the Cabinet Member highlighted the impact that the contact tracing work will have on other regulatory services. The Council has 17 staff allocated to the interim service and the Environmental Health Officers will continue to have a role at a regional level for the whole of the contact tracing period. Therefore, other statutory and regulatory services will have to be scaled-back significantly to accommodate the contact tracing work.

The Leader confirmed this is one of the key areas that covers the recovery process and invited Comments from Cabinet Members:

The Cabinet Members fully supported the service which will help to keep schools open, keep the R rate low until such time a vaccine/treatment can be identified. All agreed the staff dealing with this system are exceptional especially as the ABUHB was the epi-centre for the virus at the start of this pandemic.

Cabinet Members thanked Welsh Government for bearing the cost of this service which was welcomed. However, with 7 staff having been redeployed is a cost to the Council in respect of retraining and this needs to be funded. It was suggested that further conversations are needed with Welsh Government, PHW, and ABUHB with regards to ongoing funding, office space, etc. All fully supported this service which is helping to stop a new wave of covid-19 and all commended the Cabinet Member and staff.

The Leader thanked colleagues for their comments and invited the Head of Law and Regulation to comment. Mr Price confirmed that the Council can't sustain the redeployment of staff indefinitely and there will also be issues around governance and the delivery model and if that is affordable; there has to be a budget which should be at a regional level.

The Cabinet Member for Licensing and Regulation commended staff for their hard work in getting this up and running in two and a half weeks and which had been a cross-Council effort. He confirmed the need to look at the delivery and funding of the service going forward and asked Cabinet to note the report and endorse the approach taken to establish the service.

The Leader was happy to accept the report as the service is very necessary for recovery going forward.

**Decision:**

Cabinet voted unanimously and agreed the report.

The Leader closed the meeting and thanked officers for the outstanding work done during this period. She also thanked Cabinet for their support and gave special thanks to the Deputy Leader.

# Report

## Cabinet

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### Part 1

**Date:** 22 July 2020

**Subject** **Revenue Budget Outturn - 2019/20**

**Purpose** This report explains the Council's financial position for the year ending 31 March 2020, and lists year-end reserve transfers for Cabinet's review and approval.

**Author** HoF

**Ward** All

**Summary** Under difficult circumstances, the Council has managed its overall revenue position within budget. As shown in appendix 2, the revenue outturn shows an underspend of £2,062k prior to the approval of new reserve transfers requested by service areas, leaving a remaining underspend of £1,807k. Excluding schools, this represents a less than 1% variance against net budget.

The underspend has increased by £377k since the January forecast and the broad issues that explain this are:

- Service areas have overspent by less than was forecasted (positive impact), specifically in the demand led areas of social care, and;
- Non-service budgets have underspent by less (negative impact) than forecast.

In the main, the outturn position follows the same pattern of over and under spending as reported throughout the financial year; overspending in service areas has been offset by under-spending in the non-service areas of (i) council tax benefit payments (ii) more council tax income and (iii) the general contingency budget.

The Council has faced some unexpected costs during the last part of the financial year and it is fortunate that these have been able to be accommodated within the overall budget. This is not solely due to the reduced levels of overspending in service areas referred to above but also because of the one off grant funding received by social care throughout the year. This unexpected income was included within the January forecast and the underspend increased further at year-end due to reduced activity and associated cost in the last quarter within adults social care.

The report compares the revenue outturn for the financial year ending 31 March 2020 with the budget and provides a summary statement of key issues, which have the potential to impact upon financial management in future years.

This report makes recommendations to earmark the remaining underspend for the following future use; £400k for the implementation costs of an upgraded/ new financial system to ensure the Council has a stable financial system platform and £1,407k to the existing MTFP reserve to support achievement of the corporate plan and future budgetary challenges.

Appendix 1 Overall budget dashboard – March 2020

Appendix 2 Revenue summary monitor - March 2020

Appendix 3 Revenue summary monitor by activity - March 2020

- Appendix 4 School balance outturn position
- Appendix 5 2019/20 reserve movements
- Appendix 5a Reserve movements - summary including explanation
- Appendix 6 Delivery of MTFP savings – March 2020

**Proposal** That Cabinet:

1. Note the outturn position, which is subject to audit and the major variances for the year (sections 1-3);
2. To approve use of the underspend as set out in section 5 of the report and note the resulting level of the Council's general and earmarked reserves;
3. To approve reserves transfers as set out in section 5;
4. Note the school's outturn and the position on the individual and total school reserves, the HoF concern regarding this position & note, comment and approve on the next steps in this area in section 3; in particular for an enhanced Senior Leadership Team focus on this area.
5. Note the other areas of budget pressures and challenges in section 1 and 2 and note, comment and approve on the action required to manage these, in particular for an enhanced Senior Leadership Team focus on social care overspending.

**Action by** Head of Finance

**Timetable** Immediate in order to meet publication deadline for 2019/20 accounts.

This report was prepared after consultation with:

Strategic Director - Place  
Heads of Service  
Leader of the Council as CM for strategic finance  
Accountancy Staff

**Signed**



## 1 Outturn summary

- 1.1 Newport City Council's budget for 2019/20 is £280.6m, which supports delivery of over 800 activities focussing on the overall mission - "Improving People's Lives". As in previous years the Council has maintained overall good financial control reporting an underspend against budget of £2,062k, prior to the approval of service specific new reserve transfers requests, which reduces the underspend to £1,807k, a 0.98% variance against the councils net budget, excluding schools. This is a £377k larger underspend compared to the January forecast and the explanations for these movements are set out in the table below. Whilst there has been a small improvement to the overall position, the key issues remain consistent with that reported throughout the year as the analysis below confirms.
- 1.2 In common with all authorities across the UK, financial management has been challenging as significant pressure continues to grow in respect of the increasing demands for essential services. As a growing city, the Council has had to deal with the pressures associated with this growth in the form of additional costs to deliver its services. The underspending/ better income in non-service areas and unexpected grant income in social care has resulted in an overall underspend.

The high-level analysis of the outturn against and January forecast is shown below:

	January Forecast		Outturn		Variance
	£'000	£'000	£'000	£'000	£'000
<b>Overspending in service areas (exc. Schools):</b>					
Children's out of area placements (*)	813		553		
Adults community care (*)	1,355		955		
Independent fostering agencies (*)	705		598		
Other service area	(1,751)		(1,894)		
<b>Service area overspends</b>		1,122		212	(910)
<b>One-off non service over/ (under) spends:</b>					
Centralised insurance fund			317		
Capital financing costs			(387)		
<b>One-off non service over/ (under) spends:</b>		0		(70)	(70)
<b>On-going non service over/ (under) spends:</b>					
Savings on C Tax benefit rebates – lower claimant No's	(1,373)		(1,377)		
Council tax surplus saving – housing growth	(750)		(941)		
Savings against Council's contingency budget	(1,473)		(1,473)		
Other	1,045		1,842		
<b>On-going non service over/ (under) spends:</b>		(2,551)		(1,949)	603
<b>Net Underspend (prior to new earmarked reserve transfers)</b>		<b>(1,429)</b>		<b>(1,807)</b>	<b>(377)</b>

- 1.3 The key movements since January forecast include:

Service area budgets underspent by less:

- Adults - £448k better due to a reduction of the number of care packages and care plans in March at £396k reduced costs and £80k unexpected grant monies from Welsh Government (WG);
- RIH – £223k better due to an improved profit share from the Norse Joint Venture at £195k;
- Law & Regulation - £186k better due to staff savings and underestimated income from registrars and environmental health;
- Capital financing costs - £387k better due to large slippage on capital spend leading to reduced levels of external borrowing expected.

- Children - £257k worse mainly due to a further £242k required to provide for 'failure to remove' insurance liability.

1.4 Non-service budgets underspent by less:

- Centralised insurance fund contributions – £316k worse due to additional provision required for the insurance fund as claims and costs increased against the Council;
- Other expenditure - £790k worse due to an increase in bad debt and provisions at £485k and Housing Benefit grant overspends at £401k;
- Council tax surplus – improvement of £191k.

## 2 Main variances against budget

1.1 The following section highlights the key areas that contribute to the overall Council position:

- Ongoing budget pressures on a small number of Council activities and how these have been addressed within the 2020/21 budget;
- Delivery of 2019/20 savings

### Ongoing budget pressures and 2020/21 impact

#### Service area budgets

1.2 Throughout the year, there has been a consistent message around the overall significant overspending within service areas. Whilst most service areas/ activities are spending close to budget there remains significant sustainability issues within three key areas of continued risk and these have been highlighted over the year, and indeed previous years. The paragraphs that follow focusses on these areas.

1.3 Whilst the overspending is significant within these three key areas, the position would have been worse had the areas not received unexpected grant income during the year. The next few paragraphs highlight the key underlying issues had the grant income not been received:

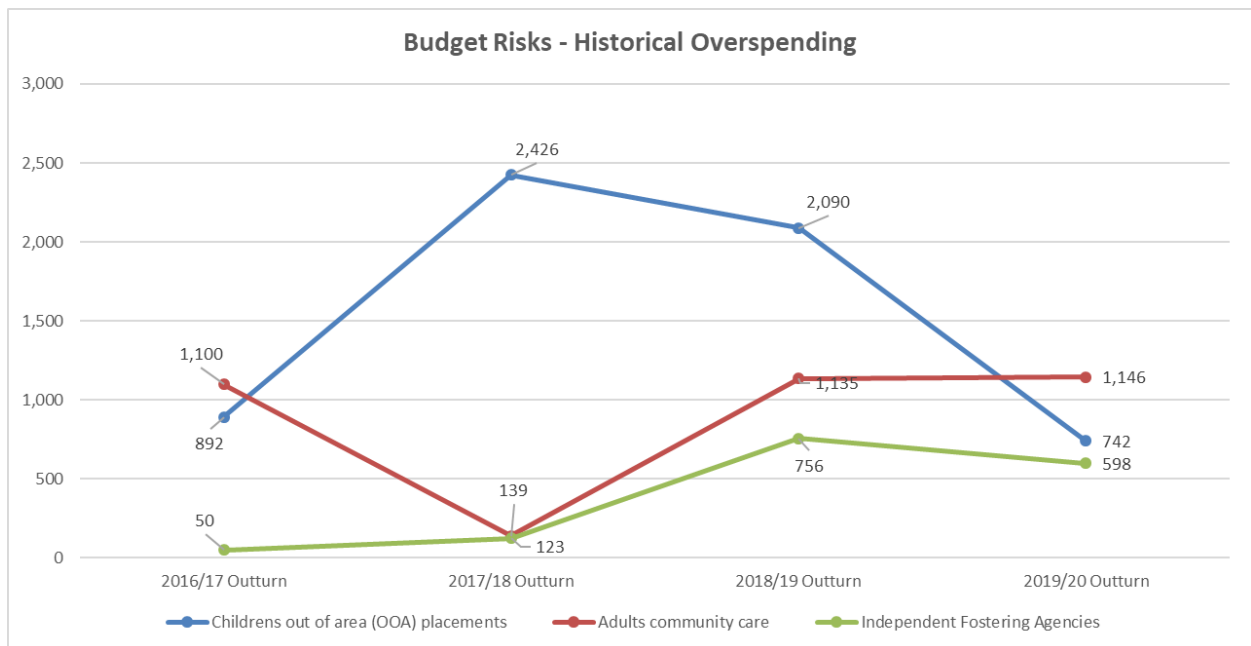
- Adults social care - community care – £955k overspend (underlying position exc unexpected / one-off grants - £1,146k overspend)
- Children's independent fostering – £598k overspend
- Children's out of area placements – £553k overspend (underlying position exc unexpected/ one-off grants - £742k overspend)

1.4 These three areas alone contribute £2.1m to the service area overspend (£2.5m exc. unexpected / one-off grants). As the outturn for social care is lower overall, at c£1.8m overspend, there are areas of underspending that mitigate the £2.1m of overspending shown above. This mitigation is predominantly savings against staff budgets. Children's reported staff savings of c£300k.

1.5 The following table shows the outturn position excluding these unexpected/ one-off grants and represents a position of outturn against the base budget if these unexpected grants had not been received:

	Actual Overspend (A) £'000	Unexpected Grant Included (B) £'000	Underlying Overspend (Exc Grants) (A+B) £'000	2020/21 Investment £'000
<b>Key risk areas:</b>				
Adults community care	955	191	1,146	1,477
Independent fostering agencies	598	0	598	382
Children's out of area placements	553	189	742	182
<b>Total</b>	<b>2,106</b>	<b>380</b>	<b>2,486</b>	<b>2,041</b>

1.6 Within these three areas of social care there is an underlying overspend of £2.5m in 2019/20 of which budget investments of c£2.1m have been approved in 2020/21. Whilst the investment for 2020/21 looks insufficient for out of area placements (OOA placements) in comparison to the underlying base budget issue in 2019/20 this investment is deemed adequate as this accommodates the range that the HoS has targeted in terms of placement numbers for next year. There is also an expectation that the unexpected grants may continue during 2020/21, but this cannot be confirmed and therefore are not included in the 2020/21 base budgets.



2.7 Over the four years shown above, costs have been increasing faster than the budget investments in these areas and as a result, these areas continue to overspend each year. As part of finalising the 2020/21 current year's budget, the Council received a better than anticipated settlement from Welsh Government (WG) and this has enabled significant investments in all these areas.

### Non-service budgets

2.8 There are also significant one off overspends in non-service which without the one off funding and reducing demands in service areas would have caused significant issues themselves:

- The increase in the insurance fund requirement due to the high number of insurance claims risk for the council in future at £316k.
- Overspend on bad debt and other provisions of £609k.

- 2.9 The underspends continue to come from contingency, capital financing, council tax reduction scheme (CTRS) and council tax surplus. Whilst these areas have offset service area overspends in part it is unlikely to be able to provide this level of mitigation in this current year 2020/21 given the significant pressure on CTRS costs and in council tax collection from Covid-19, and the budget for CTRS has been cut.

#### Overall summary

- 2.10 This pattern of overspending in a small number of activities has been around for 2-3 years and even though the Council has invested relatively significantly in these areas each year, the pattern continues with expenditure significantly exceeding that investment and the previous year's spending.
- 2.11 Whilst the context for this is known, the continuation of this is not sustainable otherwise significant overspending will occur and the impact on other services will be significant. The Head of Finance recommends that the Senior Leadership Team puts in place a robust specific monitoring process with the social care management teams to review financial management issues in detail.
- 2.12 Appendices 1-3 show the outturn position on service/ non-service areas and activities before and after specific new service reserve transfer. Section 5 of this report lists the individual transfers, for Cabinet's review and approval.

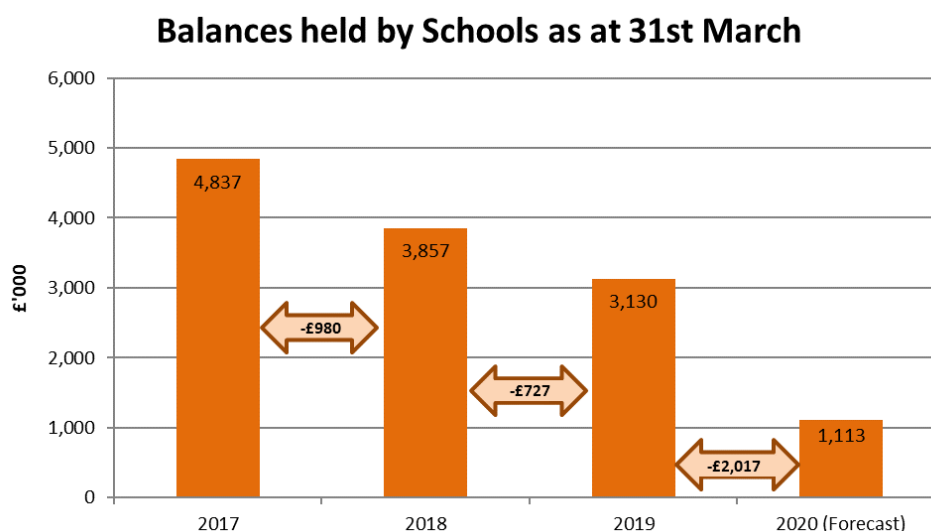
#### Delivery of medium term revenue savings

- 2.13 The position on delivery of savings is shown in appendix 6. Performance on delivery of 2019/20 savings has been good, with 91% of the £6.6m savings delivered. In saying this, the balance of undelivered savings in 19/20, at £592k is still a significant sum and, in addition, there was £91k of savings from 2018/19 still undelivered by the end of the year - £683k in total.
- 2.14 As part of work in finalising the 2020/21 current year's budget, the outstanding savings were reviewed in respect of deliverability and it was determined that the full extent of the outstanding savings are deliverable and would not pose a financial risk during 2020/21. This assumption will need reviewing in the context of the resulting issues around Covid-19.

### **3 Schools**

- 3.1 The 'schools' section of the overall dashboard and the schools outturn summary (appendix 1 and 4 respectively) outline the position on school finances. They show the individual schools and sector in-year under/ overspending for 2019/20, their reserves position and the reserve movements over the last three years.
- 3.2 The schools position has improved compared to earlier forecasts due to forecasts being overly pessimistic at £1.1m and £375k additional council funding which has been allocated to schools. The £375k council funding would ordinarily be transferred to the schools redundancy reserve, however this is deemed sufficient and therefore the budget was put into schools budgets; reducing their overspending and increasing their reserves position.
- 3.3 Without the one off £375k that was allocated to schools at year end schools would have overspent by £2,377k with all secondary schools and 27 out of the 43 primary schools overspending. This is the base position on schools as this additional funding was one-off and additional to their recurring funding.

- 3.4 In overall terms, schools overspent by £2,017k, even with the benefit of the £375k included and will therefore see school balances reduce from £3,130k to £1,113k as at the end of March 2020. This year's transfer from reserves is three times that of last year and is a significant deterioration. When looking at historical transfers from schools reserves it is clear that unless action is taken in terms of increasing the emphasis on financial management within schools there will be negative reserve balances at the end of 2020/21.
- 3.5 Despite the schools avoiding a negative reserve this year there remains serious issues in terms of financial management as over two thirds of all schools report an in year overspending, with secondary schools overspending in year by £1.5m as a sector.



- 3.6 It is evident that the position over the last year has deteriorated for both individual schools and schools as a whole. The outturn by sector is shown below;

<b>Nursery</b>	£39k overspend (1 of the 2 nurseries reporting an in-year overspend position)
<b>Primary</b>	£336k overspend (25 out of 43 schools reporting an in-year overspend position)
<b>Secondary</b>	£1,548k overspend (9 out of 9 schools reporting an in-year overspend position)
<b>Special</b>	£94k overspend (1 out of 2 special schools reporting an in-year overspend position)

- 3.7 With regards to the school reserves position following the overspending outlined above; with the exception of primary schools, there are deficit balances across all sectors. The position at individual school level is, however, more challenging, with 67% of secondaries, 12% of primary schools and 50% of special schools and nurseries, with nil or deficit balances. Of particular concern is the secondary sector, with 5 schools with in-year overspending of between £175k and £328k and one of these schools having a deficit reserve in excess of £1m. Schools reserves are likely to reduce further in 2020/21 unless action is taken to reduce costs with the challenge being that the reserve balances are not available to offset overspending to this level in future.
- 3.8 Schools are currently finalising their 2020/21 budgets and Governing bodies are required to approve these by the end of May. All have been reminded to prepare budgets taking account of their reserves position. Officers will review budgets alongside their reserves position when completed. There are 9 schools that required a licenced deficit in the current year, 2020/21 and the HoF will agree potential action with the Director for People and Chief Education Officer in conjunction with the Cabinet Member.
- 3.9 The HoF would remind Cabinet that other Council budgets and reserves, where unallocated/committed, will be needed to subsidise/augment school reserves if they fall, in overall terms, beyond 'nil' and into a substantial negative balance and there is no plan to recover this in a reasonable timescale. A key priority now is the finalisation of 2020/21 budgets to see what the reserve position is planned to be and medium term financial plans incorporating 'deficit recovery plans' to assess the longer term trajectory for school reserves. The Head of Finance recommends

again that the Councils Senior Leadership Team puts in place a robust specific monitoring process with the Education management teams to review financial management issues in detail.

#### **4 2020/21 budget impact**

4.1 Whilst the outturn is positive for the Council finances overall for the year-end 2019/20; it is important to reflect on the underlying issues that have been identified and assess what this might mean for the current year 2020/21 and beyond. Key observations and issues include:

- Significant budget investment has funded the main demand areas at the anticipated activity levels for 2020/21 and this has been the case for the last 2-3 years. However, costs have accelerated beyond the increased budgets still to produce significant overspending. In light of reducing budget overspending mitigation in non-service budgets this year (see below) and Covid-19, this pattern brings particular risks to financial management.
- Whilst service area overspends (predominantly social care) have been mitigated by non-service savings this year, it is unlikely to be able to provide this level of mitigation in this current year 2020/21 given the significant pressure on CTRS costs and in council tax collection from Covid-19, and the budget for CTRS has been cut.

The Council has budget contingency (c£1.5m) which will likely be needed to deal with one-off and unavoidable issues related to Covid-19 pressures and therefore, services and social care in particular need to operate within their budget envelopes outside of Covid-19 specific issues.

- Newport school reserves are inadequate, compared to current level of spending and consequent overspending. There is therefore little leeway for budgets to be set which results in overspending against funding allocated to individual schools. Schools need to operate within their budget this year. There is a high level of risk that school reserves will completely deplete requiring the Council's other budgets and reserves to fund their overspending.
- Overspending in non-service budgets, in particular on insurance risks and housing benefit administration/costs require specific review.

#### **5 Use of reserves**

5.1 The Councils reserves are an integral part of how the Council deals with its financial risks, achievement of key priorities and complying with proper accounting practice. The reserves the Council holds, earmarked for the uses shown illustrates how planning for and using reserves is integrated into the Council's strategic financial planning. As financial austerity continues, it becomes even more important that the Council considers and uses financial reserves to both protect its financial health and enabling its ambitions and priorities.

##### **In year reserve transfers**

5.2 There has been an overall decrease in the reserve balances as set out in appendix 5 – they have decreased from £103m as at 31 March 2019 to £87m at 31 March 2020 (including proposed new transfers for approval):

Opening balance as at 31 March 2019	(£103,037k)
Transfers actioned – base budgeted/approved in year ( <i>appendix 5 - £23,693k transfer out of and (£5,659k) transfer in</i> )	£18,034k
Transfers to be approved in this report – new (para 5.4)	(£255k)
Transfers to be approved – use of underspend (para 5.5)	(£1,807k)
Closing balance as at 31 March 2020	<b>(£87,065k)</b>

- All of the 'actioned' and 'for approval in this report' transfers above are included in the outturn. In terms of the transfers already actioned, all are consistent with one or more of (i) in line with existing policy (ii) were integral to the base budget approved by Cabinet previously (iii) in relation to the original creation of the reserve.

The larger, main transfers already actioned are noted below for Cabinet's attention, information and comment, if needed:

- consistent with existing policy;
  - (i) transferring school overspends out of school's specific reserves - £2,017k;
- specific to the creation of the reserves in the first instance / in base budget;
  - (i) the Council is required to assess the risk of its regeneration activities and resulting debts, and how it accounts for these. As part of this assessment, due to the current increased economic uncertainty and to meet accounting standards, £8,454k has had to be moved from the investment risk reserve to a bad debt provision against long-term debtors, reflecting the assessed increased risk of debt owed on one of its regeneration projects. As this reserve level was inadequate for this amount, £2,902k was reclassified/borrowed from the PFI reserve and added into it. This will need to be repaid over a number of years, and a £200k budget was approved in the 2020/21 budget report to repay the borrowing from the PFI reserve within timescales required. There is no impact on the outturn position for this reclassification.
  - (ii) Within the Southern Distributor Road PFI, £3,190k was taken out - split between £2,091 which was reclassified / borrowed to the Investment risk reserve noted above and £288k as part of the annually increasing contribution to the Council's PFI costs in its revenue budget.
  - (iii) transfer out of the insurance reserve into insurance provision in line with accounting practice, based on identified risks and claims at year-end - £2,167k;
  - (iv) transfer from capital expenditure reserve of £1,608k and £916k usable capital receipts in line with capital programme financing;
  - (v) use of approved invest to save funds to cover cost of implementation costs of saving proposals at £1,161k;
  - (vi) in addition to the larger, specific transfers set out above, Cabinet is asked to approve a larger number of smaller transfers - £4,180k transfers out of and £5,659k transfers into reserves, as detailed within appendix 5a.

5.3 Appendix 5 includes all transfers in/ out of reserves and whilst the significant transfers are set out in (i) to (iv) above appendix 5a sets out the lower value reserve requests referred to in (vi).

5.4 In terms of reserve requests for approval in this report, there are £255k of new reserve transfers requested by service areas at the year-end as follows:

(i)	Education - secure outdoor area - Bridge achievement centre	£10k
(ii)	City Services – ring- fenced civil parking enforcement surplus	£175k
(iii)	Finance - Oracle database upgrade, required to have continued support	£30k
(iv)	Capital expenditure transfer	£40k

5.5 Furthermore, the following reserve transfers are recommended to fully utilise the £1,807k revenue underspend:

- (i) Implementation costs of an upgrade/ new financial system to secure future stability of the financial platform £400k
- (ii) Allocate to existing MTFP reserve to support achievement of the corporate plan and support future budgetary challenges £1,407k

- 5.6 Cabinet is asked to note and approve all reserve transfers set out within this section.
- 5.7 The reserves have been categorised according to the planned use of funding and type of reserve, whether this be risk, enabling, smoothing or other. Reserves are:
- All earmarked for specific purposes with the exception of the 'general reserves', meaning that any use outside of those original purposes would require the original intention to be deferred/cancelled or the reserve paid back.
  - All, with exception of the capital receipts reserve, can be used to fund either capital or revenue costs and are therefore transferrable to other reserves, if it were needed.
  - Within the reserve balance at the year-end:
    - c£45m (52%) of the reserve balances are being drawn down over the medium term in line with contractual / funding obligations e.g. PFI, Super Connected cities
    - c£4.8m (5%) are to cover 'specific risks' and should not be used for other purposes until risks change
    - c£13.5m (16%) are to cover future capital spending and make up part of the Council's 'capital spend headroom'
    - c£10m (11%) are for funding of the MTFP saving and change initiatives linked to generating savings
    - c£7.6m (9%) are the Council's general reserves and school balances which are at minimum levels and for school use only respectively

### Timetable

Ongoing

### Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Outturn post audit is different	L-M	L	It will be possible to reduce the recommended transfer to reserves if required	HoF

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

A balanced budget position is reported and the use of the contingency budget was not required to achieve this, thus allowing support to the Council going forward and contributing towards the Council's key priorities.

### Options Available and considered

1. Cabinet can choose to accept officers recommendation and transfer the underspend into specific earmarked reserves;
2. Cabinet can choose not to approve the reserve transfers and instead report an underspend of £1,807k, this would be transferred to the general reserve;



3. Cabinet can choose not to approve the reserve transfers and move to alternative earmarked reserves.

### **Preferred Option and Why**

Option 1, as the £1,807k underspend is being reserved for future investment in the areas outlined in paragraph 5.5.

### **Comments of Chief Financial Officer**

The overall underspend of c£1.8m provides a useful and much needed opportunity to fund the implementation costs for a more stable financial system and IT infrastructure it sits on plus, crucially in the current times, the MTFP reserve.

Underlying the position are some significant issues, which require specific Senior Leadership Team and political review and oversight in going forward:

- Budget pressures and related issues within social care budgets
- School budgets and reserves

These are high-risk issues and a robust and urgent process in review /oversight /challenge is required.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the report.

### **Comments of Head of People and Business Change**

There are no direct HR implications arising from this report.

The revenue out-turn report describes the budget management process and outcome from the previous financial year, in this case 2019-20. The Well-being of Future Generations Act requires local authorities to ensure they consider the impact of decisions taken today on future generations. The report shows an overall underspend against the revenue budget; managing the budget effectively will have a positive impact on current and future years.

### **Comments of Cabinet Member**

The Chair of Cabinet confirms she has seen and approved the report, noted the issues and alongside use of the underspend, discussed and agreed these with Cabinet Members.

### **Local issues**

N/A

### **Scrutiny Committees**

N/A

### **Equalities Impact Assessment and the Equalities Act 2010**

N/A

### **Children and Families (Wales) Measure**

N/A

### **Wellbeing of Future Generations (Wales) Act 2014**

Wellbeing of Future Generations (Wales) Act 2015 forms an integral part of the financial management of the Council and the MTFP process of which the outturn of the Council is essential part. Analysis and review of reserves are an important aspect on the future generations and the Head of Finance reviews and assesses the robustness and adequacy of these reserves as part of this outturn report.

### **Crime and Disorder Act 1998**

N/A

### **Consultation**

N/A

### **Background Papers**

2019/20 Revenue Monitor reports

Dated:

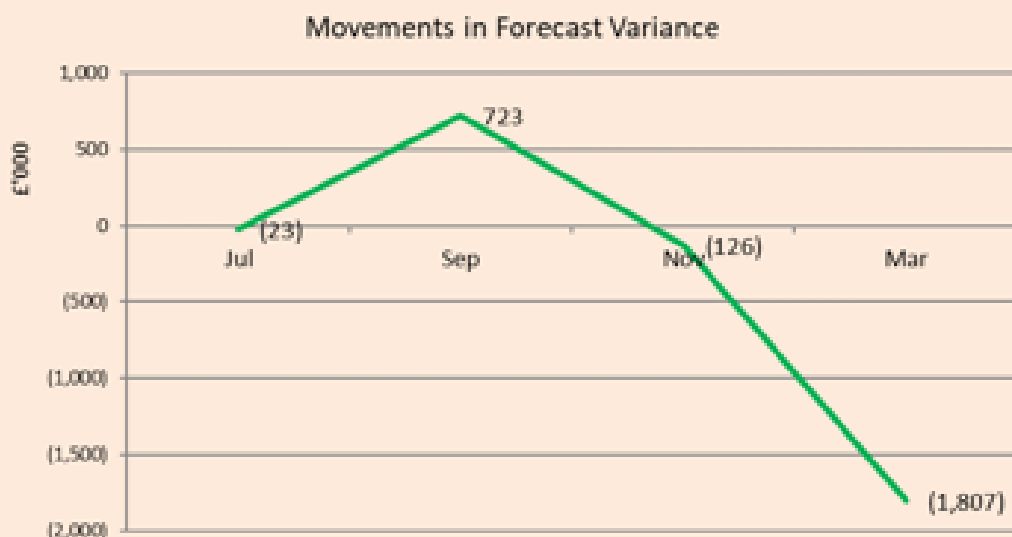
## Appendix 1

## Budget Monitoring Position – March 2020

Position by Directorate	Current Budget £'000	Outturn after proposed transfers	Variance £'000
People (exc Schools)	85,420	86,573	1,153
Place	33,716	33,440	(276)
Corporate	18,403	17,738	(665)
<b>Service Area Budget</b>	<b>137,538</b>	<b>137,751</b>	<b>212</b>
Schools (pre reserve transfer)	96,545	98,562	2,017
<b>Service Area Budget (inc Schools)</b>	<b>234,083</b>	<b>236,313</b>	<b>2,229</b>
Schools transfer from reserves	0	(2,017)	(2,017)
Non Service	45,055	44,509	(546)
<b>Total Budget (excluding contingency)</b>	<b>279,139</b>	<b>280,822</b>	<b>(334)</b>
General Contingency	1,473	0	(1,473)
<b>Total Budget (including contingency)</b>	<b>280,611</b>	<b>280,822</b>	<b>(1,807)</b>

Detailed explanations can be found within service area dashboards

### Forecast History – Cabinet reporting



### Position Summary

- Revenue outturn reports an underspend of £1,807k prior to earmarked reserve transfers of £1,807k.
- Underspend has increased since January in the main due to lower than forecast overspending and unexpected income.

### Key areas contributing to position

- Undelivered 19/20 savings of £592k
- Significant overspending in three key areas:

Children's Out of Area Placements	£553k
Adults community care	£955k
Children's independent fostering	£598k

- These three areas alone contribute £2.1m to the overall service area overspending. Had these areas not been in receipt of c£400k of one off grant funding the position should have been £2.5m overspend – this represents the true underlying issue.
- Mitigated by non service area underspends:

Council tax surplus and Ctax reduction scheme	(£2,318k)
General contingency	(£1,473k)

### Risks

- Service areas are overspending at unsustainable levels specifically given that significant one off grant income has been received by social care in 2019/20.
- Vast majority of schools have spent more than their funding in 19/20.
- School balances increasingly concerning as more and more become negative.

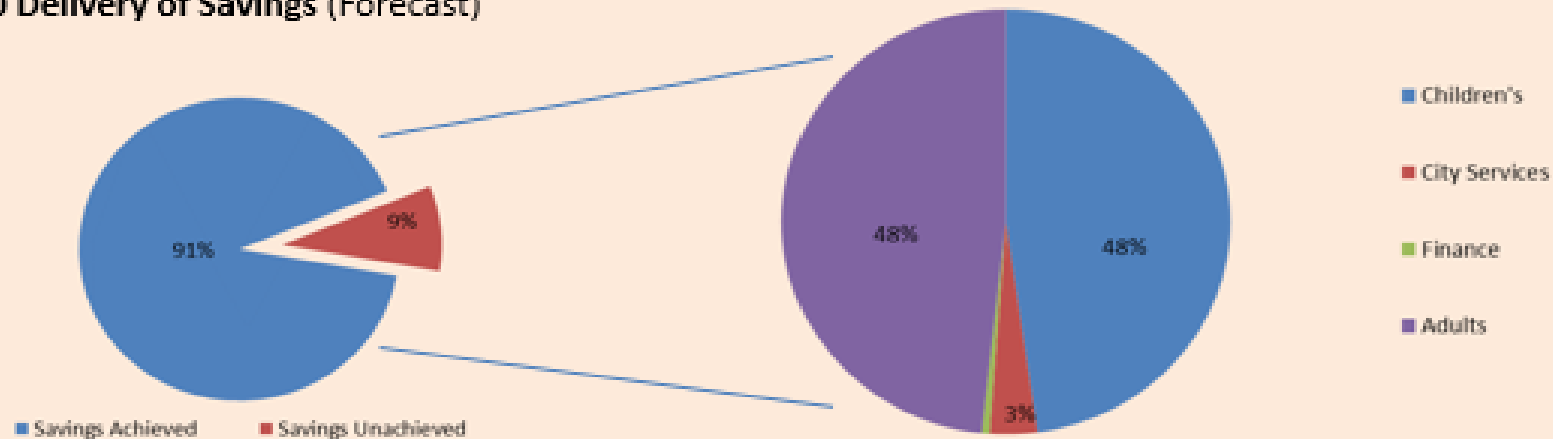
## Budget Monitoring Position – March 2020

### Staff Forecasts

Overall Staffing	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	61,255	61,255	59,491	59,418	59,462	58,929	59,571	59,571	59,571	59,568	59,568	59,578
Outturn (£'000)	61,255	60,767	58,734	58,454	58,504	57,545	57,888	57,681	57,488	57,165	57,165	56,676
Variance (£'000)	0	(488)	(758)	(963)	(958)	(1,384)	(1,683)	(1,890)	(2,083)	(2,403)	(2,403)	(2,902)

- Staff budgets account for a fifth of the Councils net budget

### 2019/20 Delivery of Savings (Forecast)



- The first chart shows that 91% of the total savings are forecast for full delivery in 2019/20
- The second chart illustrates the areas where savings are forecast not to be delivered (9% of overall target)
- 2019/20 balance of £592k undelivered savings remains significant in financial terms
- This is in addition to £91k undelivered savings dating back to 2018/19

Overall Summary	People	Place	Corporate	Non Service	Total
2019/20 MTRP Target (£) Total	1,775	1,107	35.2	3,319	6,553
Total Savings Realised by Year End 2019/20	1,206	1,087	34.9	3,319	5,961
Variation to MTRP Target	(569)	(20)	(3)	0	(592)
Variation % to MTRP Target	-32%	-2%	-1%	0%	-9%

## Budget Monitoring Position – March 2020

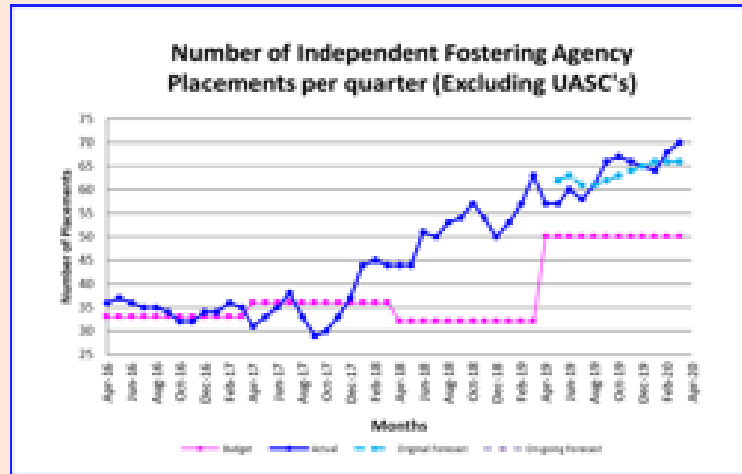
Risk Based Areas	Budget £'000	Outturn £'000	Variance £'000	Graph Reference
<b>Children &amp; Young People</b>				
Independent Fostering Agencies	1,935	2,533	598	i
Out of Area Residential	2,668	3,221	553	ii
In House Fostering	2,865	2,932	67	
Looked after Children (LAC) Remand	0	(12)	(12)	
Legal fees	505	1,082	577	
<b>Adult &amp; Community Services</b>				
Community Care - Residential	21,096	21,883	787	
Community Care - Supported living	8,796	9,777	981	iii
Community Care - Non Residential	9,824	10,236	412	iv
Community Care Income - Residential & Non Residential	(7,513)	(8,613)	(1,100)	
<b>Education</b>				
SEN Out of County - Local Authority	2,343	1,218	(1,125)	v
SEN Out of County - Independents	2,261	2,860	599	v
SEN Local Provision Development	497	588	92	
SEN Equipment & Resources	29	188	159	
SEN Transport	1,510	1,697	188	
Special Home to School Transport	232	160	(72)	
Bridge Achievement Centre	1,258	1,098	(160)	
<b>Regeneration, Investment &amp; Housing</b>				
Homelessness - B&B Costs	546	854	308	
Commercial & Industrial Properties Income	(1,330)	(1,418)	(88)	
<b>City Services</b>				
Commercial/ Assets Income	(1,185)	(1,265)	(80)	
Home to School Transport - Primary	951	924	(27)	
Home to School Transport - Secondary	1,064	1,195	131	
Home to School Transport - College	113	128	15	
CPE - fines income	(665)	(696)	(31)	
Burial fees	(636)	(609)	27	
Car parking income	(651)	(572)	79	
<b>Law &amp; Regulation</b>				
Licensing - Hackney carriages/ private hire	(355)	(480)	(125)	
<b>Total Net Budget</b>	<b>46,157</b>	<b>48,911</b>	<b>2,754</b>	

- In 2019/20, there were over 25 budget areas identified as having the potential to be high risk or highly volatile. This list was reviewed on an on-going basis
- Although some of these areas have come in underspent against budget, they have continued to be monitored given the potential to have a significant impact
- There are six budget 'hotspot' areas within the risk based monitoring which demonstrate the significant financial impact and risk that only a small number of areas pose to the financial position of the Authority (graph ref i – v)
- These areas alone contribute £2m to the service area overspends
- These overspending areas are consistent with last years position despite significant investment in 2019/20 therefore it is critical that managers continue to make a concerted effort in 2020/21 to manage demand and to reduce spend wherever possible

## Budget Monitoring Position – March 2020

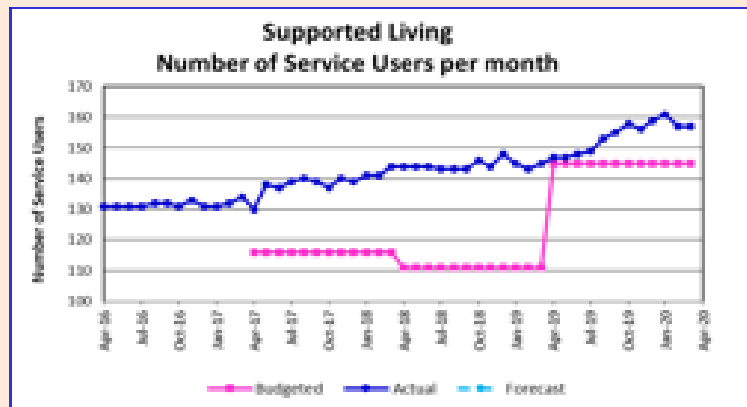
### Risk Based Monitoring graphs

(i) Independent Fostering Agencies

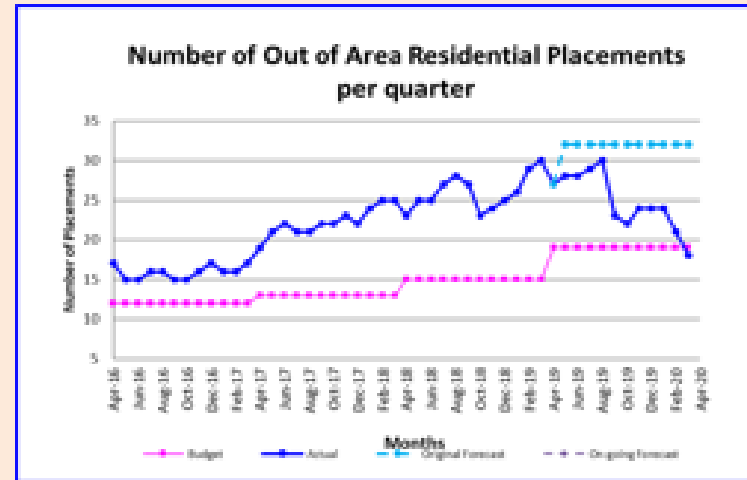


- The 2019/20 budget can afford 50 placements per month at an average cost. The number of placements in this sector have increased to 70 at the end of the year resulting in an overspend of £598k.

(iii) Community Care – Supported Living

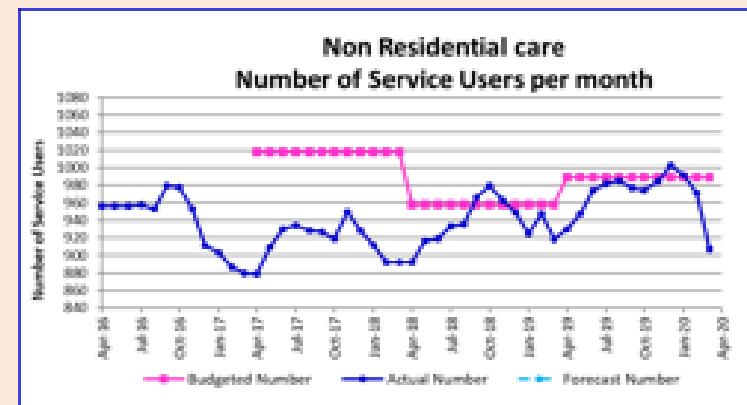


(ii) Out of Area (OOA) Residential Placements



- Budget can afford 19 placements per month at an average cost. The service ended the financial year with 18 placements in out of are provision resulting in an overspend of £553k.

(iv) Community Care – Non Residential

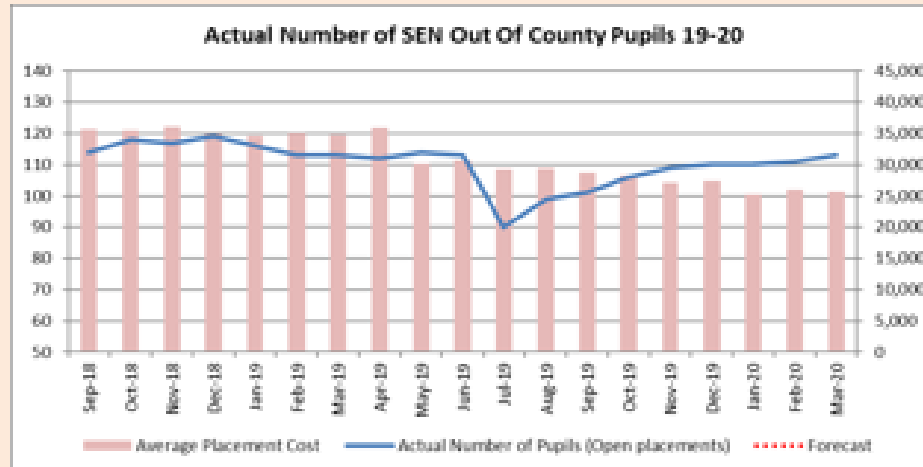


\*\* Due to changes in reporting average budget data is unavailable prior to April 2017.

## Budget Monitoring Position – March 2020

### Risk Based Monitoring graphs

(v) SEN Out of County Placements – Local Authority and Independent



- SEN OOC budget can accommodate 132 placements at an average cost of £27k. This is 30 additional placements based on £920k additional funding awarded for 19/20
- Placements ranging between £20k and £30k account for 19% of the total number of placements and one placement in particular costs the Authority £108k due to the complex needs of the individual

## Budget Monitoring Position – March 2020

### Schools

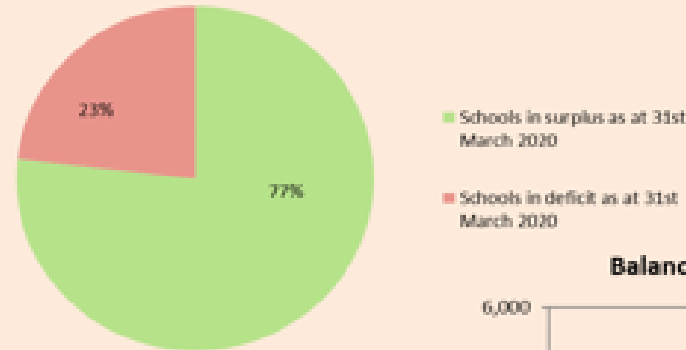
Schools received £375k one-off funding the Council in 2019/20. This funding would ordinarily be transferred to the schools redundancy reserve, however this is deemed sufficient as to not increase further. Overall, schools would have overspent by £2,377k had they not been in receipt of this additional funding with all secondary schools and 27 out of the 43 primary schools overspending. This is the base position on schools as this additional funding was one-off and additional to their recurring funding. This is unsustainable.

It is evident that the position over the last year has deteriorated for both individual schools and schools as a whole. The outturn by sector is shown below;

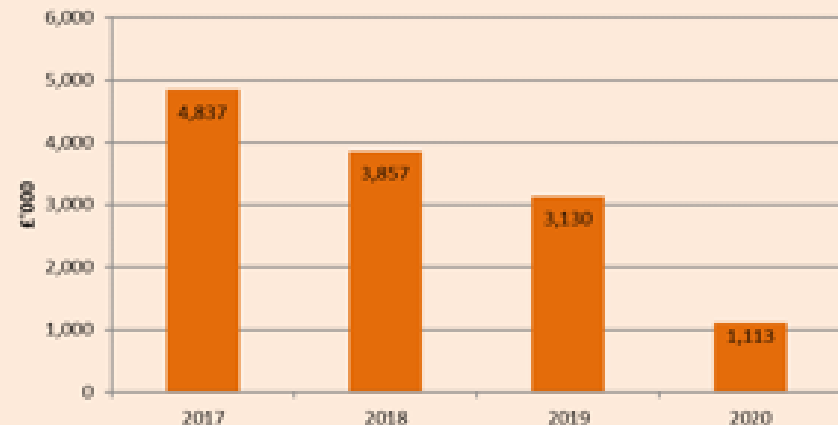
- Nursery £39k overspend (1 of the 2 nurseries reporting an in-year overspend position)
- Primary £336k overspend (25 out of 43 schools reporting an in-year overspend position)
- Secondary £1,548k overspend (9 out of 9 schools reporting an in-year overspend position)
- Special £94k overspend (1 out of 2 special schools reporting an in-year overspend position)

Schools with deficits at year end	Mar
Kimberley Nursery	(66)
High Cross Primary	(42)
St Woolos Primary	(47)
Jubilee Park	(8)
Rogers Lane Primary	(33)
Mareglas Primary	(19)
Newport High	(233)
Caerleon Comprehensive	(1,065)
Llanwern High	(754)
Llanwern High	(290)
Mans Ebbw	(118)
St Julians	(181)
Ysgol Gylf Gwent Iscrod	(39)
Variance (£'000)	(2,895)

Proportion of Schools Forecasting Deficit as at 31st March 2020



Balances held by Schools as at 31st March



Schools are forecasting an in year overspend of £2,017k therefore reducing the school balances from £3,130k to £1,113k at the end of March 2020. This is a significant area of concern and will cause issues for the Council as a whole.



## APPENDIX 2 Revenue Summary Monitor - March 2020

	Current Budget	Outturn before Proposed Transfers	Proposed 'New' Transfers	Outturn after Proposed Transfers	(Under) / Over after Proposed Transfers	Change Since Last Statement
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Summary Revenue Budget 2019/20</b>						
<b>People</b>						
Children and Young People	24,467	25,697	-	25,697	1,229	257
Adult and Community Services	46,744	47,242	-	47,242	499	(448)
Education	14,209	13,624	10	13,634	(575)	(157)
Schools	96,545	98,562	-	98,562	2,017	(1,502)
	<b>181,965</b>	<b>185,125</b>	<b>10</b>	<b>185,135</b>	<b>3,170</b>	<b>(1,850)</b>
<b>Place</b>						
Regeneration, Investment and Housing	9,994	9,738	-	9,738	(256)	(223)
City Services	23,722	23,527	175	23,702	(20)	(138)
	<b>33,716</b>	<b>33,265</b>	<b>175</b>	<b>33,440</b>	<b>(276)</b>	<b>(361)</b>
<b>Chief Executive</b>						
Directorate	501	466	-	466	(36)	(13)
Finance	3,267	2,986	30	3,016	(251)	(127)
People and Business Change	7,395	7,423	-	7,423	28	126
Law and Regulation	7,239	6,833	-	6,833	(406)	(186)
	<b>18,403</b>	<b>17,708</b>	<b>30</b>	<b>17,738</b>	<b>(665)</b>	<b>(201)</b>
<b>Capital Financing Costs and Interest</b>						
Capital Financing Costs MRP	7,489	7,489	-	7,489	-	0
Interest Payable	7,085	6,735	-	6,735	(350)	(350)
Interest Receivable	(127)	(164)	-	(164)	(37)	(37)
PFI	8,543	8,543	-	8,543	(0)	0
	<b>22,990</b>	<b>22,604</b>	<b>-</b>	<b>22,604</b>	<b>(387)</b>	<b>(386)</b>
<b>Sub Total - Service/Capital Financing</b>	<b>257,074</b>	<b>258,702</b>	<b>215</b>	<b>258,917</b>	<b>1,843</b>	<b>(2,797)</b>
<b>Contingency Provisions</b>						
General Contingency	1,473	-	-	-	(1,473)	-
Restructuring/ other savings	-	-	-	-	-	-
Centralised Insurance Fund	570	886	-	886	317	316
Non Departmental Costs	-	8	-	8	8	8
Other Income and Expenditure	110	2,046	40	2,086	1,976	830
	<b>2,152</b>	<b>2,940</b>	<b>40</b>	<b>2,980</b>	<b>828</b>	<b>1,154</b>
<b>Levies / Other</b>						
Discontinued Operations - pensions	1,563	1,461	-	1,461	(103)	1
Discontinued Operations - Ex Gratia Payments	2	3	-	3	1	(0)
Levies - Drainage Board, Fire service etc	8,282	8,271	-	8,271	(11)	(11)
Non distributed grants	-	-	-	-	-	-
CTAX Benefit Rebates	12,611	11,234	-	11,234	(1,377)	(4)
Extraordinary Items	-	-	-	-	-	-
Charity Rate Relief	-	(0)	-	(0)	(0)	(0)
	<b>22,458</b>	<b>20,969</b>	<b>-</b>	<b>20,969</b>	<b>(1,489)</b>	<b>(14)</b>
<b>Transfers To/From Reserves</b>						
Base budget - Planned Transfers to/(from) Reserves	(1,072)	(1,103)	-	(1,103)	(31)	(31)
Earmarked reserves: Queensbury Loan	-	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Capital	-	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	(2,017)	-	(2,017)	(2,017)	1,502
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-	-	-	-
Invest to Save Reserve	-	-	-	-	-	(684)
Invest to Save Reserve (from)	-	-	-	-	-	684
	<b>(1,072)</b>	<b>(3,120)</b>	<b>-</b>	<b>(3,120)</b>	<b>(2,048)</b>	<b>1,471</b>
<b>Total</b>	<b>280,611</b>	<b>279,491</b>	<b>255</b>	<b>279,746</b>	<b>(866)</b>	<b>(186)</b>
<b>Funded By</b>						
WG funding (RSG and NNDR)	(214,343)	(214,343)	-	(214,343)	-	-
Council Tax	(66,268)	(66,268)	-	(66,268)	-	-
Council Tax Surplus	-	(941)	-	(941)	(941)	(191)
<b>Total</b>	<b>(0)</b>	<b>(2,062)</b>	<b>255</b>	<b>(1,807)</b>	<b>(1,807)</b>	<b>(377)</b>

**APPENDIX 3 Revenue Summary Monitor by Activity - March 2020**

Summary Revenue Budget 2019/20		Current Budget	Outturn before Proposed Transfers	Proposed 'New' Transfers	Outturn after Proposed Transfers	(Under) / Over after Proposed Transfers	Notes - Explanation as Required
		£'000	£'000	£'000	£'000	£'000	
<b>People</b>							
<b>Children and Young People</b>		<b>24,467</b>	<b>25,697</b>	<b>-</b>	<b>25,697</b>	<b>1,229</b>	
<b>Tudalen 34</b>	SOC19 Pathway Team	1,546	1,082		1,082	(464)	Underspend on 18-19 Unaccompanied Asylum Seeking Children grant now included within 19-20 forecast (£208k) plus underspend in the 19-20 out-turn ,no unspent element will be carried forward to 2020/21 budget. Grant received from Welsh Local Government Association for unaccompanied asylum seeking children.
	SOC20 Leaving Care	695	686		686	(9)	Reduction in number of placements
	SOC21 Southwark 16+Homeless	26	12		12	(14)	
	SOC22 LAC Family Contact	98	197		197	99	Budget overspend attributable to an increase in the Children Looked After numbers and increased costs of transporting children looked after to school.
	SOC23 Child Safeguard + Missing Children	143	106		106	(37)	Vacant post
	SOC24 Children + Families Management Acc	502	469		469	(33)	Underspends on staffing and supplies and services plus income of £13k for transformation/leadership capacity
	SOC26 Integrated Family Support Team	1,618	1,561		1,561	(57)	Underspends due to vacant posts in year and some additional income from room hire.
	SOC27 SE Wales Adoption	740	784		784	44	Increased contribution to the regional Adoption Service and increased costs in relation to Preparation for Permanence.
	SOC28 Child Protection	4,384	4,518		4,518	133	Savings from vacancies in team budgets has been offset by the overspend on Legal Fees, Short Breaks and Children in Need budgets
	SOC30 NCC Child Res	2,893	3,495		3,495	602	The overspend is attributable to Emergency placement costs and overspends at in house residential & respite homes.
	SOC31 Out of Auth Residential Placements	2,668	3,208		3,208	541	The 2019-20 budget was set to fund 19 placements. There have been up to 30 placements this year (which has reduced to 24 in January 2020 reducing to 18 placements in March 2020.) resulting in the current forecast overspend.
	SOC32 Ind Foster Agency Placements	1,935	2,533		2,533	598	The 2019-20 budget has been set to be able to afford 50 placements. The number of placements commenced at 58 in April 2019 and peaked at 70 in March 2020.
	SOC33 In-House Fostering	4,295	4,108		4,108	(187)	The fostering budget can afford 185 placements. Placement numbers peaked at 224 in June 2019, before slowly reducing to 203 in February 2020 and dropping to 192 in March 2020. Staffing savings from the Fostering & Business Support Team are helping to reduce the current overspend in addition there was an Integrated Care fund allocation of £142k.

Summary Revenue Budget 2019/20		Current Budget £'000	Outturn before Proposed Transfers £'000	Proposed 'New' Transfers £'000	Outturn after Proposed Transfers £'000	(Under) / Over after Proposed Transfers £'000	Notes - Explanation as Required
<b>People</b>							
<b>Children and Young People</b>		<b>24,467</b>	<b>25,697</b>	<b>-</b>	<b>25,697</b>	<b>1,229</b>	
	SOC34 Special Guardianship Orders	987	1,078		1,078	91	The numbers of Guardianship orders increased from 194 in April 2019 to 204 in March 2020. The budget was set at 196.
	SOC35 Education Support Team	121	130		130	9	
	SOC36 Direct Pay Child Services	164	156		156	(8)	
	SOC37 S17 Child Dis Aid	30	21		21	(9)	Lower than expected equipment charges from the regional pooled budget as some costs were able to be funded through the Integrated care fund.
	SOC38 Adoption Allowances	307	341		341	35	Increased number of allowances being awarded.
	SOC39 Child Safeguard	606	604		604	(2)	
	SOC40 Youth Offending Service	710	606		606	(103)	Underspend due to reduction in employee costs due to vacancy and reduced operational spend.
<b>Adult and Community Services</b>		<b>46,744</b>	<b>47,242</b>	<b>-</b>	<b>47,242</b>	<b>499</b>	
Tudalen 35	SOC1 Home Care + Extra Care	1,746	2,145		2,145	399	An overspend of £429k for the Extra Care Service due to hours being delivered exceeding the tendered contract. £30k underspend on IT costs within the Homecare Systems budget
	SOC2 Older People Res Units	2,718	2,365		2,365	(352)	Residential fee income exceeded budget, increased Integrated Care Fund (ICF) allocation, offset by increased staffing costs.
	SOC3 Supp Living Agency	75	81		81	6	
	SOC4 Day Opportunities	1,285	1,106		1,106	(179)	Reduced staffing and operational running costs.
	SOC5 First Contact	516	467		467	(49)	Staffing underspend of £89k due to ICF and Winter Pressures funding offset by agency costs
	SOC6 SMAPF	-	-		-	-	
	SOC7 Integrated OT Total	620	651		651	32	Overspend of £38k relates to the approved engagement of a further Occupational Therapist. There was an underspend of £6k on the Gwent Wide Integrated Equipment Service budget due to regional Integrated Care Fund funding
	SOC8 Centrica Lodge Resp	227	190		190	(37)	A reduction in placement costs has been partly offset by a slightly reduced income forecast
	SOC9 Community Care Teams	2,056	1,933		1,933	(124)	Staffing underspend of £125k due to ICF and Winter Pressures
	SOC10.1 Community Care Residential Packages	20,417	21,260		21,260	843	Analysis shows that user numbers for older people are continuing to increase based on needs increasing from previous services within the community.
SOC10.2 Community Care Supported Living Packages	8,476	9,437		9,437	961	There have been 13 new placements in 19-20 and increased fees and providers costs.	

Summary Revenue Budget 2019/20		Current Budget £'000	Outturn before Proposed Transfers £'000	Proposed 'New' Transfers £'000	Outturn after Proposed Transfers £'000	(Under) / Over after Proposed Transfers £'000	Notes - Explanation as Required
Tudalen 36	People						
	SOC10.3 Community Care Non Residential Packages	11,363	11,622		11,622	259	19-20 saw up to 70 additional users receiving non-residential services. Due to an ageing carer population and higher service user needs this resulted in higher cost packages. Domiciliary care packages over £300 per week now account for over 20% of services in 19-20.
	SOC10.4 Community Care Packages Income	(9,606)	(10,705)		(10,705)	(1,099)	Additional Service User fee income being forecast reflecting increase in service user numbers during year. £191k received in Jan 20 from ICF for winter pressures
	SOC11 Community Care Packages-Mental Health	1,598	1,519		1,519	(79)	
	SOC12 Frailty Pooled Budget	1,963	1,770		1,770	(193)	Reduced contribution to pooled fund based on regional spend levels in 19-20.
	SOC13 Adults Management Account	638	590		590	(47)	Underspend on support costs and complaints budgets
	SOC14 Service Dev + Comm	798	744		744	(54)	An underspend of £44k on the Performance Information & Business Support Team in relation to a saving on IT costs and salaries which included £10k grant income for Performance Framework from Welsh Government. There was also a saving on the Support for Carers budget due to events that could not go ahead in March
	SOC15 Supporting People General	190	200		200	10	Unachieved vacancy provision of £10k
	SOC16 Adult Services Contracts	870	1,018		1,018	148	Saving of £250k agreed for 19/20 will not be fully achieved until 20-21 financial year.
	SOC17 Telecare Contract	82	35		35	(47)	Reduction in contract costs in readiness for a 20-21 budget saving of £50k.
	SOC18 Adult Safeguard Tot	474	524		524	50	
	PBC9 Social Services	238	290		290	51	Use of external trainers whilst a new member of staff was being trained in the role plus additional training requested by Head of Service from external training providers.

Summary Revenue Budget 2019/20		Current Budget £'000	Outturn before Proposed Transfers £'000	Proposed 'New' Transfers £'000	Outturn after Proposed Transfers £'000	(Under) / Over after Proposed Transfers £'000	Notes - Explanation as Required
<b>Education</b>		<b>14,209</b>	<b>13,624</b>	<b>10</b>	<b>13,634</b>	<b>(575)</b>	
	EDU2 School Based Counselling	206	206		206	-	
	EDU4 Psychology Services	327	228		228	(99)	Additional income due to grants/secondment. Unable to appoint staff and provide training.
	EDU5 SEN Team	304	278		278	(26)	Additional Transformation Grant of £20K
	EDU6 SEN Recoup OOC	4,356	3,772		3,772	(584)	Additional £920k investment awarded as part of the 19-20 budget setting process to deal with increases in demand. Any underspend within OOC will be used to offset a predicted overspend in equipment and resources, LPD and transport.
	EDU7 SEN Equip + Resources	29	188		188	159	Budget is not sufficient to cover the cost of therapies, £120k. Equipment outturn is £30k and SNAP joint service with Torfaen is £38k
	EDU8 SEN Local Provision	497	588		588	92	This should offset against OOC underspend as the provision of in house block placements avoid higher OOC costs. This also includes BAC recharges, demand has also increased in comparison to previous years.
	EDU9 Inclusion Management Account	221	227		227	6	
	EDU10 Education Welfare Service	327	300		300	(26)	No target budget for fixed penalty charges income hence surplus at year end.
	EDU11 Bridge Achievement Centre	1,258	1,088	10	1,098	(160)	Manpower savings due to vacant posts in the first half of the year. Additional income from S2S projects and SEN (not budgeted).
	EDU12 EIG-Education Improvement Grant	471	468		468	(2)	
	EDU13 GEMS	(14)	2		2	16	Incorrect budget of £-14k to begin with. Budget virement to be actioned.
	EDU14 Breakfast Clubs	433	480		480	47	Increased number of pupils
	EDU15 School Meals Repairs + Maintenance	584	498		498	(87)	Increased budget for 19-20 compared to 18-19 due to increased funding from RSG relating to free school meals. £35k adjustment relates to School Meal Admin charge to schools which has already been accounted for in Service Dev & Bus cost centre
	EDU17 Educ Mngt-Non Team	(444)	(554)		(554)	(110)	£55k relates to maternity credits, remainder relates to management/admin EIG recharge (not budgeted) and savings in training.
	EDU18 Service Dev + Bus	70	53		53	(18)	Catering Client Officer additional income/contribution forecast
	EDU19 Schools Admissions + Appeals	254	250		250	(4)	
	EDU20 21CS Programme	151	160		160	10	Secondment staffing to cover Maternity leave
	EDU21 Early Years + Integration	1,068	961		961	(107)	Reduction of placement sessions. Initially forecasted at 5 sessions/week to be prudent but most parents are only taking on 3 sessions/week
	EDU22 Redundancy + Pension	1,018	1,208		1,208	190	Teachers Pension costs and pension strain charges higher than budget.

<b>Summary Revenue Budget 2019/20</b>		<b>Current Budget</b>	<b>Outturn before Proposed Transfers</b>	<b>Proposed 'New' Transfers</b>	<b>Outturn after Proposed Transfers</b>	<b>(Under) / Over after Proposed Transfers</b>	<b>Notes - Explanation as Required</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>Education</b>		<b>14,209</b>	<b>13,624</b>	<b>10</b>	<b>13,634</b>	<b>(575)</b>	
	EDU23 Joint Services	1,228	1,225		1,225	(2)	
	EDU24 Transport	1,510	1,697		1,697	188	Miscoded £150k transaction charges from Special H2S transport. Transport demand higher than budget hence £38k pressure.
	STR28 Special Home to School Transport	232	160		160	(72)	Miscoded £150k transactions to Transport. Transport demand in 19-20 higher than budget.
	18992 Durham Road PFI	124	138		138	14	Utility bills higher than budget.
<b>Schools</b>		<b>96,545</b>	<b>96,545</b>		<b>96,545</b>	<b>(0)</b>	
	EDU01 Schools	96,545	96,545		96,545	(0)	
<b>Total People</b>		<b>181,965</b>	<b>183,108</b>	<b>50</b>	<b>183,158</b>	<b>1,193</b>	
<b>Face</b>							
<b>Regeneration, Investment and Housing</b>		<b>9,994</b>	<b>9,738</b>	<b>-</b>	<b>9,738</b>	<b>(256)</b>	
	RIH1 Homelessness	728	598		598	(130)	B&B costs have come in significantly over budget at year end however there is compensating HB income received to cover the majority of the overspend; PSL budgets underspend is a result of rents and homelessness prevention costs being lower than budgeted.
	RIH2 Strategy + Dev	332	484		484	151	The overspend primarily relates to the housing restructure along with the Ellen Ridge site energy forecast increases for 19-20 and bills not accrued for in 2018-19.
	RIH3 Housing Needs	902	919		919	17	
	RIH4 Private Sector Housing	85	98		98	13	
	RIH5 Com + Ind Portfolio	(1,249)	(1,195)		(1,195)	54	Whilst the C&I premises headings has seen an overspend in year this has enabled more properties to be relet in year bringing in additional income specifically Beechwood House, the resulting overspend in the main relates to the hoardings works at the university site (£25k) previously forecasted to be covered by the WG joint venture monies which was withdrawn in January and also rates payable for estate properties not part of the C&I portfolio.

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Summary Revenue Budget 2019/20		Current Budget £'000	Outturn before Proposed Transfers £'000	Proposed 'New' Transfers £'000	Outturn after Proposed Transfers £'000	(Under) / Over after Proposed Transfers £'000	Notes - Explanation as Required
<b>Regeneration, Investment and Housing</b>		<b>9,994</b>	<b>9,738</b>	<b>-</b>	<b>9,738</b>	<b>(256)</b>	
Tudalen 39	RIH6 Provision Market	-	(41)		(41)	(41)	The Provision Market forecast was initially based on last year 's outturn (£121k) as the site was trading as per last year. A thorough review of income during July has highlighted a number of stall holder withdrawals from the market as a result of the pending regeneration works; the Head of Service is anticipating a further reduction in stallholders as new lease arrangements by the incoming tenant are due to be issued therefore an income reduction of £77k has been applied to the forecast. In December the property manager was asked again to complete a thorough review of the income position; the HoS has insisted this is completed for January to ensure the forecasts remain accurate. The income forecast in January has been increased in line with actuals cash received to date.
	RIH7 Civic Centre Facilities Management	686	780		780	95	Overspends relate to ground maintenance, canteen equipment replacement, car park attendant costs and on off security (rising bollards) barrier costs which are unfunded as well as the additional energy costs expected this financial year.
	RIH8 Station Buildings	297	236		236	(61)	Rates forecast reduced as NSA floors are being paid directly by the NSA (£-50k) ; NSA refund calculated and accrued for as well as a provision for next years refund which will be due.
	RIH9 Centralised Properties	4,136	3,976		3,976	(160)	Increased NORSE contract costs in year have been offset in full by corresponding additional increased education income and an increased NORSE profit share; NORSE during the closing period issued a profit figure of £-420k for accrual purposes but this has been superseded by a figure supplied in May of £-614k (this is still subject to audit) figures have been updated and agreed by the Ho F; additional county farms repairs and maintenance required this year and a commissioned county farms estate report has been produced for review in readiness for FY20-21 (£23k)
	RIH10 Carbon Reduction	295	217		217	(78)	Carbon credit forecast reduced as not required this financial year (£-55k) savings also identified in the project fees budget heading

Summary Revenue Budget 2019/20		Current Budget £'000	Outturn before Proposed Transfers £'000	Proposed 'New' Transfers £'000	Outturn after Proposed Transfers £'000	(Under) / Over after Proposed Transfers £'000	Notes - Explanation as Required
<b>Regeneration, Investment and Housing</b>		<b>9,994</b>	<b>9,738</b>	<b>-</b>	<b>9,738</b>	<b>(256)</b>	
	RIH11 Building Control	24	30		30	6	
	RIH12 Plan & Dev Mngt Acc	118	171		171	53	
	RIH13 R+R Pooled Admin	50	52		52	2	
	RIH14 Urban Regeneration	305	248		248	(57)	Manpower savings make up the majority of the underspend (£32k) the business support account has also seen an overall underspend (£15k) due to the lack of take up as reported through year.
	RIH16 Development Mngt	322	209		209	(113)	Manpower savings (£-31k) the balance relates to a planning income over recovery as outlined in the monthly monitoring
	RIH17 Planning Pol + Imp	222	215		215	(6)	
	RIH18 Local Devt Plan	72	72		72	-	
	RIH19 Community Centres	119	194		194	75	Spend on new Hub models. Less income.
	RIH20 Comm Devt Core	112	149		149	37	Spend on new Hub model.
	RIH21 Youth Core	194	190		190	(4)	
	RIH22 City Playschemes	97	96		96	(1)	
	RIH23 Adult Education	(94)	(74)		(74)	19	Capital Contn to Hubs, Pension strain costs
	RIH24 Libraries	1,116	1,061		1,061	(55)	Savings to staff costs (£41K), Other costs (7K), additional income (£7K)
	RIH25 Museum + Art Gallery	354	410		410	56	Staff cost overspend (£75K) incl under-achieved MTRP. Cost overspends (£33K). Additional Income £53K.
	RIH26 Medieval Ship	68	53		53	(15)	Additional Grant income
	RIH27 Partnerships	176	179		179	3	
	RIH28 Tredegar House + Grounds	399	401		401	2	
	RIH29 14 Locks	21	23		23	3	
	RIH30 Transporter Bridge	120	109		109	(12)	Staff cost savings
	RIH31 CD Communities First	-	(0)		(0)	(0)	
	RIH32 Work + Skills Employ	-	-		-	-	
	RIH33 Work + Skills Europe	-	-		-	-	
	RIH34 Families First	-	-		-	-	
	RIH35 Flying Start	-	-		-	-	
	RIH36 Monwel	(13)	(31)		(31)	(19)	Additional income
	RIH37 Youth	-	(89)		(89)	(89)	Staff cost savings
	30420 Ellen Ridge Site	-	-		-	-	
	41065 Rivermead Centre	-	-		-	-	
	41066 Cefn Wood Centre	-	-		-	-	
	41070 Community Centre General	-	-		-	-	

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<b>Summary Revenue Budget 2019/20</b>		<b>Current Budget</b>	<b>Outturn before Proposed Transfers</b>	<b>Proposed 'New' Transfers</b>	<b>Outturn after Proposed Transfers</b>	<b>(Under) / Over after Proposed Transfers</b>	<b>Notes - Explanation as Required</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>City Services</b>		<b>23,722</b>	<b>23,527</b>	<b>175</b>	<b>23,702</b>	<b>(20)</b>	
	STR1 Env Serv	796	878		878	82	Income under budget in Parks. Additional repairs and Grounds recharges.
	STR2 Cemeteries	(576)	(524)		(524)	52	Burials Income lower than Budget offset by Child Burial Grant Income. Public Funerals significantly over-budget. Additional Repair costs and Grounds recharges
	STR3 Passenger Transport	1,078	1,167		1,167	89	Increase in bad debt provision
	STR4 Asset Management	418	340		340	(78)	Loss of Streetworks income RASWA(£27k) offset by increased Contracts & Projects income(-£58K) and vacancy savings on Asset & Flood Defence(-£48K)
	STR5 Street Lighting	1,988	1,939		1,939	(49)	Cost savings
	STR6 Senior Management Team	540	549		549	9	
	STR7 Traffic Management	163	211		211	48	S38 - unachieved income target
	STR8 Road Safety	379	312		312	(67)	Vacancies - School Crossing Patrols
	STR9 Leisure Trust	2,842	2,859		2,859	17	
	STR10 Waste Disposal Site	(434)	(487)		(487)	(53)	Increased Commercial waste income
	STR11 Sustainable Waste	1,888	2,137		2,137	249	Increased contract payments to Wastesavers for kerbside collection services (£239k) and increased expenditure in relation to recycle
	STR12 Refuse Collection	3,065	2,709		2,709	(356)	Reduced trade waste income (£104K), offset by reduced costs for sorting of waste(-£123K), waste disposal costs(-£142K), revenue contribution to capital (-£137K),PG Haulage costs (-£42K) and supplies(-£16K)
	STR13 HWRC	640	771		771	131	Increased recycle expenditure (£152K)and premises costs (£3K),partially offset by reduced waste sent for sorting (-£10K) and staff savings(-£14K)
	STR15 Drainage Operations	673	584		584	(88)	Additional grant awarded March 2020 (-£26K), savings on training (-£16K), premises costs (-£37K) and cesspit income (-£9K)
	STR16 Fleet Management	2,124	2,130		2,130	6	
	STR17 Grounds Maint	1,009	939		939	(69)	Budgeted Income unachievable on Grounds offset by underspend on Forestry
	STR18 Highways	1,605	1,473		1,473	(131)	Staff cost savings - Vacant post not recruited
	STR19 SDR South Distrib Road	(131)	(29)		(29)	103	Increased electricity costs (£65k) due to new contract and premises costs (£38k)
	STR20 Car Parks	(374)	(440)	175	(265)	109	Income did not meet budget, as expected. Unbudgeted survey fees.

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Summary Revenue Budget 2019/20		Current Budget	Outturn before Proposed Transfers	Proposed 'New' Transfers	Outturn after Proposed Transfers	(Under) / Over after Proposed Transfers	Notes - Explanation as Required
		£'000	£'000	£'000	£'000	£'000	
<b>City Services</b>		<b>23,722</b>	<b>23,527</b>	<b>175</b>	<b>23,702</b>	<b>(20)</b>	
	STR21 Street Cleansing	1,830	1,831		1,831	1	
	STR23 Depot Running Costs	202	214		214	12	
	STR24 Winter Maintenance	129	94		94	(36)	Unbudgeted Income, Favourable impact from over-accrual in 18/29, mild winter generally.
	STR25 Public Features	33	30		30	(3)	
	STR26 Customer Services	1,627	1,501		1,501	(126)	Complaints Team underspend on Staff and other costs (£14K). Contact Centre underspent on staff costs (£35K) and IT Costs due to Corona (£35K). Additional income for Benefits work
	STR27 Benefits	20	112		112	92	Budget did not meet Income (£143K). Additional Audit costs (£45K) & Other cost over-spends (£12K) offset by savings on Staff costs (£78K), Subscriptions (£20K), Postage (£11K), Other costs (£14K)
	STR28 Home to School Transport	2,189	2,226		2,226	38	
<b>Total Place</b>		<b>33,716</b>	<b>33,265</b>	<b>175</b>	<b>33,440</b>	<b>(276)</b>	
<b>Chief Executive</b>							
<b>Directorate CD100 Directorate</b>		<b>501</b>	<b>466</b>		<b>466</b>	<b>(36)</b>	Staff cost saving
<b>Finance</b>		<b>3,267</b>	<b>2,986</b>	<b>30</b>	<b>3,016</b>	<b>(251)</b>	
	FIN1 Accountancy	2,106	2,051	30	2,081	(25)	Additional Ed income & Staff cost savings utilised on additional costs . Underspend on Bank Chgs offsets overspend on Audit Comm.
	FIN2 Internal Audit	344	337		337	(8)	
	FIN3 Payments	132	132		132	0	
	FIN4 Strategic Procurement	350	233		233	(117)	Staff cost savings. Income higher than budget.
	FIN5 Council Tax + NNDR	170	86		86	(84)	Staff cost savings offset by significant overspends on Printing, Prof Fees, IT costs. NNDR income less than Budget
	FIN6 Debtors	165	147		147	(17)	Staff cost savings
<b>People and Business Change</b>		<b>7,395</b>	<b>7,423</b>	<b>-</b>	<b>7,423</b>	<b>27</b>	
	PBC1 HR Strategy + Op	676	627		627	(49)	Income did not meet budget (Salary Sacrifice significant part of this) offset by some cost savings. SLA Inc higher than Budget
	PBC2 HR Emp Serv	336	338		338	2	Staff cost offset by some cost savings
	PBC3 Business Chg Improv	346	293		293	(53)	Staff on reduced hours. Unbudgeted income
	PBC5 Comm Cohesion	85	69		69	(16)	More costs covered by Grant income
	PBC6 Partnership	523	541		541	18	MTRP target unmet
	PBC7 Partnership + Policy	508	489		489	(19)	Additional Management Fee income and staff cost savings
	PBC8 Health + Safety	173	216		216	44	Unbudgeted staff costs. Some unbudgeted income
	PBC9 Social Services	0	-		-	(0)	
	PBC10 Digital	337	406		406	69	Reduction in income and an overspend on supplies

<b>Summary Revenue Budget 2019/20</b>		<b>Current Budget</b>	<b>Outturn before Proposed Transfers</b>	<b>Proposed 'New' Transfers</b>	<b>Outturn after Proposed Transfers</b>	<b>(Under) / Over after Proposed Transfers</b>	<b>Notes - Explanation as Required</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
<b>People and Business Change</b>		<b>7,395</b>	<b>7,423</b>	<b>-</b>	<b>7,423</b>	<b>27</b>	
	PBC11 Info Gov + Dev	153	149		149	(4)	
	PBC12 Shared Res Serv	3,580	3,576		3,576	(4)	
	PBC13 Document Services	248	335		335	87	Income target is set higher than expenditure which isn't achievable. Postage higher than expected and recharges are lower. Charges for the lease of a new Folder Inserter machine and we are currently incurring costs for two machines (old and new). RICOH recharges for Q1 & Q2 were based on historical data.
	PBC14 Spatial Data	430	383		383	(48)	Staff cost savings offset by honoraria
<b>Law and Regulation</b>		<b>7,239</b>	<b>6,833</b>		<b>6,833</b>	<b>(406)</b>	
	LAW1 Comms + Marketing	577	540		540	(36)	
	LAW2 Registrars	159	97		97	(63)	Increase in income overall offsets an overspend on staffing, premises (mainly utilities) and supplies.
	LAW3 Democratic Services	566	454		454	(112)	Staff vacancies.
	LAW4 Members Allowances	1,113	1,114		1,114	1	
	LAW5 Electoral Reg	233	263		263	29	
	LAW6 Legal	1,392	1,199		1,199	(193)	Staff vacancies, savings on supplies and an increase in income.
	LAW7 Land Charges	(115)	(78)		(78)	36	
	LAW8 Insurances	887	839		839	(48)	
	LAW9 Comm Safety	794	875		875	81	Reduction in CCTV income based on confirmed contracts for 19-20.
	LAW10 Environmental health	1,009	919		919	(90)	Savings on staffing and supplies due to reduced spend on legal and professional fees. Reduction in spend associated with Works in Default and an increase in fee income overall.
	LAW11 Trading Standards	757	827		827	70	Work at the kennels and a decline in income. Reduced Trading Standards income and additional costs relating to professional and legal fees. There has also been additional spend on staffing and training courses.
	LAW12 Licensing	(134)	(216)		(216)	(82)	Increase in income.
<b>Total Chief Executive</b>		<b>18,403</b>	<b>17,708</b>	<b>30</b>	<b>17,738</b>	<b>(665)</b>	
<b>People</b>		<b>181,965</b>	<b>183,108</b>	<b>10</b>	<b>183,118</b>	<b>1,153</b>	
<b>Place</b>		<b>33,716</b>	<b>33,265</b>	<b>175</b>	<b>33,440</b>	<b>(276)</b>	
<b>Chief Executive</b>		<b>18,403</b>	<b>17,708</b>	<b>30</b>	<b>17,738</b>	<b>(665)</b>	
<b>Grand Total</b>		<b>234,084</b>	<b>234,081</b>	<b>215</b>	<b>234,296</b>	<b>212</b>	

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## APPENDIX 4 School Balance Outturn Position

School Name	Opening Balance	In Year Under/(overspend) Exc. additional funding	In Year Under/(overspend) Inc. additional funding	Closing Balance
	2019/20			2019/20
	£	£	£	£
Bassaleg School	287,615	(94,098)	(69,084)	218,531
Newport High	(45,927)	(204,834)	(187,471)	(233,397)
Caerleon Comprehensive	(736,609)	(350,197)	(327,952)	(1,064,561)
The John Frost School	132,839	(77,708)	(56,709)	76,130
Llanwern High	28,467	(334,522)	(318,887)	(290,421)
Lliswerry High	(547,907)	(220,957)	(206,124)	(754,031)
St Josephs R.C. High	180,341	(110,209)	(89,891)	90,450
St Julians School	(5,495)	(199,956)	(175,326)	(180,821)
Ysgol Gyfun Gwent Is Coed	77,216	(122,178)	(116,601)	(39,385)
<b>Total Secondary Schools (Inc. Post 16)</b>	<b>(629,461)</b>	<b>(1,714,659)</b>	<b>(1,548,044)</b>	<b>(2,177,504)</b>
Alway Primary	75,420	(20,400)	(15,304)	60,116
Caerleon Lodge Hill	77,708	15,370	19,124	96,832
Charles Williams CIW	213,471	5,532	11,499	224,970
Clytha Primary	13,564	511	3,145	16,709
Crindau Primary	169,709	(26,534)	(22,050)	147,659
Tredegar Park Primary	150,215	48,260	53,128	203,343
Eveswell Primary	239,228	(6,404)	(1,289)	237,939
Gaer Primary	135,308	(59,179)	(53,906)	81,402
Glan Usk Primary	12,432	17,131	24,039	36,470
Glan Llyn Primary		51,304	53,135	53,135
Glasllwch Primary	62,351	8,091	10,650	73,001
High Cross Primary	(19,886)	(25,386)	(22,371)	(42,257)
Jubilee Park	58,759	(70,228)	(66,777)	(8,018)
Langstone Primary	107,041	(6,062)	(2,464)	104,577
Llanmartin Primary	39,477	(20,326)	(17,836)	21,641
Lliswerry Primary	106,366	4,171	11,182	117,548
Maesglas Primary	3,662	(25,701)	(22,484)	(18,822)
Maindee Primary	66,444	(5,316)	329	66,774
Malpas CIW Primary	109,276	(49,418)	(45,663)	63,613
Malpas Court Primary	110,510	(67,692)	(63,687)	46,823
Malpas Park Primary	19,332	18,980	21,799	41,131
Marshfield Primary	89,475	(28,008)	(23,546)	65,929
Millbrook Primary	121,722	(42,369)	(38,981)	82,741
Milton Primary	63,550	(43,949)	(38,773)	24,777
Monnow Primary	233,067	(76,386)	(71,415)	161,652
Mount Pleasant	2,263	29,046	31,854	34,117
Pentrepoeth Primary	52,693	(5,635)	(845)	51,847
Pillgwenlly Primary	143,263	(29,343)	(22,149)	121,114
Ringland Primary	73,200	(27,611)	(24,089)	49,111
Rogerstone Primary	91,153	(130,756)	(124,082)	(32,929)
Somerton Primary	83,358	58,611	60,980	144,338
St Andrews Primary	67,471	(17,601)	(10,097)	57,374
St Davids RC Primary	58,427	6,599	9,031	67,457
St Gabriels RC Primary	48,690	(16,581)	(14,460)	34,230
St Josephs RC Primary	47,488	(16,305)	(14,016)	33,472
St Julians Primary	206,343	96,232	103,416	309,759
St Marys Rc Primary	57,891	(3,586)	612	58,503
St Michaels RC Primary	8,340	16,199	18,796	27,137
St Patricks RC Primary	51,372	(5,399)	(3,050)	48,321
St Woolos Primary	16,051	(66,730)	(63,213)	(47,163)
Ysgol Gym Bro Teyrnnon	135,193	29,654	32,116	167,308
Ysgol Gym Casnewydd	128,331	16,503	20,393	148,725
Ysgol Gym Ifor Hael	137,855	(40,680)	(38,470)	99,385
<b>Total Primary Schools</b>	<b>3,667,584</b>	<b>(511,390)</b>	<b>(335,790)</b>	<b>3,331,795</b>
Fairoak Nursery	9,393	19,822	20,395	29,788
Kimberley Nursery	(6,522)	(60,604)	(59,722)	(66,244)
<b>Total Nursery Schools</b>	<b>2,871</b>	<b>(40,782)</b>	<b>(39,327)</b>	<b>(36,456)</b>
Maes Ebbw	25,565	(154,107)	(143,159)	(117,594)
Ysgol Bryn Derw	63,904	43,911	49,013	112,917
<b>Total Special Schools</b>	<b>89,470</b>	<b>(110,195)</b>	<b>(94,146)</b>	<b>(4,677)</b>
<b>Total 2019/20</b>	<b>2,377,026</b>	<b>(2,017,307)</b>	<b>1,113,157</b>	

## APPENDIX 5 2019/20 Reserve Movements

Reserve	Balance at 31-Mar-19	Movement in Reserves (within budgeted position)		Proposed Transfers	Balance at 31-Mar-20	Type
		Transfers Out	Transfers In	Transfers In		
	£'000	£'000	£'000	£'000	£'000	
Council Fund:	(6,500)	-	-	-	(6,500)	General
Balances held by schools for future use	(3,130)	2,017	-	-	(1,113)	School's
				-	-	
<b>Earmarked Reserves:</b>				-	-	
Music Service	(127)	-	-	-	(127)	Risk
Pay Reserve	(1,418)	-	-	-	(1,418)	Risk
Insurance Reserve	(2,831)	2,167	-	-	(664)	Risk
MMI Insurance Reserve	(602)	-	-	-	(602)	Risk
Health & Safety	(16)	-	-	-	(16)	Risk
Education Achievement Service	(92)	-	-	-	(92)	Risk
Schools Redundancies	(845)	120	-	-	(725)	Risk
General Investment Risk Reserve	(5,201)	8,454	(3,911)	-	(658)	Risk
European Funding I2A & CFW	(278)	4	(120)	-	(394)	Risk
Metro Bus	(9)	-	-	-	(9)	Risk
GEMS Redundancies	(78)	-	-	-	(78)	Risk
<b>SUB TOTAL - RISK RESERVES</b>	<b>(11,497)</b>	<b>10,745</b>	<b>(4,031)</b>	<b>-</b>	<b>(4,783)</b>	
Capital Expenditure	(6,532)	1,608	(350)	(70)	(5,344)	Enabling
Invest to Save	(11,099)	1,161	-	-	(9,938)	Enabling
Super Connected Cities	(554)	128	-	-	(426)	Enabling
Landfill (fines reserve)	(345)	13	-	-	(332)	Enabling
Christmas Lights	(30)	30	-	-	-	Enabling
School Reserve Other	(182)	-	-	-	(182)	Other
School Works	(384)	132	(200)	-	(452)	Other
Investment Reserve	(747)	405	-	-	(342)	Other
Usable Capital Receipts	(8,295)	916	(880)	-	(8,259)	Enabling
Streetscene Manager Support	(154)	37	-	-	(117)	Enabling
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>(28,321)</b>	<b>4,430</b>	<b>(1,430)</b>	<b>(70)</b>	<b>(25,391)</b>	
STEP School Computers	(312)	312	-	-	-	Smoothing
Municipal Elections	(92)	-	(38)	-	(130)	Smoothing
Local Development Plan	(611)	-	(14)	-	(625)	Smoothing
Glan Usk PFI	(1,605)	-	(2)	-	(1,607)	Smoothing
Southern Distributor Road PFI	(43,881)	3,190	-	-	(40,691)	Smoothing
Loan modification technical reserve (IFRS 9)	(1,242)	-	157	-	(1,085)	Smoothing
Building Control	(132)	28	-	-	(104)	Smoothing
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>(47,875)</b>	<b>3,530</b>	<b>103</b>	<b>-</b>	<b>(44,242)</b>	
Works of art	(21)	-	-	-	(21)	Other
Theatre & Arts Centre	(232)	-	-	-	(232)	Other
Cymorth Income	(33)	8	-	-	(25)	Other
Blaen Y Pant	(8)	-	-	(10)	(18)	Other
Homelessness Prevention	(38)	-	-	-	(38)	Other
Environmental Health - Improve Air Quality	(49)	-	-	-	(49)	Other
Refurbishment of a Children / Older People Homes	(113)	72	-	-	(41)	Other
Apprenticeship Scheme	(51)	22	-	-	(29)	Other
City Economic Development Reserve	(90)	-	-	-	(90)	Other
Welsh Language Standards	(174)	-	-	-	(169)	Other

Reserve	Balance at 31-Mar-19	Movement in Reserves (within budgeted position)		Proposed Transfers	Balance at 31-Mar-20	Type
		Transfers Out	Transfers In	Transfers In		
	£'000	£'000	£'000	£'000	£'000	
Port Health	(13)	-	(3)	-	(16)	Other
CRM	(431)	187	-	-	(244)	Other
Financial System Upgrade	-	-	-	(400)	(400)	Other
Events	(266)	50	-	-	(216)	Other
MTFP Reserve	(1,762)	1,176	(44)	(1,407)	(2,037)	Other
Voluntary Sector Grants	(66)	17	-	-	(49)	Other
Bus Wifi	(35)	18	-	-	(17)	Other
SENCOM	(250)	250	-	-	-	Other
Bus Subsidy	(40)	25	-	-	(15)	Other
Feasibility Reserve	(177)	87	(27)	-	(117)	Other
IT Development	(351)	298	-	-	(53)	Other
Leisure Delivery Plan	(165)	62	-	-	(103)	Other
Chartist Tower	(950)	694	-	-	(256)	Other
Joint Committee City Deal Reserve	(399)	-	(227)	-	(626)	Other
NEW - Civil Parking Enforcement	-	-	-	(175)	(175)	Other
<b>SUB TOTAL - OTHER RESERVES</b>	<b>(5,714)</b>	<b>2,971</b>	<b>(301)</b>	<b>(1,992)</b>	<b>(5,036)</b>	
<b>RESERVES TOTAL</b>	<b>(103,037)</b>	<b>23,693</b>	<b>(5,659)</b>	<b>(2,062)</b>	<b>(87,065)</b>	

## APPENDIX 5a Reserve movements - summary including explanation

Reserve	Movement in Reserves (within budgeted position)		Reason for reserve	Type
	Transfers Out	Transfers In		
	£'000	£'000		
<b>Earmarked Reserves:</b>				
Schools Redundancies	120	-	Created from service income levels over and above grant income in previous years to cater for anticipated redundancy costs incurred as a direct result of schools own restructuring actions etc	Risk
General Investment Risk Reserve	-	(3,911)	To provide risk mitigation for Council investments such as loans to provided to organisations to provide regeneration initiatives	Risk
European Funding I2A & CFW	4	(120)	Surplus grant generated by Communities for Work project, due to FR15 Simplified Cost Option. To fund ongoing support costs for the delivery of the projects	Risk
<b>SUB TOTAL - RISK RESERVES</b>	<b>124</b>	<b>(4,031)</b>		
Capital Expenditure	-	(350)	To fund risks of delivery of Capital Projects e.g. abortive costs, cost overruns	Enabling
Super Connected Cities	128	-	To support the project over a 7 year period	Enabling
Landfill (fines reserve)	13	-	Household Waste Recycling Centre(HWRC) – additional opening hours	Enabling
Christmas Lights	30	-	Recover costs associated with Christmas Lights until alternative funding sources are found.	Enabling
School Works	132	(200)	Specifically for identified school works - funded by schools themselves. Reserve allow s schools to build up specific scheme reserves over a number of years, where required.	Other
Investment Reserve	405	-	Reserve set up from previous years underspends to spend on specific investments agreed by Members	Other
Usable Capital Receipts	-	(880)	Holds proceeds from the sale of property, plant and equipment, used to finance new capital expenditure. Currently reserved for Council contribution to 21C Schools programme	Enabling
Streetscene Manager Support	37	-	To provide additional management support for the City Services service area for a time limited period	Enabling
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>745</b>	<b>(1,430)</b>		
STEP School Computers	312	-	To support the migration of schools to SRS network	Smoothing
Municipal Elections	-	(38)	To smooth over significant differences in annual budget required over a cyclical period whilst keeping budget at a stable annual amount.	Smoothing
Local Development Plan	-	(14)	To smooth significant differences in annual budget required over a cyclical period whilst keeping budget at a stable annual amount. Related to production and inspection of the LDP and SPG's	Smoothing
Loan modification technical reserve (IFRS 9)	-	157	A technical reserve set up to fund the 'non-cash' interest payments that have arisen through a loan modification accounting treatment	Smoothing
Building Control	28	-	The reserve is to be used to draw down funds should there be a down turn in fee income (charging account) and also to promote and enhance the Building Control service in line with the CIPFA regulations and the Local Authority / Building Control Accounting 2010	Smoothing
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>340</b>	<b>105</b>		
Cymorth Income	8	-	To support partnership activity	Other
Refurbishment of a Children / Older People Homes	72	-	To maintain standards of in houses residential homes – Adults & Children's by refurbishing as required	Other
Apprenticeship Scheme	22	-	To support employment of apprentices	Other
Welsh Language Standards	5	-	To promote Welsh language	Other
Port Health	-	(3)	Port health over/(under) spends are required to be ring-fenced to a reserve for future years	Other
CRM	187	-	To fund the implementation of the CRM system	Other
Events	50	-	To fund the delivery of various events supported by NCC in partnership with various organisations	Other
MTFP Reserve	1,176	(44)	To support the achievement of the Corporate Plan and support future budgetary challenges	Other
Voluntary Sector Grants	17	-	To support Grants in the voluntary sector	Other
Bus Wifi	18	-	To fund bus wifi across the City	Other
SENCOM	250	-	New port was due to withdraw from the regional SENCOM partnership on the 1st of April 2019 and introduce the service in house. This did not prove feasible at the time hence additional funds were required to commission SENCOM services from TCBC	Other
Bus Subsidy	25	-	Additional Newport Transport Bus Services – N2 and N3 routes	Other
Feasibility Reserve	87	(27)	To fund feasibility Studies approved by CSAMG	Other
IT Development	298	-	Used to support the Council's ongoing digital initiatives as part of the Modernised Council Programme	Other
Leisure Delivery Plan	62	-	To fund the delivery of the Leisure plan	Other
Chartist Tower	694	-	2019/20 underspend earmarked to provide the funding of the Chartist Tower grant and loan	Other
Joint Committee City Deal Reserve		(227)		Other
<b>SUB TOTAL - OTHER RESERVES</b>	<b>2,971</b>	<b>(301)</b>		
<b>RESERVES TOTAL</b>	<b>4,180</b>	<b>(5,659)</b>		

## APPENDIX 6 Delivery of MTFP Savings – March 2020

### Overall Summary

	Education	Social Services Children	Social Services Adults	Regeneration Investment & Housing	City Services	People & Business Change	Finance	Law & Regulation	Non Service	Total 2019/20
2019/20 MTRP Target (£) Total	165	797	813	379	728	291	39	22	3,319	6,553
Total Savings Realised by Year End 2019/20	165	514	527	379	708	291	36	22	3,319	5,961
Variation to MTRP Target	0	-283	-286	0	-20	0	-3	0	0	-592
Variation % to MTRP Target	0%	-35%	-35%	0%	-3%	0%	-9%	0%	0%	-9%
Undelivered Savings from Previous Years	-91	0	0	0	0	0	0	0	0	-91
Variation to MTRP Target - previous and current year	-91	-283	-286	0	-20	0	-3	0	0	-683

### Summary by Portfolio - 2019/20 only

	People	Place	Corporate	Non Service	Total 2019/20
2019/20 MTRP Target (£) Total	1,775	1,107	352	3,319	6,553
Total Savings Realised by Year End 2019/20	1,206	1,087	349	3,319	5,961
Variation to MTRP Target	-569	-20	-3	0	-592
Variation % to MTRP Target	-32%	-2%	-1%	0%	-9%



# Report

## Cabinet

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### Part 1

**Date:** 22 July 2020

**Subject** **Capital Programme Outturn – 2019/20**

**Purpose** To provide to Cabinet the final Capital outturn for the 2019/20 financial year

To request Cabinet approval of budget carry forwards to fund slippage of existing project expenditure into the new financial year

To submit to Cabinet for approval, requests for new capital projects to be added to the Council's Capital Programme.

To update Cabinet on the current available capital resources ('headroom').

**Author** Chief Accountant & Assistant Head of Finance

**Ward** All

**Summary** The Council has an extensive capital programme, investing across the authority in areas such as schools, heritage assets, energy efficiency schemes, invest to save programmes and investing in the regeneration of the city centre. This report updates the Cabinet on its capital programme and the outturn for the 2019/20 financial year.

The 2019/20 outturn position highlights the following:

- £403k net underspend on completed projects.
- £8,445k underspend/slippage on in-progress projects requiring slippage of budget from 2019/20 into future years, representing 21% of the annual budget set in the last capital monitoring report brought to Cabinet in December.
- Additions to the capital programme of £16,308k and amendments (including 2019/20 underspends) of £1,135k, taking the overall programme 2019/20 to 2024/25 to £201,578.

### Proposal

1. To approve the additions to the Capital Programme requested in the report (Appendix A)
2. To approve slippage of £8,445k 2019/20 budget into future years, noting the re-profiling of the programme this gives rise too
3. To note the available remaining capital resources ('headroom') until 2022/23
4. To note the capital expenditure outturn position for 2019/20

**5. To note the balance of and approve the allocation of in-year capital receipts.**

**Action by** Assistant Head of Finance

**Timetable** Immediate

This report was prepared after consultation with:

- Heads of Service
- Accountancy teams for relevant service areas
- Relevant Service Area Project Managers
- NORSE Property Services

**Signed**

**Background**

The Council has set an extensive capital programme that was recently extended to 7 years to reflect projects whose completion date continues beyond the original 5-year programme. Cabinet have received monitoring updates throughout the financial year and the capital programme has been updated to reflect changes as they are received i.e. additions, slippage (moving budget into future years) and any amendments as detailed in Appendix A

The changes to the programme made throughout the financial year are shown in the table below, the detail of which is shown in Appendix B.

**Table 1: Changes to the approved Capital Programme in 2019/20**

Report	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000's
	<b>Outturn</b>	<b>Forecast / Outturn</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget*</b>	<b>Budget*</b>	
<b>Sept '19 Report (July forecast)</b>	29,466	42,301	47,161	31,497	13,708	N/A	N/A	<b>164,131</b>
<b>Nov '19 Report (Sept Forecast)</b>	29,466	38,551	44,344	44,351	13,868	11,517	2,349	<b>184,446</b>
<b>Dec '19 Report (Nov Forecast)</b>	29,466	39,321	44,557	45,330	13,868	11,517	2,349	<b>186,408</b>
<b>This Report (Outturn)</b>	29,466	31,358	64,544	48,474	13,868	11,517	2,349	<b>201,578</b>

\*The budgets included within 2023-2025 reflect the total budgets to complete schemes that were approved in original 5-year programme but spanned into these future years. This includes budgets for the 21<sup>st</sup> Century Band B programme which end in 2024/25 and Cardiff Capital Region City Deal funding commitments which extend beyond even these future years.

The budget changes and their associated funding are detailed in Appendix A and are requested to be approved by Cabinet. A summary of the latest additions to the programme are detailed below:

<u>Scheme</u>	<u>Value £'000</u>	<u>Funding Source</u>	<u>Note</u>
---------------	------------------------	-----------------------	-------------

NCC funded 21 <sup>st</sup> Century Schools Band B – Bassaleg School	3,134	100% Section 106	Expansion at Bassaleg School alongside Band B programme as per April Cabinet report
Education Asset Maintenance	18	Contributions from Schools	Additional work requested by the schools
Education Maintenance Grant 2019/20	2,141	100% WG Grant	Maintenance across schools estate
Education Demountable	785	Borrowing	Additional temporary facilities at Bassaleg School to support the increased Year 7 cohorts
Lliswerry High scheme	17	Section 106	Installation of a new bike shelter at Lliswerry High
ICT – Lliswerry High	10	Section 106	Additional amount for continued improvement works
Ed Tech Grant	362	100% WG Grant	Funding to ensure ICT networks are adequate to maximise digital teaching and learning opportunities and to deliver new curriculum in Wales, this grant is being administered via Caerphilly Borough Council
Education Accessibility Strategy	275	Borrowing	To provide improvement to the physical environments at five Newport primary schools, to achieve greater accessibility and equality for pupils with mobility, sight or hearing impairments.
Charles Williams Renovations	1,620	85% Grant 15% VA School Contribution	21 <sup>st</sup> Century Funding for renovation works at Charles Williams School
Lliswerry Primary Safeguarding	57	Section 106	To provide safe access for the school while proving a safe environment for the pupils to access and safely use the external play area
Maindee Primary Toilets	172	Section 106	Improvements to Toilets at Maindee Primary Schools
Enable (Disabled Grants)	197	100% WG Grant	Support for independent living
Information Station	1,750	£350k Borrowing £1,400k WG Grant	To allow alternative commercial use of the Info Station as per Cabinet report agreed in January Cabinet. This addition to the programme is subject to £1,400k funding from WG being approved, which is subject to ongoing discussions and final confirmation.
Flying Start Grants	251	100% WG Grant	Funding for maintenance and Improvements to Flying Start Facilities
Targeted Regeneration Investment (TRI) Thematic Funding	970	100% WG Grant	TRI funding for city centre redevelopment of under-used or derelict buildings to bring them

			back into either commercial use or new homes.
iTrent Development	235	Invest to Save	To develop and enhance the capability of the available technology.
Substance Misuse Action Fund	354	100% WG Grant	Various projects including leases and refurbishments
Oaklands - Garden	67	100% ICF Grant	Creation of outdoor play space and development of a sensory garden, including accessibility works
Disbursed accommodation and Covid-19 equipment	251	100% WG Grant	VAWDASV - Disbursed accommodation and Covid-19 equipment
Landfill provision	248	Landfill Provision	Development of cell 4 of Docks Way landfill site
Improving recycling in flats towards 70%	344	100% WG Grant	Increase recycling provisions in flats
Increased recycling at Docks Way	87	100% WG Grant	Increase recycling provisions at Docks Way
Plastic Waste Prevention Project	30	100% WG Grant	Reduce the use of plastics across Newport by buying fountains for use within public parks and improving recycling facilities at Civic Centre
Highways Refurbishment	111	100% WG Grant	Support for refurbishment of Public Highways
Green infrastructure	234	£45k S106 £189k WG Grant	Increase the number of urban trees, introducing Sustainable drainage system to flood prone areas and opening up pocket parks.
Safe Routes - St Davids RC Primary Year 2	278	100% WG Grant	For School Led design at St Davids RC Primary Schools to improve safe routes
Sustainable Transport Improvements Year 2	291	100% WG Grant	Funding for sustainable travel improvements in Newport, including bus priority, bike hire, electric vehicle infrastructure and park and ride options.
Upgrading and Replacement of Bus Stops	100	97% WG Grant / 3% Revenue Contribution	Funding for improvements to accessibility and attractiveness of bus services, with modal shift benefits.
Road Safety Capital A48 Llandevaud	74	100% WG Grant	To provide additional vehicle signage and an additional pedestrian crossing
Resilient Roads	65	100% WG Grant	Funding for surveys to be undertaken for drainage and carriageways
Carnegie Court Emergency River Works	1,000	Borrowing at this point / transferring to grant if/when confirmed'	To carry out works to the river bank replacement following a catastrophic collapse during the recent storms

Parry Drive Play Area Improvements	23	Section 106	For the improvement works to formal play facility at Parry Drive
Brecon Road Play Area Improvements	3	Section 106	For the improvement works to the formal play facility at Brecon Park.
Improvements to Throwing Facilities at Newport Athletics Stadium	154	100% WG Grant	Funding for various projects to improve the facilities at Newport Live
Local sustainable transport measures in response to Covid	600	100% WG Grant	Funding to provide 'pop-up' measures in the area. In the first instance this will include temporary low-cost solutions to reallocate road space in favour of sustainable forms of transport.
	<b>16,308</b>		

## 2019/20 Capital Expenditure Outturn Position

The final outturn expenditure for 2019/20 totalled £31,358k against a 2019/20 capital budget was £40,206k, meaning there was an overall "total variance" against budget at outturn of £8,848k, which is split into slippage and underspend, shown in table 2 below:

**Table 2: 2019/20 Capital Expenditure Outturn**

Service Area	Adjusted Budget 2019/20 £000's	Outturn £000's	Total Variance £000's	Of which, Slippage £000's	Of which, (Under)/Over Spend £000's
Education	7,338	5,614	(1,724)	(1,467)	(258)
Regeneration, Investment & Housing	14,937	10,914	(4,023)	(3,917)	(104)
People & Business Change	736	389	(347)	(347)	-
Adult & Community Services	573	479	(94)	(55)	(39)
Children & Young People Services	1,633	1,004	(629)	(629)	-
City Services	14,989	12,958	(2,031)	(2,030)	(2)
<b>TOTAL</b>	<b>40,206</b>	<b>31,358</b>	<b>(8,848)</b>	<b>(8,445)</b>	<b>(403)</b>

The table above shows the underspend split between slippage of £8,445k and underspend of £403k. Whilst it is appreciated that some of this slippage reported in the last few months will be as a direct result of the storms and flooding which happened at the start of the year and Covid-19, this is still high and in spite of a significant re-profiling exercise which was carried out in the first 6 months of 2019/20.

### Main variances from budget

Detail of all variances are shown in Appendix C, the main variances are highlighted below.

Significant projects reporting slippage:

- Education are reporting slippage of £1.5m made up of a number of areas including the 21<sup>st</sup> Century schools programme £630k; education maintenance grant £385k; Welsh medium primary school £185k and Bassaleg schools demountables £90k.
- The drawdown on loans for developments at Mill Street offices and Chartist Tower have been delayed against profile totalling £1.9m which are now anticipated to be paid in 2020/21.

- The asset management programme has seen delays in its completion, with slippage of £910k being reported.
- Cardiff City Region City Deal have not requested any drawdown for capital in 2019/20, an expected £496k was scheduled to be paid this year but there have been delays in delivering City Deal projects and revenue expenditure has been used in a number of projects to date.
- £346k slippage is reported on IT including, IT/Printer replacement and the CRM project.
- There is slippage of £629k reported against the delivery of new children's homes which are progressing into 2020/21.
- There is a significant fleet replacement programme within the capital programme spanning a number of years. In 2019/20 there has been a delay in delivering the replacement programme with resulting slippage of £588k, mainly due to delays in ordering vehicles because of the uncertainty around Brexit and reviewing the use of electric vehicles.
- While the majority of the implementation of the work required for Civil Parking Enforcement is complete, there are some areas that still require updating, there is slippage of £280k to complete this work in 2020/21.
- The authority is in receipt of a number of grants from Local Transport fund, due to the storms and the flooding which happened at the start of the year approval has been given from Welsh Government to carry any unspent grant forward to 2020/21, this must be spent by July 2020. A total of £765k has been slipped into the 2020/21 financial year and full spend is expected by the date of the extension.

For the purpose of this outturn report slippage has been moved budget into 2020/21, with other years remaining as previously profiled, with the exception of the additions as detailed in Appendix A. This has given a 2020/21 programme budget of £64.4m, which is extremely large compared to other years and against actual capital spending delivered in previous years. The programme will need to be reviewed early in the financial year and individual project budgets re-profiled in line with more realistic and deliverable spending profiles. The next capital monitoring update to Cabinet will include an updated programme reflecting this review.

There are very few significant variances to budgets that have not been slipped into 2020/21, leading to a small overall underspend of £403k. This can be mainly attributed to a few main projects, with detail shown in Appendix C:

- £198k underspend on Education grants including Maes Ebbw and Gaer ASD.
- £86k underspend on the Neighbourhood Hubs project. However it should be noted this is the cost of the delivering the scheme, whereas the level of external funding received also fell, therefore needed to be replaced by further NCC borrowing which had been agreed in previous reports.
- £36k underspend on Telecare service equipment
- £83k other net minor underspends across budget lines.

### **Update on available capital resources ('headroom')**

The budget report which established the 5-year capital programme by Cabinet in February 2018 set out a framework to ensure the Council could potentially maximise its capital expenditure whilst keeping within the level of capital resources and planned borrowing funded within the Council's Medium Term Financial Projections (MTFP).

The headroom is made up of:

- (1) 'currently available capital resources' represented by unallocated capital reserves, capital receipts and confirmed general/specific capital grants; plus
- (2) 'future planned capital resources' represented by future new borrowing, coming from the future planned investment into the capital financing revenue budget and forecasted capital receipts.

The latter resources can only be confirmed and committed once in the revenue budget in terms of borrowing costs and received in terms of capital receipts / general grants. The framework, subsequently approved at Council agreed the following:

- Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and, maximising capital receipts
- Regeneration schemes would be funded from ring-fencing the capital expenditure reserve only and Joint Venture funds. Other kinds of support through making of loans etc. would then be considered to support schemes, where it was needed and appropriate, in particular taking account of existing loans already confirmed/approved and the risk profile this represents at any point in time.
- Any change and efficiency schemes or schemes which save money requiring capital expenditure would be funded by netting off the savings achieved
- Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

The framework seeks to limit the revenue pressures resulting from increased borrowing as far as possible whilst creating capacity to generate capital resources for use.

The table below gives the latest position on the available headroom as at March 2020 and includes future planned revenue budget investment for new borrowing up until 2022/23 – the same timescales as the revenue MTFP.

<b>Capital Headroom to 2024/25</b>	<b>£'000</b>
Confirmed and already available	
Unallocated Capital Expenditure Reserve	5,270
Unallocated Capital Receipts*	3,327
Unallocated JV monies	1,096
<b>Total</b>	<b>9,693</b>
Not Yet Confirmed / Available	
Uncommitted Borrowing Headroom	10,542
Forecast Capital Receipts**	500
<b>Total</b>	<b>11,042</b>
<b>Total Available Headroom</b>	<b>20,735</b>

\*Usable Capital Receipts only include the amount that has actually been received by the authority through disposals.

\*\* The forecast for future capital receipts is an indicative figures only. This will change throughout the year as there is more certainty on the capital disposals.

\*\*\* This excludes Joint Venture funds, currently £1,096k

The headroom has increased by £602k since last reported to Cabinet in November. This is as a result of the following:

- Increase of expected forecast capital receipts due from £25k to £500k
- Increase of general capital grant of £717k

- Displacement of funding by grant monies received by the authority - £1,830k
- This is offset by additions to the programme funded by borrowing - £2,410k

The level of available capital resources is very small relative to the demand for resources, though it represents further capital expenditure over and above the existing large capital programme of nearly £201.5m. A capital strategy has been approved by full Council in their February 2020 meeting which outlined the long-term challenge the Council faces in regards to funding future new capital expenditure.

## Update on Capital Receipts

The table below shows the latest position in regards to capital receipts. Capital receipts of £879k have been received this financial year. The table below also shows capital receipts held for 'Newport Unlimited', which are attributable to the previous joint arrangement between Newport City Council and Welsh Government. As previously reported to Cabinet, these funds are earmarked for city centre regeneration.

Asset Disposed	Receipts Received in Year	Total Available Receipts 2019/20
	£	£
<b>GENERAL CAPITAL RECEIPTS</b>		
Balance b/f from 2018/19		6,453,524
The Centurion	15,000	15,000
Talybont	452,000	452,000
Land at adjoining The Villa, Somerton Lane	17,500	17,500
86 & 87 Lower Dock Street Newport	32,500	32,500
Hillside Resource Centre	120,000	120,000
Land adjoining 282 Corporation Road	10,000	10,000
Hillcrest Farm	22,295	22,295
24 Risca Road	17,500	17,500
Miscellaneous receipts	9,699	9,699
Vehicle Disposals	183,418	183,418
Total Used 2019/20 - 21st Century Schools		-243,570
Total Committed – 21st Century Schools		-25,000
Total Used 2019/20 - Fleet Replacement Programme		-76,792
Total Committed – Fleet Replacement Programme		-3,660,852
<b>Total Amount Uncommitted</b>		<b>3,327,223</b>
<b>NEWPORT UNLIMITED</b>		
Balance b/f from 2018/19		1,745,875
Total Used 2019/20 - 123-129 Commercial Street		-500,000
Total current committed from JV monies – for spending in 2020/21		-150,000
<b>Total Amount Uncommitted</b>		<b>1,095,875</b>
<b>TOTAL NCC RECEIPTS (Uncommitted)</b>		<b>4,423,098</b>

## Risks

This is a backwards looking report showing the outturn position for 2019/20. The risks to in relation to the capital programme will be provided in the next monitoring update.

## Links to Council Policies and Priorities



The programme supports a large number of the Council's aims and objectives

### **Options Available and considered**

- To approve the changes to the Capital Programme and note the outturn position as set out in the report, including the use of capital receipts.
- To note the current available headroom and prioritise future capital expenditure in order to maintain spend within the current affordability envelope.
- The Cabinet has the option not to put forward some or all of the changes to the Capital Programme set out in the report.

### **Preferred Option and Why**

- To approve the changes to the Capital Programme and note the outturn position as set out in the report, including the use of capital receipts
- Agree to prioritise capital expenditure to maintain spend within current affordability envelope.

### **Comments of Chief Financial Officer**

The main issue arising from this report is the significant slippage that is reported despite a concerted effort to re-profile budgets at the end of 2019. There is a very significant budget in 2020/21 and Heads of Service along with service managers will need to re-profile where necessary. This has a significant impact on MTFP and cash flow planning for the organisation.

As the report highlights, the MTFP includes a revenue budget which allows for an "affordability envelope", while there is an ongoing MTFP budget gap, there needs to be a consideration of the affordability of any capital project that utilises borrowing to finance the expenditure.

### **Comments of Monitoring Officer**

There are no legal issues arising from this report.

### **Comments of Head of People and Business Change**

There are no direct HR implications associated with the report. Budget additions will need to continue be considerate of the requirements of the Well-being of Future Generations Act.

### **Comments of Cabinet Member**

N/A

### **Local issues**

As the report deals with the Capital Programme for the Authority as a whole, there are no local issues.

### **Scrutiny Committees**

N/A

### **Equalities Impact Assessment and the Equalities Act 2010**

N/A

## **Children and Families (Wales) Measure**

N/A

## **Wellbeing of Future Generations (Wales) Act 2015**

An effective capital programme enables the Council to support long term planning in line with the sustainable development principle of the Act.

### **Consultation**

N/A

### **Background Papers**

Capital Strategy and Treasury Strategy - February 2019 and February 2020

Monitoring and Additions Report – July 2019

Monitoring and Additions Report – September 2019

Monitoring and Additions Report – November 2019

Dated: 14<sup>th</sup> May 2020

## Appendix A – Additions and changes to the Programme

Report / Scheme Change	Funding Source	Service Area	18/19 Actual Change (£000's)	19/20 Budget Change (£000's)	20/21 Budget Change (£000's)	21/22 Budget Change (£000's)	22/23 Budget Change (£000's)	23/24 Budget Change (£000's)	24/25 Budget Change (£000's)	Total Budget Change (£000's)
<b>2018/19 budget - November monitoring Reported to Cabinet</b>			<b>29,466</b>	<b>39,321</b>	<b>44,557</b>	<b>45,330</b>	<b>13,868</b>	<b>11,517</b>	<b>2,349</b>	<b>186,407</b>
<b>Reprofile</b>										
Slippage	Reprofile	Various		(8,445)	8,445					<b>0</b>
<b>New</b>										
Band B - Bassaleg	S106 monies	Education				3,134				<b>3,134</b>
Education Asset Maintenance	Service Area	Education			18					<b>18</b>
Education Maintenance Grant 2019/20	Grant	Education			2,141					<b>2,141</b>
Education Demountable	Borrowing	Education			785					<b>785</b>
Llswerry Scheme	S106 monies	Education		17						<b>17</b>
Education Accessibility Studies	Borrowing	Education			275					<b>275</b>
ICT - Llswerry	Service Area	Education		10						<b>10</b>
Ed Tech Grant	Grant	Education			362					<b>362</b>
Charles Williams Renovations	Grant	Education			1,620					<b>1,620</b>
Llswerry Safeguarding	S106 monies	Education			57					<b>57</b>
Maindee Primary Toilets	S106 monies	Education			172					<b>172</b>
Enable (Disabled Grants)	Grants	RIH			197					<b>197</b>

Information Station	Grant / Reserves / Service Area	RIH			1,740	10				<b>1,750</b>
FS City Wide Maintenance & Repair of Premises	Grants	RIH			133					<b>133</b>
Improvements to Flying Start Facilities	Grants	RIH			118					<b>118</b>
TRI Thematic Funding	Grants	RIH			970					<b>970</b>
iTrent Development	Invest to save	People and Business Change		60	175					<b>235</b>
SMAFT	Grant	Adult Services		354						<b>354</b>
Oaklands - Garden	ICF Grants	Adult Services		67						<b>67</b>
Disbursed accommodation and Covid-19 equipment	Grant	Adult Services			251					<b>251</b>
Landfill provision	Provision	City Services		248						<b>248</b>
Improving Flats Recycling Towards 70%	Grant	City Services		344						<b>344</b>
Increased Recycling at Docks Way	Grant	City Services		87						<b>87</b>
Plastic Waste Prevention Project	Grant	City Services		30						<b>30</b>
Highways Refurbishment	Grant	City Services			111					<b>111</b>
Green infrastructure	Grant / S106	City Services			234					<b>234</b>
Safe Routes - St Davids RC Primary Year 2	Grant	City Services			278					<b>278</b>
Sustainable Transport Improvements Year 2	Grant / Revenue Contribution	City Services			291					<b>291</b>
Upgrading and Replacement of Bus Stops	Grant / Revenue Contribution	City Services			100					<b>100</b>
Road Safety Capital A48 Llandevaud	Grant	City Services			74					<b>74</b>
Resilient Roads	Grant	City Services			65					<b>65</b>

Carnegie Court Emergency River Works	Borrowing / Headroom	City Services			1,000					<b>1,000</b>
Parry Drive Play Area Improvements	S106 monies	City Services			23					<b>23</b>
Brecon Road Play Area Improvements	S106 monies	City Services			3					<b>3</b>
Improvements to Throwing Facilities at Newport Athletics Stadium	Grant	City Services			154					<b>154</b>
Local sustainable transport measures in response to Covid	Grant	City Services			600					<b>600</b>
										<b>0</b>
<b>Amendments</b>										<b>0</b>
Streetlighting LED (less funding required)	Service Area	City Services		(162)						<b>(162)</b>
Flying Start (grant used towards Neighbourhood hubs)	Grant	RIH			(400)					<b>(400)</b>
OLEV Residential EV charging Equipment	Grant	RIH		(133)						<b>(133)</b>
Riverside Park	S106 monies	City Services		(37)						<b>(37)</b>
Programme underspend 2019/20				(403)						<b>(403)</b>
<b>Updated Programme</b>			<b>29,466</b>	<b>31,360</b>	<b>64,544</b>	<b>48,474</b>	<b>13,868</b>	<b>11,517</b>	<b>2,349</b>	<b>201,578</b>

## Appendix B – Detailed Budget Breakdown of the 7 year Programme

	Outturn 18/19	Outturn 19/20	Budget 20/21	Budget 21/22	Budget 22/23	Budget 23/24	Budget 24/25	Total
21st Century Schools - Band A	8,046	1,220	74	-	-	-	-	9,340
21st Century Schools - Band B	675	1,711	15,295	34,925	10,557	7,940	2,349	73,452
Jubilee Park - Fixtures, Furniture & Equipment	13	-	-	-	-	-	-	13
Gaer Annexe Education Use	-	416	79	-	-	-	-	495
St Gabriels RC Primary IT Replacement	-	-	-	-	-	-	-	-
Pentrepoeth - IT Replacement	-	-	-	-	-	-	-	-
John Frost School IT Replacement	-	-	-	-	-	-	-	-
Blaen-y-Pant Bungalow (Educational Use)	52	-	8	-	-	-	-	60
St Mary's Toilet Refurbishment.	-	42	-	-	-	-	-	42
Somerton Primary - ICT Equipment	11	-	-	-	-	-	-	11
Feminine hygiene hardware & toilet facilities.	34	-	-	-	-	-	-	34
Lliswerry High (S106 Funds)	110	80	-	-	-	-	-	190
Maesglas Reducing classroom size	-	64	457	-	-	-	-	521
Lliswerry IT Replacements	53	-	-	-	-	-	-	53
Welsh Medium Primary School	-	150	1,050	1,300	1,000	2,300	-	5,800
Reducing Classroom size bids	-	61	519	-	-	-	-	580
Bassleg Demountables	-	116	90	-	-	-	-	206
ICT Equipment Lease (Clytha Primary)	-	20	-	-	-	-	-	20
ICT Equipment Lease (St Mary's)	-	11	-	-	-	-	-	11
St Patricks ICT	-	12	-	-	-	-	-	12
Bassaleg ICT	-	69	-	-	-	-	-	69
ICT Equip Lease Ysgol Gymraeg Ifor Hael	-	10	-	-	-	-	-	10
Ringland Perimeter Fence	-	-	85	-	-	-	-	85
Llanmartin Primary ICT	10	-	-	-	-	-	-	10
Malpas Park Primary	11	-	-	-	-	-	-	11
Education Maintenance Grant 2018/19	-	1,470	358	-	-	-	-	1,828
Education Maintenance Grant 2019/20	-	-	2,141	-	-	-	-	2,141
Education Asset Improvements - balance to be drawn down	1,055	200	27	-	-	-	-	1,282
Bassaleg Demountables - year 7	-	-	785	-	-	-	-	785
EdTech Grant	-	-	1,666	-	-	-	-	1,666
Education Accessibility Studies	-	-	275	-	-	-	-	275
Charles Williams Renovations	-	-	1,620	-	-	-	-	1,620
Lliswerry Safeguarding	-	-	57	-	-	-	-	57

Maindee Primary Toilets	-	-	172	-	-	-	-	172
Prior Year Scheme - Various	(38)	(39)	-	-	-	-	-	(77)
<b>Education</b>	<b>10,032</b>	<b>5,614</b>	<b>23,454</b>	<b>36,225</b>	<b>11,557</b>	<b>10,240</b>	<b>2,349</b>	<b>99,471</b>
Gypsy/Traveller Site Development	2,993	78	65	-	-	-	-	3,136
Indoor Newport Market	-	-	4,000	-	(4,000)	-	-	-
HLF Market Arcade Townscape Heritage Scheme	39	266	1,556	980	-	-	-	2,841
Indoor Market Facilities Improvements	(2)	-	-	-	-	-	-	(2)
Civic Centre / Info Station Service Relocations	116	121	29	-	-	-	-	266
Info Station NSA enabling	536	-	-	-	-	-	-	536
123-129 Commercial Street (Pobl Regen)	623	623	-	-	-	-	-	1,246
Cardiff City Region Deal	1,208	-	1,522	782	782	1,277	-	5,571
Mill Street Development Loan	-	2,341	1,659	-	-	-	-	4,000
Neighbourhood Hubs	915	1,344	-	-	-	-	-	2,259
Arva Investment Loan	385	333	32	-	-	-	-	750
Disabled Facilities	898	1,092	1,100	1,000	1,000	-	-	5,090
Safety at Home	364	375	270	300	300	-	-	1,609
ENABLE Adaptations Grant	197	197	197	-	-	-	-	591
Homelessness Prevention Grant	98	-	-	-	-	-	-	98
Asset Management Programme	1,066	1,245	2,638	1,500	1,500	-	-	7,949
Flying Start Schemes	-	-	-	-	-	-	-	-
FS Maintenance 1819 / 1920	31	38	-	-	-	-	-	69
FS Shaftsbury Community Centre	183	-	-	-	-	-	-	183
Childcare - Flying Start	-	546	1,521	-	-	-	-	2,067
Central Library - Structural Works	72	17	574	-	-	-	-	663
Transporter Bridge	72	913	5,612	6,339	-	-	-	12,936
Chartist Tower	-	1,344	256	-	-	-	-	1,600
PAC System	-	57	-	-	-	-	-	57
OLEV Residential EV charging Equipment	-	-	-	-	-	-	-	-
Medieval Ship	-	-	-	12	-	-	-	12
Information Station	-	-	1,740	10	-	-	-	1,750
Renewable Energy Investment	-	2	1,727	-	-	-	-	1,729
FS City Wide Maintenance & Repair of Premises	-	-	133	-	-	-	-	133
Improvements to Flying Start Facilities	-	-	118	-	-	-	-	118
TRI Thematic Funding	-	-	970	-	-	-	-	970
Prior Year Scheme - Various	(7)	(18)	-	-	-	-	-	(25)

<b>Regeneration, Investment and Housing</b>	<b>9,787</b>	<b>10,915</b>	<b>25,719</b>	<b>10,923</b>	<b>(418)</b>	<b>1,277</b>	<b>-</b>	<b>58,202</b>
IT Replacement Schemes	94	9	515	150	150	-	-	918
Corporate EDMS Rollout	-	13	-	-	-	-	-	13
CRM	250	276	243	-	-	-	-	769
Local Full Fibre Network	-	-	-	-	-	-	-	-
I Trent Development	-	91	144	-	-	-	-	235
Print 2010- Managed Printer Service	131	-	249	-	-	-	-	380
<b>People and Business Change</b>	<b>475</b>	<b>389</b>	<b>1,151</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>2,315</b>
Telecare Service Equipment	97	12	36	30	30	-	-	205
Equipment for Disabled Grant (GWICES)	165	165	165	165	165	-	-	825
Home Care System	32	-	-	-	-	-	-	32
Centrica Lodge	(6)	(3)	-	-	-	-	-	(9)
SMAPF	320	305	49	-	-	-	-	674
Disbursed accommodation and Covid-19 equipment			251					251
<b>Adults and Community Services</b>	<b>608</b>	<b>479</b>	<b>501</b>	<b>195</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>1,978</b>
3 New Homes	701	792	629	-	-	-	-	2,122
Oaklands Respite Home	505	102	-	-	-	-	-	607
Windmill Feasibility Study	41	110	1,390	-	-	-	-	1,541
<b>Children's and Families Services</b>	<b>1,247</b>	<b>1,004</b>	<b>2,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,270</b>
Fleet Replacement Programme	797	1,912	3,133	448	1,850	-	-	8,140
Bus station - Friars Walk Development	29	93	-	-	-	-	-	122
Flood Risk Regulation Grant	24	34	33	-	-	-	-	91
Cemetery Infrastructure Improvements	16	30	64	-	-	-	-	110
Peterstone Sewage Scheme	1	28	194	-	-	-	-	223
Road Safety Capital 2018/19	-	1,379	-	-	-	-	-	1,379
Composting	567	-	-	-	-	-	-	567
Docksway Cell 4 Development	1,555	1,046	-	-	-	-	-	2,601
CCTV	-	37	8	-	-	-	-	45
Smaller Bins - MTRP BC	70	1,177	-	-	-	-	-	1,247
Newport Station Footbridge - LTF	77	314	2,775	-	-	-	-	3,166



Decriminalised Parking	232	874	280	-	-	-	-	1,386
Update Facilities in Parks	18	47	-	-	-	-	-	65
Decommissioning of Cemetery Office & Toilets	11	-	-	-	-	-	-	11
Building Improvements to Lodges	14	94	-	-	-	-	-	108
Small Scale Works Grant	34	-	-	-	-	-	-	34
Road Refurbishment Grant Scheme	931	198	711	-	-	-	-	1,840
Street Lighting LEDs	564	2,202	132	-	-	-	-	2,898
Park Square Lights	-	-	65	-	-	-	-	65
Velodrome Lights	-	173	-	-	-	-	-	173
Local Transport Fund - Active Travel Northern 2018/19	290	196	114	-	-	-	-	600
Tredegar Park Car Park	-	-	12	-	-	-	-	12
Tredegar Park - Pedal Power	-	3	152	35	35	-	-	225
Lliswerry Road (81)	-	9	2	-	-	-	-	11
28-30 Stow Hill (11/0269)	-	7	-	-	-	-	-	7
Forbisher Road (15/0720)	-	9	18	-	-	-	-	27
Festive lighting	-	109	-	-	-	-	-	109
Local Transport Fund - Active Travel Design 2018/19	240	-	-	-	-	-	-	240
Bus Stop Enhancements	-	24	376	-	-	-	-	400
Core AFT Allocation	-	340	-	-	-	-	-	340
Inner City Links	-	684	206	-	-	-	-	890
LTNF - ECO Stars	42	41	-	-	-	-	-	83
Safe Routes - St Davids RC Primary	84	145	60	-	-	-	-	289
Gwastad Mawr Flood Attenuation Improvement Works	2	-	41	-	-	-	-	43
18-19 Collection Collaborative Change Programme	1,175	-	-	-	-	-	-	1,175
LTF Monkey Island Bridge Lliswerry Pill	29	121	-	-	-	-	-	150
LTF Sustainable Transport	25	309	-	-	-	-	-	334
Riverside Park	20	-	-	-	-	-	-	20
Pye Corner Railway Station Development Works	21	-	-	-	-	-	-	21
Nappy Grant	-	202	-	-	-	-	-	202
Improving Flats Recycling Towards 70%	-	344	-	-	-	-	-	344
Increased Recycling at Docks Way	-	86	-	-	-	-	-	86
Plastic Waste Prevention Project	-	30	-	-	-	-	-	30
Green Infrastructure	-	-	234	-	-	-	-	234
Highways Annual Sums	455	322	501	500	500	-	-	2,278
Lliswerry Recreation Ground Changing Rooms	4	339	-	-	-	-	-	343
Safe Routes - St Davids RC Primary Year 2	-	-	278	-	-	-	-	278
Sustainable Transport Improvements Year 2	-	-	291	-	-	-	-	291
Upgrading and Replacement of Bus Stops	-	-	100	-	-	-	-	100
Road Safety Capital A48 Llandevaud	-	-	74	-	-	-	-	74

Resilient Roads	-	-	65	-	-	-	-	65
Carnegie Court Emergency River Works	-	-	1,000	-	-	-	-	1,000
Parry Drive Play Area Improvements	-	-	23	-	-	-	-	23
Brecon Road Play Area Improvements	-	-	3	-	-	-	-	3
Improvements to Throwing Facilities at Newport Athletics Stadium	-	-	154	-	-	-	-	154
Local sustainable transport measures in response to Covid	-	-	600	-	-	-	-	600
Prior Year Scheme - Various	(11)	-	-	-	-	-	-	(11)
<b>City Services</b>	<b>7,316</b>	<b>12,958</b>	<b>11,700</b>	<b>983</b>	<b>2,385</b>	<b>-</b>	<b>-</b>	<b>35,342</b>
<b>Total</b>	<b>29,466</b>	<b>31,358</b>	<b>64,544</b>	<b>48,474</b>	<b>13,869</b>	<b>11,517</b>	<b>2,349</b>	<b>201,578</b>
<b>Financed By:</b>								
General Capital Grant	4,754	3,858	4,107	2,469	2,000	2,000	822	20,010
Supported Borrowing	4,058	4,077	4,097	4,058	4,000	2,057	-	22,347
Unsupported Borrowing	2,125	5,787	17,431	10,308	(616)	-	-	35,035
Prudential Borrowing	84	123	-	-	-	-	-	207
External Grants	12,911	13,053	33,527	28,089	7,862	7,461	1,527	104,430
S106	868	523	488	3,169	35	-	-	5,085
Other Conts	242	268	230	232	-	-	-	972
Capital Receipts	3,136	820	3,098	150	588	-	-	7,792
Revenue Conts	75	68	79	-	-	-	-	222
Reserve	1,081	2,777	1,237	-	-	-	-	5,095
Finance Lease	131	-	249	-	-	-	-	380
<b>Total</b>	<b>29,466</b>	<b>31,358</b>	<b>64,544</b>	<b>48,474</b>	<b>13,869</b>	<b>11,517</b>	<b>2,349</b>	<b>201,578</b>

## Appendix C – Capital Programme Outturn 2019/20

	Adjusted Budget 2019/20	Forecast Outturn	Variance	Slippage	(Under)/Over Spend
	£000's	£000's	£000's	£000's	£000's
21st Century Schools - Band A	1,491	1,219	(272)	(74)	(198)
21st Century Schools - Band B	2,189	1,712	(477)	(477)	0
Gaer Annexe Education Use	495	416	(79)	(79)	0
Pentrepoeth - IT Replacement	7	0	(7)	0	(7)
Blaen-y-Pant Bungalow (Educational Use)	8	0	(8)	(8)	0
St Mary's Toilet Refurbishment.	42	42	0	0	0
Lliswerry High (S106 Funds)	79	80	1	0	1
Maesglas Reducing classroom size	142	64	(78)	(79)	0
Welsh Medium Primary School	335	150	(185)	(185)	0
Reducing Classroom size bids	85	61	(24)	(24)	0
Bassleg Demountables	206	116	(90)	(90)	0
ICT Equipment Lease (Clytha Primary)	21	20	(1)	0	(1)
ICT Equipment Lease (St Mary's)	12	12	0	0	0
St Patricks ICT	12	12	0	0	0
Bassaleg ICT	83	69	(14)	0	(14)
Ringland Perimeter Fence	86	0	(86)	(85)	0
ICT Equip Lease Ysgol Gymraeg Ifor Hael	10	10	0	0	0
Malpas Park Primary	0	0	0	0	0
Education Maintenance Grant	1,828	1,470	(358)	(358)	0
Education Asset Improvements - balance to be drawn down	207	200	(7)	(7)	0
Prior Year Scheme - Various	0	(39)	(39)	0	(39)
<b>Total Education</b>	<b>7,338</b>	<b>5,614</b>	<b>(1,724)</b>	<b>(1,467)</b>	<b>(258)</b>
Gypsy/Traveller Site Development	143	78	(65)	(65)	0
HLF Market Arcade Townscape Heritage Scheme	350	266	(84)	(84)	0
Civic Centre / Info Station Service Relocations	150	121	(29)	(29)	0

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	Adjusted Budget 2019/20 £000's	Forecast Outturn £000's	Variance £000's	Slippage £000's	(Under)/Over Spend £000's
123-129 Commercial Street (Pobl Regen)	623	623	0	0	0
Cardiff City Region Deal	496	0	(496)	(496)	0
Mill Street Development Loan	4,000	2,341	(1,659)	(1,659)	0
Neighbourhood Hubs	1,430	1,344	(86)	0	(86)
Arva Investment Loan	365	333	(32)	(32)	0
Disabled Facilities	1,256	1,092	(164)	(164)	0
Safety at Home	282	375	93	93	0
ENABLE Adaptations Grant	197	197	0	0	0
Asset Management Programme	2,156	1,245	(911)	(910)	0
FS Maintenance 1819 / 1920	40	38	(2)	(4)	2
FS Shaftsbury Community Centre	0	0	0	0	0
Childcare - Flying Start	704	546	(158)	(157)	0
Central Library - Structural Works	100	17	(83)	(83)	0
Transporter Bridge	967	913	(54)	(54)	0
Chartist Tower	1,600	1,344	(256)	(256)	0
PAC System	59	57	(2)	0	(2)
Renewable Energy Investment	20	2	(18)	(18)	0
Prior Year Scheme - Various	0	(18)	(18)	0	(18)
<b>Total Regeneration, Investment and Housing</b>	<b>14,937</b>	<b>10,914</b>	<b>(4,023)</b>	<b>(3,917)</b>	<b>(104)</b>
IT Replacement Schemes	80	9	(71)	(71)	0
Corporate EDMS Rollout	13	13	0	0	0
CRM	334	276	(58)	(57)	0
Itrent Development	60	91	31	31	0
Print 2010- Managed Printer Service	249	0	(249)	(249)	0
<b>Total People and Business Change</b>	<b>736</b>	<b>389</b>	<b>(347)</b>	<b>(347)</b>	<b>0</b>

	Adjusted Budget 2019/20 £000's	Forecast Outturn £000's	Variance £000's	Slippage £000's	(Under)/Over Spend £000's
Telecare Service Equipment	54	12	(42)	(6)	(37)
Equipment for Disabled Grant (GWICES)	165	165	0	0	0
Centrica Lodge	0	(3)	(3)	0	(3)
SMAPF	354	305	(49)	(49)	0
<b>Total Adults and Community</b>	<b>573</b>	<b>479</b>	<b>(94)</b>	<b>(55)</b>	<b>(39)</b>
3 New Homes	1,421	792	(629)	(629)	0
Oaklands Respite Home	102	102	0	0	0
Windmill Feasibility Study	110	110	0	0	0
<b>Total Children and Families Services</b>	<b>1,633</b>	<b>1,004</b>	<b>(629)</b>	<b>(629)</b>	<b>0</b>
Fleet Replacement Programme	2,500	1,912	(588)	(588)	0
Bus station - Friars Walk Development	88	93	5	0	4
Flood Risk Regulation Grant	67	34	(33)	(33)	0
Cemetery Infrastructure Improvements	40	30	(10)	18	(28)
Peterstone Sewage Scheme	21	28	7	7	0
Road Safety Capital 2018/19	1,409	1,379	(30)	0	(29)
Composting	10	0	(10)	0	(10)
Docksway Cell 4 Development	850	1,046	196	0	196
CCTV	45	37	(8)	(8)	0
Smaller Bins - MTRP BC	1,180	1,177	(3)	0	(3)
Newport Station Footbridge - LTF	267	314	47	0	47
Decriminalised Parking	1,154	874	(280)	(280)	0
Update Facilities in Parks	38	47	9	0	9
Building Improvements to Lodges	66	94	28	0	28
Road Refurbishment Grant Scheme	107	198	91	0	91
Street Lighting LEDs	2,334	2,202	(132)	(132)	0

	Adjusted Budget 2019/20	Forecast Outturn	Variance	Slippage	(Under)/Over Spend
	£000's	£000's	£000's	£000's	£000's
Park Square Lights	65	0	(65)	(65)	0
Velodrome Lights	173	173	0	0	0
Local Transport Fund - Active Travel Northern 2018/19	310	196	(114)	(114)	0
Tredegar Park Car Park	12	0	(12)	(12)	0
Tredegar Park - Pedal Power	120	3	(117)	(117)	0
Lliswerry Road (81)	12	9	(3)	(2)	0
28-30 Stow Hill (11/0269)	7	7	0	0	0
Forbisher Road (15/0720)	27	9	(18)	(18)	0
Festive lighting	107	109	2	0	2
Bus Stop Enhancements	400	24	(376)	(376)	0
Core AFT Allocation	340	340	0	0	0
Inner City Links	890	684	(206)	(206)	0
LTNF - ECO Stars	50	41	(9)	0	(9)
Safe Routes - St Davids RC Primary	205	145	(60)	(60)	0
Gwastad Mawr Flood Attenuation Improvement Works	41	0	(41)	(41)	0
LTF Monkey Island Bridge Lliswerry Pill	168	121	(47)	0	(47)
LTF Sustainable Transport	300	309	9	0	9
Improving Flats Recycling Towards 70%	344	344	0	0	0
Increased Recycling at Docks Way	87	86	(1)	0	(1)
Plastic Waste Prevention Project	30	30	0	0	0
Implementation of Household Collections AHP Waste	202	202	0	0	0
City Services Annual Sums	581	322	(259)	(1)	(258)
Lliswerry Recreation Ground Changing Rooms	339	339	0	0	0
Prior Year Schemes	3	0	(3)	0	(3)
<b>Total City Services</b>	<b>14,989</b>	<b>12,958</b>	<b>(2,031)</b>	<b>(2,030)</b>	<b>(2)</b>
<b>Total Capital Outturn 2019/20</b>	<b>40,206</b>	<b>31,358</b>	<b>(8,848)</b>	<b>(8,445)</b>	<b>(403)</b>

# Report

## Cabinet

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### Part 1

Date: 22 July 2020

**Subject** **Report on Treasury Management covering the Financial Year 2019/20**

**Purpose** This report is to inform the Council of treasury activities undertaken for the financial year ending 31 March 2020.

**Author** Head of Finance / Assistant Head of Finance

**Ward** All

**Summary** In line with the agreed Treasury Management Strategy, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicate that in the future, temporary borrowing will continue to be required to fund normal day-to-day cash flow activities and longer-term borrowing will increase to fund new commitments in the current capital programme as well as the impact of reduced capacity for 'internal borrowing'.

During the financial year the Council's net borrowing increased by £17.2m from £136.6m at 31 March 2019 to £153.8m at 31 March 2020.

Investment value of £12.5m is above the £10m benchmark position, but at the end of March the Council undertook additional temporary borrowing to support the cash flow of providing grants to businesses affected by Covid-19.

All borrowing and investments undertaken during the financial year was expected and within the Council's agreed limits.

**Proposal** That Cabinet:

1. **note and provide comment on the Annual Report on Treasury Management for the Financial Year 2019/20.**
2. **note and provide comment that 2019/20 Prudential Indicators for Treasury Management were in line with those set by Council in February 2019.**

**Action by** Head of Finance / Assistant Head of Finance

**Timetable** Immediate

This report was prepared after consultation with:

- Treasury Advisors
- Head of Finance

**Signed**



## Background

1. In June 2009 the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.
2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.
3. The Authority has borrowed substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
4. The 2019/20 Treasury Management Strategy was approved by the Council as part of the Capital Strategy in February 2019 and can be viewed via the following link

<https://democracy.newport.gov.uk/documents/s17728/06%20Council%20Report%20Capital%20Strategy%20and%20Treasury%20Strategy%202020.pdf>

5. This report presents the following information:
  - details of capital financing, borrowing, debt rescheduling and investment transactions
  - reports on the risk implications of treasury decisions and transactions
  - details the outturn position on treasury management transactions in 2019/2020
  - confirms compliance with treasury limits set and Prudential code

## BORROWING STRATEGY / ACTIVITY

### Short and Long Term Borrowing

1. Whilst the Council has significant long-term borrowing requirements, the Council's current strategy of funding capital expenditure is through reducing investments ('internal borrowing') rather than undertaking new borrowing where it can i.e. we defer taking out new long term borrowing and fund capital expenditure from the Council's own cash resources – which it has because of its 'cash-backed' reserves and, to a lesser extent, day to day positive cash-flows, for as long as we can. The Council may undertake borrowing early if, there is the need for future borrowing and it feels it can minimise risk of future interest rate rises while providing value for money, this will be in line with advice from our treasury advisors.

By using this strategy the Council can also minimise cash holding at a time when counterparty risk remains relatively high, especially with the current economic implications during Covid-19. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long-term borrowing and this remains the main reason for our current 'internally borrowed' strategy.

At 31 March, the level of internal borrowing was about £87m, mainly in relation to the Council's level of cash backed reserves. At current rates, this saves about £2.6m in interest costs annually compared to physically borrowing this level of cash. As the Council spends its reserves over the medium to long term (PFI reserves, Capital reserves, Invest to Save reserves in particular), then the internal borrowing will have to be replaced with actual external borrowing and this interest cost will be incurred.

2. Whilst the strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current low longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.
3. On 14 March 2019, in line with advice from the Authority's treasury advisors, the Council undertook £40m of borrowing in advance of the re-financing of the £40m stock issue to be re-paid on 10 April 2019 (2019/20 financial year. This was to mitigate volatility of interest rate risk at the time of uncertain Brexit discussions. The level of borrowing undertaken was in line with the long-term liability projection and within budgets set for 2019/20 and the authorised limits for 2019/20.
4. As shown in Appendix B, as at 31 March 2020 the level of borrowing has decreased by £26.5m to £166.3m, but the level of investments has also decreased by £43.8m (including £33.5m held as cash and cash equivalents), meaning an increase in net borrowing of £17.2m during the financial year to £153.8m. An increase in net borrowing was anticipated during 2019/20 as per the capital programme, however the level of borrowing didn't increase to the level expected due to the large amount of slippage on the capital programme in 2019/20.
5. In regards to LOBOs, no loans were called during the period. All £30m outstanding is subject to potential change of interest rates by the lender (which would automatically trigger a right to the Council to repay these loans) prior to the end of this financial year. Should a change of interest rate be requested, then it will be considered in detail and a decision on how we proceed will be made in conjunction with our treasury advisors.

## **INVESTMENTS ACTIVITY / POSITION**

6. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor, consistent with the pursuit of an 'internal borrowing strategy' and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

The Council's strategy of being a short-term investor has been maintained, though the early borrowing of £40m in relation to the re-financing of the stock increased cash holdings temporarily for a few days at the beginning of the year, until the cash was used to repay/re-finance the stock issue on the 9<sup>th</sup> April.

Included within the investment figure on the 31 March 2020, is £12.5m cash and cash equivalent; this is due to £15m of short term borrowing taken out at the end of March 2020 to enable the Council to proceed quickly in the making of business grants in response to Covid-19 support, This was / will be repaid in June 2020.

It is anticipated that investments will reduce in 2020/21 until we reach the balance of £10m, which will be invested for compliance with MiFIDII. The balance of investments as at 31 March 2020 is £16.1m.

7. All investments are currently placed on a temporary basis and are placed in high security institutions, in line with our other strategy in this area, dealing with our investing priorities of (i) security (ii) liquidity and (iii) yield, in that order. At the 31 March 2020 £10m was placed with various local authorities, £2.5m with the Debt Management Office. The maximum maturity date of any of these investments held was 14 April 2020.
8. January 2018 saw the implementation in the UK of the second Markets in Financial Instruments Directive (MiFID II), where firms will be obliged to treat all local authorities as retail clients unless they opt up to professional client status and meet certain criteria. These criteria include holding a minimum of £10m investment balance and employing knowledgeable and experienced staff to carry out investment transactions. It is anticipated that our investment balances will remain at or above the minimum £10m.

9. The Council does not hold any long-term (more than 364 days) treasury investments as at 31 March 2020.

## **NON-TREASURY INVESTMENTS**

10. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held such investments in:

- directly owned property such as office and commercial units of £10.8m
- loans to local businesses and landlords £3.3m
- shareholding in subsidiaries £0.3m

These investments generated £1.2m of investment income for the Authority after taking account of direct costs.

## **OTHER YEAR-END TREASURY MATTERS**

### **Economic background and Counter Party Update**

11. Appendix A outlines the underlying economic environment during the financial year, as provided by the Council's Treasury Management Advisors 'Arlingclose'.
12. As discussed previously in this report the Council does not have any long-term treasury investments, and the investments that it currently undertakes is mainly with other local authorities which are deemed very secure, therefore the risk is currently 'low'. There were no significant changes in credit ratings advised in the first half of the financial year that had implications for the approved lending list. The long-term rating of Santander UK, the Council's bankers, remains at A; above the Council's minimum level of A-.

### **Compliance with Prudential Indicators approved by Council**

13. The Authority measures and manages its exposures to treasury management risks using various indicators which can be found in Appendix B. The Authority has complied with the Prudential Indicators for 2019/20, set in February 2019 as part of the Treasury Management Strategy. Details of treasury-related Prudential Indicators can be found in Appendix B.

### **PWLB future lending terms**

14. Members will be aware that the PWLB increased interest rates on loans in the autumn of 2019 following concerns about the level of Local Government debt, in particular for commercial activities.

They have since started consultation on a proposed change in their lending criteria. Essentially, for service requirements, Councils will be able to borrow at cheaper rates compared to borrowing for purely income generating requirements e.g. buying commercial property. In addition, taking out PWLB loans for income generating activities could mean that no further borrowing from PWLB would be available for that financial year. Consultation has been hampered somewhat by the Covid-19 situation and extended but it seems likely that the criteria will be amended at some point over this financial year.

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Investment counterparty not repaying investments	High but depending on investment value	Low	The Council only invests with Institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds available for investment will also alleviate the risk.	Members, Head of Finance, Treasury staff, based on advice from treasury advisors
Interest Rates moving adversely against expectations	Low	Low	Future expectations for higher short term rates are subdued. The Treasury strategy approved allows for the use of short term borrowing once investment funds are exhausted to take advantage of these low rates.	Head of Finance, Treasury staff, treasury advisors

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

It is the Council's policy to ensure that the security of the capital sums invested is fully recognised and has absolute priority. The Council follows the advice of the Welsh Governments that any investment decisions take account of security, liquidity and yield in that order.

## Options Available and considered

The Prudential Code and statute requires that, during and at the end of each financial year, reports on these matters are presented to Council for approval. Thus the only option available is consider the report and provide comments to the Council.

## Preferred Option and Why

Note the contents of the report in relation to Treasury activities and all Treasury Indicators met.

Provide comments on the contents of the report and agree report for taking to Council for final approval.

## Comments of Chief Financial Officer

Decisions made on treasury matters will be made with a view to comply with the Treasury Management Strategy, Prudential Indicators, taking advice, where needed, from our Treasury Advisers.

## Comments of Monitoring Officer

There are no legal implications. The in year and annual treasury management report is consistent with relevant Chartered Institute of Public Finance and Accountancy Guidance, Treasury Management principles and the Council's investment Strategy.

## **Comments of Head of People and Business Change**

There are no direct HR implications associated with the report.

The Council is required to approve a treasury management annual report at the end of each financial year. The Well-being of Future Generations Act requires public bodies to balance short-term needs with the needs to safeguard the ability to meet long-term needs. As stated in this report, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows but current forecasts indicate that in future temporary borrowing will continue to be required and longer-term borrowing will increase to fund the capital programme. This annual report fits in with the well-being goal of a Prosperous Wales.

## **Comments of Cabinet Member**

The Leader of the Council, as lead member for strategic finance confirms she has been consulted on the report.

## **Local issues**

N/A

## **Scrutiny Committees**

N/A

## **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

## **Children and Families (Wales) Measure**

N/A

## **Wellbeing of Future Generations (Wales) Act 2015**

This report is a backwards looking report of the treasury management activities of the Council. It shows that we followed the treasury management strategy and the compliance with prudential code and treasury management indicators. This links into the long-term objectives of the authorities and ensures that the councils activities are carried out in an affordable, prudent and sustainable manner.

## **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

## **Consultation**

N/A

## **Background Papers**

Set out a list of any relevant background papers and whether they are available to the public.

Dated:

## APPENDIX A

### External Context

**Economic background:** The UK's exit from the European Union and future trading arrangements, had remained one of major influences on the UK economy and sentiment during 2019/20. The 29<sup>th</sup> March 2019 Brexit deadline was extended to 12<sup>th</sup> April, then to 31<sup>st</sup> October and finally to 31<sup>st</sup> January 2020. Politics played a major role in financial markets over the period as the UK's tenuous progress negotiating its exit from the European Union together with its future trading arrangements drove volatility, particularly in foreign exchange markets. The outcome of December's General Election removed a lot of the uncertainty and looked set to provide a 'bounce' to confidence and activity.

The headline rate of UK Consumer Price Inflation fell to 1.7% y/y in February, below the Bank of England's target of 2%. Labour market data remained positive. The ILO unemployment rate was 3.9% in the three months to January 2020 while the employment rate hit a record high of 76.5%. The average annual growth rate for pay excluding bonuses was 3.1% in January 2020 and the same when bonuses were included, providing some evidence that a shortage of labour had been supporting wages.

GDP growth in Q4 2019 was reported as flat by the Office for National Statistics and service sector growth slowed and production and construction activity contracted on the back of what at the time were concerns over the impact of global trade tensions on economic activity. The annual rate of GDP growth remained below-trend at 1.1%.

Then coronavirus swiftly changed everything. COVID-19, which had first appeared in China in December 2019, started spreading across the globe causing plummeting sentiment and falls in financial markets not seen since the Global Financial Crisis as part of a flight to quality into sovereign debt and other perceived 'safe' assets.

In response to the spread of the virus and sharp increase in those infected, the government enforced lockdowns, central banks and governments around the world cut interest rates and introduced massive stimulus packages in an attempt to reduce some of the negative economic impact to domestic and global growth.

The Bank of England, which had held policy rates steady at 0.75% through most of 2019/20, moved in March to cut rates to 0.25% from 0.75% and then swiftly thereafter brought them down further to the record low of 0.1%. In conjunction with these cuts, the UK government introduced a number of measures to help businesses and households impacted by a series of ever-tightening social restrictions, culminating in pretty much the entire lockdown of the UK.

The US economy grew at an annualised rate of 2.1% in Q4 2019. After escalating trade wars and a protracted standoff, the signing of Phase 1 of the trade agreement between the US and China in January was initially positive for both economies, but COVID-19 severely impacted sentiment and production in both countries. Against a slowing economic outlook, the US Federal Reserve began cutting rates in August. Following a series of five cuts, the largest of which were in March 2020, the Fed Funds rate fell from of 2.5% to range of 0% - 0.25%. The US government also unleashed a raft of COVID-19 related measures and support for its economy including a \$2 trillion fiscal stimulus package. With interest rates already on (or below) the floor, the European Central Bank held its base rate at 0% and deposit rate at -0.5%.

**Financial markets:** Financial markets sold off sharply as the impact from the coronavirus worsened. After starting positively in 2020, the FTSE 100 fell over 30% at its worst point with stock markets in other countries seeing similar huge falls. In March sterling touch its lowest level against the dollar since 1985. The measures implemented by central banks and governments helped restore some confidence and financial markets have rebounded in recent weeks but remain extremely volatile. The flight to quality caused gilts yields to fall substantially. The 5-year benchmark falling from 0.75% in April 2019 to 0.26% on 31<sup>st</sup> March. The 10-year benchmark yield fell from 1% to 0.4%, the 20-year benchmark yield from 1.47% to 0.76% over the same period. 1-month, 3-month and 12-month bid rates averaged 0.61%, 0.72% and 0.88% respectively over the period.

Since the start of the calendar 2020, the yield on 2-year US treasuries had fallen from 1.573% to 0.20% and from 1.877% to 0.61% for 10-year treasuries. German bund yields remain negative.

**Credit review:** In Q4 2019 Fitch affirmed the UK's AA sovereign rating, removed it from Rating Watch Negative (RWN) and assigned a negative outlook. Fitch then affirmed UK banks' long-term ratings, removed the RWN and assigned a stable outlook. Standard & Poor's also affirmed the UK sovereign AA rating and revised the outlook to stable from negative. The Bank of England announced its latest stress tests results for the main seven UK banking groups. All seven passed on both a common equity Tier 1 (CET1) ratio and a leverage ratio basis. Under the test scenario the banks' aggregate level of CET1 capital would remain twice their level before the 2008 financial crisis.

After remaining flat in January and February and between a range of 30-55bps, Credit Default Swap spreads rose sharply in March as the potential impact of the coronavirus on bank balance sheets gave cause for concern. Spreads declined in late March and through to mid-April but remain above their initial 2020 levels. NatWest Markets Plc (non-ringfenced) remains the highest at 128bps and National Westminster Bank Plc (ringfenced) still the lowest at 56bps. The other main UK banks are between 65bps and 123bps, with the latter being the thinly traded and volatile Santander UK CDS.

While the UK and Non-UK banks on the Arlingclose counterparty list remain in a strong and well-capitalised position, the duration advice on all these banks was cut to 35 days in mid-March.

Fitch downgraded the UK sovereign rating to AA- in March which was followed by a number of actions on UK and Non-UK banks. This included revising the outlook on all banks on the counterparty list to negative, with the exception of Barclays Bank, Rabobank, Handelsbanken and Nordea Bank which were placed on Rating Watch Negative, as well as cutting Close Brothers long-term rating to A-. Having revised their outlooks to negative, Fitch upgraded the long-term ratings on Canadian and German banks but downgraded the long-term ratings for Australian banks. HSBC Bank and HSBC UK Bank, however, had their long-term ratings increased by Fitch to AA-.



## Appendix B

### Local Context

On 31<sup>st</sup> March 2020, the Authority had net borrowing of £153.8m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.20 Actual £m
General Fund CFR	280
Less: *Other debt liabilities	43
<b>Borrowing CFR</b>	<b>237</b>
Less: Usable reserves	(87)
Less: Working capital inc. non-treasury investments	4
<b>Net borrowing</b>	<b>154</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31<sup>st</sup> March 2020 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.19 Balance £m	Movement £m	31.3.20 Balance £m	31.3.20 Rate %
Long-term borrowing	149.3	1.3	150.6	3.6
Short-term borrowing	43.5	(43.5)	-	N/A
Cash and cash equivalents	-	15.7	15.7	2.1
<b>Total borrowing</b>	<b>192.8</b>	<b>(26.5)</b>	<b>166.3</b>	<b>3.5</b>
Long-term investments	-	-	-	-
Short-term investments	(10.3)	10.3	-	N/A
Cash and cash equivalents	(45.9)	33.5	(12.5)	0.8
<b>Total investments</b>	<b>(56.2)</b>	<b>43.8</b>	<b>(12.5)</b>	<b>0.8</b>
<b>Net borrowing</b>	<b>136.6</b>	<b>17.2</b>	<b>153.8</b>	<b>N/A</b>

The table above shows significant movement in both the borrowing and investment levels of the Council, however overall the NET borrowing position for the Council has increased by £17.2m.

### Borrowing Update

On 9<sup>th</sup> October 2019 the PWLB raised the cost of certainty rate borrowing by 1% to 1.8% above UK gilt yields as HM Treasury was concerned about the overall level of local authority debt. PWLB borrowing remains available but the margin of 180bp above gilt yields appears relatively very expensive. Market alternatives are available and new products will be developed; however, the financial strength of individual authorities will be scrutinised by investors and commercial lenders.

The Chancellor's March 2020 Budget statement included significant changes to Public Works Loan Board (PWLB) policy and launched a wide-ranging consultation on the PWLB's future direction. Announcements included a reduction in the margin on new HRA loans to 0.80% above equivalent gilt yields, available from 12th March 2020 and £1.15bn of additional "infrastructure rate" funding at gilt yields plus 0.60% to support specific local authority infrastructure projects for England, Scotland and Wales for which there is a bidding process.

The consultation titled "Future Lending Terms" represents a frank, open and inclusive invitation, allowing key stakeholders to contribute to developing a system whereby PWLB loans can be made available at improved margins to support qualifying projects. It contains proposals on allowing authorities that are not involved in "debt for yield" activity to borrow at lower rates as well as stopping local authorities using PWLB loans to buy commercial assets primarily for yield without impeding their ability to pursue their core policy objectives of service delivery, housing, and regeneration. The consultation also broaches the possibility of slowing, or stopping, individual authorities from borrowing large sums in specific circumstances.

The consultation closes on 4<sup>th</sup> June 2020 with implementation of the new lending terms expected in the latter part of this calendar year or financial year beginning 2021/22.

### **Borrowing Strategy during the year**

At 31<sup>st</sup> March 2020 the Authority held £166.3m of loans, (a decrease of £41.5m to 31<sup>st</sup> March 2019, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 31<sup>st</sup> March are summarised in Table 3 below.

**Table 3: Borrowing Position**

	<b>31.3.19 Balance £m</b>	<b>Net Movement £m</b>	<b>31.3.20 Balance £m</b>	<b>31.3.20 Weighted Average Rate %</b>	<b>31.3.20 Weighted Average Maturity (years)</b>
Public Works Loan Board	107.9	(2.2)	105.7	3.8	19.7
Banks (LOBO)	30.6	(0.6)	30.0	4.4	34.2
Stock Issue	40.0	(40.0)	-	-	-
Banks (fixed-term)	5.0	-	5.0	3.8	57.9
Local Authority (short-term)	-	-	15.0	2.1	0.0
Other inc. WG loans	6.0	3.9	9.9	-	8.8
Accrued interest	3.3	(2.6)	0.7	N/A	N/A
<b>Total borrowing</b>	<b>192.8</b>	<b>(41.5)</b>	<b>166.3</b>	<b>3.5</b>	<b>23.1</b>

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In line with advice from the Authority's treasury advisors, a decision was made to undertake early borrowing for the re-finance of £40m debt maturing on 10<sup>th</sup> April 2019. Borrowing of £40m was undertaken on 14<sup>th</sup> March on terms spanning from 20 years to 48 years to spread the maturity profile and risk. The interest rate of the new borrowing was fixed at 2.05-2.55%, compared to the maturing borrowing at 8.875%. A decision was made to undertake the borrowing early due to the growing uncertainty surrounding Brexit and the imminent deadline that was approaching, which could have led to Britain leaving the EU without a deal. The reduction in borrowing between years is largely in relation to the repayment of the maturing debt on 10<sup>th</sup> April.

The Authority has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. Having

considered the appropriate duration and structure of the Authority's borrowing need based on realistic projections and reducing investments, the Authority only required to borrow an additional £2.7m longer-term loans related to specific projects from Welsh Government and Salix, details of which are below.

Long-dated Loans borrowed	Amount £m	Rate %	Period (Years)
Welsh Government Loan 1	2.0	0	3
Welsh Government Loan 2	0.6	0	15
Salix Loan	0.1	0	8
<b>Total borrowing</b>	<b>2.7</b>		

LOBO loans: The Authority continues to hold £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the year.

### Other Debt Activity

After £0.8m repayment of prior years' Private Finance Initiative and finance leases liabilities, total debt other than borrowing stood at £42.4m on 31<sup>st</sup> March 2020, taking total debt to £208.7m.

### Treasury Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £12.5m and £69.0 million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.19 Balance £m	Movement £m	31.03.20 Balance £m	31.03.20 Income Return %	31.03.20 Weighted average maturity Years
Banks & building societies (unsecured)	7.7	(7.7)	-	-	-
Government (incl. local authorities)	48.5	(36.0)	12.5	0.8	-
<b>Total investments</b>	<b>56.2</b>	<b>(43.7)</b>	<b>12.5</b>	<b>0.8</b>	<b>-</b>

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In the Treasury Management Strategy it was agreed that the Authority will move into higher risk/higher yield investments such as pooled funds. However, this has been delayed while the Authority reviewed its risk appetite. While an increased income target has been included in the 2020/21 budget, due to the current economic uncertainty surrounding Covid-19, the Authority has invested into secure institutions such as local authorities and Central Government.

In November 2019 the Welsh Government published new Statutory Guidance on Local Government Investments to be effective from the 2020/21 financial year. This involves a complete re-write along the lines of the guidance issued last year by the Ministry of Housing, Communities and Local Government (MHCLG) for local authorities in England.

The definition of investments is widened to include “all of the financial and non-financial assets a local authority has invested money into primarily or partially for the purpose of generating a surplus including investment property” providing it has been made using the power to invest contained in the Local Government Act 2003. In addition, loans to wholly-owned companies or associates, to a joint venture, or to a third party count as investments, irrespective of the purpose or legal power used.

### Non-Treasury Investments

The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government’s (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held such investments in:

- directly owned property such as office and commercial units of £10.8m
- loans to local businesses and landlords £3.3m
- shareholding in subsidiaries £0.3m

These investments generated £1.2m of investment income for the Authority after taking account of direct costs.

### Compliance

The Head of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 7 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	2019/20 Maximum	31.3.20 Actual	2019/20 Operational Boundary	2019/20 Authorised Limit	Complied? Yes/No
Borrowing	192.8	166.3	220	230	✓
PFI and Finance Leases	42	42	44	44	✓
<b>Total debt</b>	<b>234.8</b>	<b>208.3</b>	<b>264</b>	<b>274</b>	<b>✓</b>

Table 8: Investment Limits

	2019/20 Maximum	31.3.20 Actual	2019/20 Limit	Complied? Yes/No
Any single organisation, except the UK Central Government	£5m	0	£10m each	✓

*Above table only shows limits where the Council have invested money in during the year, excluding the UK Central Government.*

### Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	31.3.20 Actual	2019/20 Limit	Complied?
Upper limit on fixed interest rate exposure	100%	100%	✓
Upper limit on variable interest rate exposure	0	50%	✓

**Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.03.20 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	9%	70%	0%	✓
12 months and within 24 months	2%	60%	0%	✓
24 months and within 5 years	6%	60%	0%	✓
5 years and within 10 years	19%	50%	0%	✓
10 years and within 20 years	18%	30%	0%	✓
20 years and within 30 years	14%	20%	0%	✓
30 years and within 40 years	19%	20%	0%	✓
40 years and within 50 years	8%	20%	0%	✓
50 years and above	6%	20%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal Sums Invested for Periods Longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2019/20	2020/21	2021/22
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	10	10	10
Complied?	✓	✓	✓

## Other

**IFRS 16:** CIPFA/LASAAC has proposed delaying the implementation of the new IFRS 16 Leases accounting standard for a further year to 2021/22.

Mae'r dudalen hon yn wag yn

# Report

## Cabinet

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### Part 1

**Date:** 22 July 2020

**Subject** **May Revenue Budget Monitor**

**Purpose** To highlight the current forecast position on the Council's revenue budget and the risks and opportunities that present themselves within the May position with a specific focus on the key financial issues resulting from the Covid-19 pandemic and ongoing impact that this is likely to have upon the 2020/21 revenue budget.

**Author** Head of Finance (HoF)

**Ward** All

**Summary** Across Wales, the Covid-19 virus and associated lockdown measures have had significant financial implications for the Council, both in terms of additional costs and loss of income.

The May 2020 revenue position forecasts an overspend of £5.4m. This is a significant overspend and is a reflection of the issues explained within the report. Whilst there remain concerns around areas of continued, increasing demand in social services the key areas contributing to the forecast overspend are:

(i)	Unavoidable, continuing Covid-19 costs	£1,759k
(ii)	Loss of income attributable to the pandemic	£3,719k
(iii)	Undelivered 2020/21 budget savings	£1,140k
(iv)	Impact of on-going school budget overspending	£841k

As with any forecast at this stage of the year, there is an inherent uncertainty in assumptions that have been made. This year there is the added complexity of uncertainty surrounding the ongoing impact of the Covid-19 pandemic. The situation will remain under continued review and forecasts adjusted as the position evolves.

An area of significant concern is the level of forecast overspending across schools. Schools are currently forecasting an overspend of £1,954k and given the rate at which the schools reserves have reduced over the last 2-3 years these reserves are now insufficient to cover this level of forecast overspend in full. This causes problems for the Council in that a net £841k overspend as the forecast negative reserve at the end of the financial year will need to be funded by other Council budgets or from other Council reserves. This will have on-going negative consequences as set out within the report.

Appendix 1 Overall budget dashboard – May 2020  
 Appendix 2 Revenue summary monitor – May 2020  
 Appendix 3 Schools funding and balances  
 Appendix 4 Planned movement in reserves

**Proposal** Cabinet is asked to:

- Note the overall budget forecast position and the significant overspending within service areas which is predominately resulting from the on-going pandemic and action currently in progress to address some issues;
- Note the planning assumptions within the forecast position and in particular, the uncertainty around (i) the ongoing impact that Covid will have upon service areas and (ii) funding support available from Welsh Government (WG) beyond quarter one of the financial year;
- Note the level of undelivered savings within each directorate and the risks associated with this;
- Note the forecast movements in reserves;
- Note the very significant financial challenges facing schools and the serious impact it will likely have on the Councils other revenue budgets and reserves. Note action currently in progress and the HoF comments on the seriousness of this position.

**Action by** Cabinet Members / Head of Finance/ Senior Leadership Team / Corporate Management Team to:

- HoS complete their review of some of the key costs areas, which contribute to the overspending and maximising, where possible, available Housing Benefit funding for homelessness costs currently being incurred;
- HoS deliver agreed 2020/21 budget savings as soon as practically possible under the current situation but by end of the financial year at latest;
- Promote and ensure robust forecasting throughout all service areas.

**Timetable** On going

This report was prepared after consultation with:

Acting Chief Executive  
 Heads of Service  
 Budget Holders  
 Accountancy Staff

**Signed**



## 1 Background

- 1.1 The day-to-day operation of Council services dramatically changed under 'lockdown' conditions established following the Prime Minister's public address on the 23rd March 2020. Services rapidly transitioned into an essential services model delivering core services to the most vulnerable and the most affected by the threat of the virus.
- 1.2 Across Wales, the Covid-19 virus and associated lockdown measures have had significant financial implications for the Council, both in terms of additional costs and loss of income. The Council is incurring substantial costs in supporting vulnerable households and individuals in the community during this period and as outlined in the June Cabinet, with c£6m of projected costs being incurred in the first quarter of the 2020/21 financial year. Whilst financial support from Welsh Government (WG) has been earmarked for specific groups e.g. homelessness, social care providers and free school meal provision, the WG also set up a general fund to support Local Government to reimburse costs which were (i) specifically related to relief of hardship resulting from Covid-19 and (ii) new, additional costs to the Council. In this context, services were advised to ensure that any additional costs incurred were eligible to be reimbursed as per WG terms and conditions, and thus would not create a further financial pressure on their budgets. The Council is claiming all eligible Covid-19 additional costs in this first quarter of the 2020/21 financial year.
- 1.3 There are, however, a number of on-going financial pressures resulting from this situation, including:
- Unavoidable, continuing additional costs to support our vulnerable residents and maintain core services beyond quarter one, without WG financial support;
  - Lost income e.g. car parking beyond quarter one.

These issues are in addition to the 'usual' challenges placed upon the Council budget:

- Demand led service areas and delivering agreed savings, which have also been directly or indirectly affected by the current situation to some extent;
  - Impact of on-going school budget overspending.
- 1.4 The May 2020 position shows the Council's overall net revenue budget is forecasting an overspend of £5.4m assuming that the revenue contingency budget is fully committed. If the contingency is available at year-end then the overspend reduces to £4m. This is a significant overspend against budget and is a reflection of the issues noted above.

## 2 Key areas contributing to position

- 2.1 The following highlights the key areas that contribute to the overall Council position, with the report providing further details on each below:
- |        |  |           |
|--------|--|-----------|
| (v)    | Unavoidable, continuing costs beyond quarter one as a result of Covid-19 | - £1,759k |
| (vi)   | Loss of income attributable to the pandemic                              | - £3,719k |
| (vii)  | Demand led budget overspending (social care)                             | - £368k   |
| (viii) | Undelivered 2020/21 budget savings                                       | - £1,140k |
| (ix)   | Impact of on-going school budget overspending                            | - £ 841k  |
- 2.2 This is not a 'normal' forecast, itself relatively difficult given at this early stage in the financial year. The current situation has added a significant layer of complexity and uncertainty, some of which is still being 'worked through'.
- 2.3 The key 'upsides' to this forecast, which will improve the position, are

- WG funding for 'loss of income' in quarter one, currently not reflected in forecasts. Whilst an amount has been put aside for this purpose by WG, the confirmation of the final amount available and how it will be distributed is not agreed;
- Further WG support for costs and income losses in quarter two and beyond.

2.4 The key 'downsides' to this forecast, which will worsen the position, are

- Collection of council tax and costs of the 'Council Tax Reduction Scheme' will be worse / higher than forecast – a possible scenario if there is an economic downturn;
- Specific costs of 'service recovery actions' which were highlighted, in broad terms, in the June Cabinet, are not reflected in detail in these forecasts as services continue to work these through.

2.5 Therefore, the forecast is unavoidably subject to some potentially significant changes as we go through the next few months but a reasonable pattern should emerge by the end of the second quarter of the year. In the meantime, service area actions to review and mitigate the current overspending include:

- (i) Review of current levels of staff overtime and agency costs required to cover for staff who are shielding or can't work in the current situation; ensuring they are unavoidable;
- (ii) Review the ability of and how we might claim Housing Benefits to contribute towards the increased housing /accommodation costs the Council is currently incurring in the current situation.

#### **Unavoidable, continuing costs beyond quarter one as a result of Covid-19 - £1,759k**

2.6 For the Council, the financial implications and risks associated with the Covid-19 situation are significant. Whilst the current forecast does include estimated costs that will unavoidably continue beyond quarter one, (which in the main are claimable from WG), the medium to longer-term financial implications relating to the pandemic remain uncertain at this time. The situation will remain under continued review and forecast adjusted as the position evolves.

2.7 Whilst services have been asked to ensure all unbudgeted costs in response to this situation can be reimbursed through the WG hardship fund, some service and support arrangements put in place will have to continue beyond the current funding period. In particular, homelessness arrangements including hire of temporary accommodation beyond the quarter one funded period and the ongoing impact on waste services has been reflected through increased staff costs from July to September.

2.8 If the current arrangements for supporting adult social care continue beyond June this would also be a significant additional cost for the Council. Forecasts however, assume that further funding will be available from WG for social care, therefore nil impact on Council finances.

2.9 This current forecast assumes that WG funding arrangements will end as at the end of June 2020, with the exception of social care as above and free school meals, which is covered until the end of August. Beyond these areas, any unavoidable, continued costs in respect of Covid will cause an overspend against existing budget provision.

2.10 The significant estimated unavoidable costs that will continue beyond the reimbursement period include:

- |                          |       |
|--------------------------|-------|
| - Waste & Cleansing      | £645k |
| - Housing (homelessness) | £929k |

Key assumptions in this area include:

**WG Financial Support:**

- All additional Covid related spend incurred in quarter one will be reimbursed in full by WG hardship fund;
- Quarter two expenditure in relation to free schools meals and adult social care will be reimbursed in full;
- No further funding is available in respect of homelessness.

**Service specific:**

- Social care - any Covid related expenditure from quarter two onwards would be reimbursed by WG. If this funding is not available the costs will fall to the council to absorb and will worsen the projected position;
- Social care - service user charges from externally provided non-residential care will be affected up to the end of September;
- Children's - temporary increases for external placement costs in respect of Covid-19 will cease from July. If, however, there is an announcement from WG that this will be compensated, it will not affect forecasts as it will remain cost neutral;
- Staffing overtime, PPE purchases and cleaning will revert to the usual levels from July onwards unless there is a requirement to maintain these increased levels whereby it will be assumed this will be funded by WG;
- City Services - Home to school transport payment rate of 75% continues until September then resumes standard budget/forecast profile at 100% rate;
- City Services - The Council has continued to support some services where a service has not been received in the first quarter of the year at a lower contract rate. In the case of transport s assumed to continue until September when service resumes and contract paid at 100% rate;
- RIH - Homelessness Modular accommodation forecast assumes full year pressure as the service is expected to continue to be provided beyond the initial six-month agreement;

**Loss of income due to Covid-19 - £3,719k**

- 2.11 In addition to the increased costs, the Council is also impacted by reduced external income from activities such as car parking and planning fees. An initial estimate, carried out in early April, for lost income across Wales totalled £90m in the first quarter. This has been revisited and the actual income lost within quarter one for Newport totalled £2m (excluding Newport Live). This forecast has been extended and potential impact of the income assessed given that income will not recover immediately. This forecast position includes an estimate of the full year impact on income.
- 2.12 Although the WG have announced that £78m is available to account for lost income across Wales during the crisis, the methodology for allocation is yet to be confirmed. Given that the all Wales funding from WG is insufficient to cover all councils estimated losses, forecasts include the full extent of the loss to the end of the financial year, where applicable. Whilst we know this is the worst case scenario we are yet to be informed how the £78m will be allocated and how much will be allocated to Newport – any reimbursement will improve the forecast.
- 2.13 It seems likely at this time that loss of income will be a significant issue and challenging unless further financial support is confirmed. This is an area of on-going discussion with WG officials. The table below shows the estimate of all permanent loss of income during the year which has also been built into the current forecast position.

Service Area	ACTUAL Lost Income 1 Apr to 30 Jun (Qtr 1)	Estimated Lost Income 1 Jul to 30 Sep (Qtr 2)	Estimated Lost Income 1 Oct to 31 Mar (Qtr 3 & 4)	Mitigating Savings (Qtr 1-4)	Full Year Forecast
	£'000	£'000	£'000	£'000	£'000
<b>Permanent</b>					
Adult Services	£ 234	£ 234	£ -	£ -	£ 469
Education	£ 275	£ 288	£ 439	-£ 962	£ 40
Schools	£ 68	£ 23	£ -	£ -	£ 91
City Services	£ 972	£ 561	£ 697	£ -	£ 2,230
RIH	£ 270	£ 63	£ 132	£ -	£ 465
Corporate	£ 117	£ 22	£ 41	£ -	£ 180
Non Service	£ 94	£ 50	£ 100	£ -	£ 244
<b>Total Lost Income</b>	£ 2,030	£ 1,241	£ 1,409	-£ 962	£ 3,719

2.14 Below are the explanations to support the full year forecasts:

**Adult Service** - Despite continuing to pay external home care and day care providers for services the authority are not able to receive contributions from clients as non-residential services such as day centres are no longer being provided. Forecasts assume that this provision will be available during the second half of the year. This position has the potential to worsen if these establishments are not fully operational by the second half of the financial year.

**Education** – £962k of the £1,002k full year forecast relates to the income lost in respect of Gwent Music. This assumes that the service will not be in receipt of any income until September with the service recovering at a rate of 50% from October. Staff savings have offset this as extensive furloughing of staff was undertaken by the service to mitigate the impact.

**City Services** – The continued impact of the pandemic is significant for waste services (£956k): £352k due to downturn in commercial activity at the landfill site, £459k reduction in trade waste and special collections, £120k household waste recycling centre income, shop and bag sorting. Furthermore, the impact of car parking (including civil parking enforcement (CPE)) is significant at £732 as is the bus station departure fee income (£319k). Whilst car parking will reopen, it is not expected to increase to budgeted levels until much later in the year.

**RIH** - Lost income due to the closure of the market for the first quarter of the year. Forecasts also reflect the lost income in respect of commercial and industrial income for quarter one, Norse profit share and room hire income for the remainder of the year.

**Corporate** - £75k fall in income registrars in relation to ceremonies and events which are not expected to recover throughout the year. The balance relates to public protection activity.

**Non-service** - £200k of the full year impact relates to lost income due to Council not having liquidity to invest in the money markets that the income target was predicated on.

Key assumptions in this area include:

- Whilst it is assumed that some of the lost income will be reimbursed by WG the value of this is yet to be confirmed – this will improve the forecast position. A claim has been returned to WG totalling almost £2m for the first quarter and we are awaiting a response.

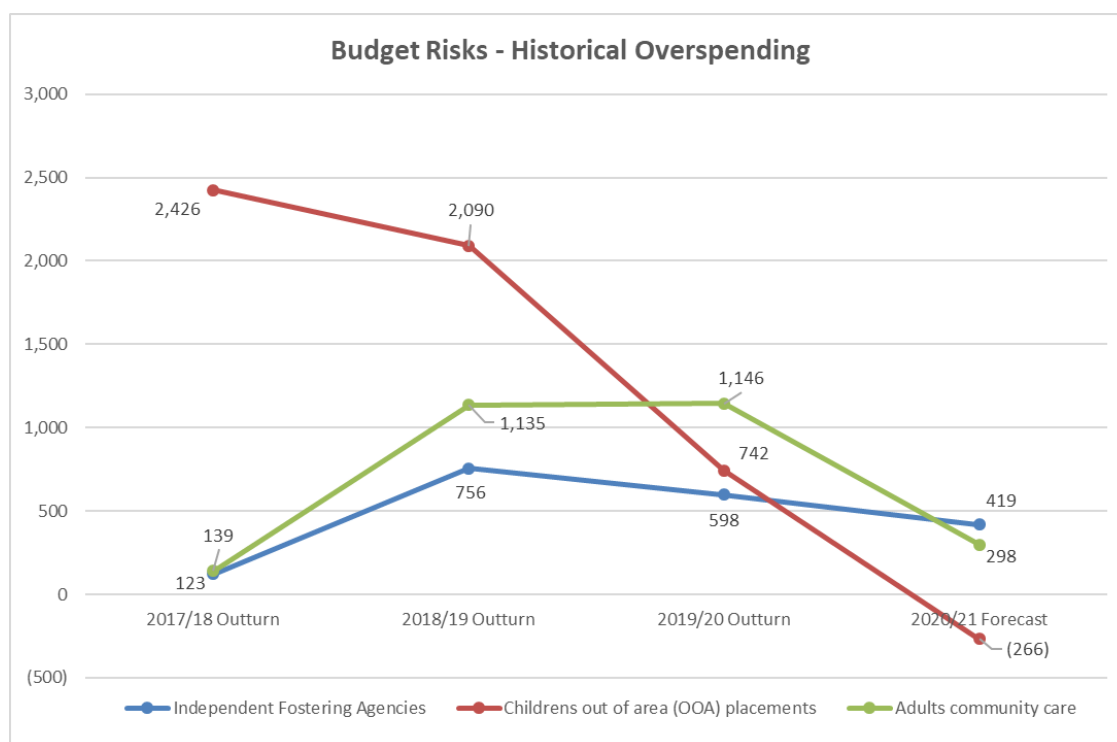
#### **Demand led budgets overspending - £368k**

2.15 It was well documented throughout last year that there were three areas of continued risk in terms of significant overspending against budget:

- Children's out of area placements
- Independent fostering agencies
- Adult community care

2.16 These are recurring issues and demand in most of these areas have been increasing over the last 2-3 years. Although these areas have received significant investment year on year, the demand continued to accelerate beyond the budget available. The 2019/20 outturn report identified that whilst the demand continued to increase in children's social care the level of investment in 2020/21 was deemed adequate as that accommodated the range that the HoS targeted in terms of placement numbers for the year.

2.17 The following chart represents the forecasts over the last 3 years in these areas. Whilst the level of overspending in this area has reduced due to significant investment in 2020/21, independent fostering agencies and adult's community care budgets continue to forecast an overspend.



2.18 **Children's out of area placements** – After investment of £182k, over and above inflation, in the 2020/21 budget, this budget can support 20 out of area placements. In May, the number of out of area placements are at 17, forecasted to increase to 20 at the end of the year resulting in an overall forecasted underspend of £266k for the year.

2.19 **Children's independent fostering** – Investment of £382k, over and above inflation, in 2020/21 enables the budget to support 60 placements which is reasonable given the level of increasing demand that was experienced in 2019/20. This year demand has continued to increase with placements currently at 72 as at the end of May. Placements are forecast to reduce to 68 by the end of March resulting in an overall forecasted overspend of £419k for the year.

2.20 **Adults community care** - £1.4m has been invested into the adult's community care budget for 2020/21, over and above inflation. The current position shows that the number of service users currently are slightly lower than at this time last year (2019/20 – 1,586 and 2020/21 – 1,534) and are forecast to continue on this trajectory resulting in an overspend of £298k. It should be noted; however, that part of this overspend is attributable to an undelivered MTFP saving which is included below.

- 2.21 Given the inherent nature of this budget risk, numbers in this area could change throughout the year as has been the case over the last 2-3 years and this therefore represents a risk. These areas will continue to be closely monitored.

**Delivery of agreed 2020/21 budget savings - £1,140k:**

- 2.13 The position on delivery of savings is shown in appendix 1. The performance on forecast delivery of 2020/21 savings has been significantly impacted by the Covid-19 situation, therefore reducing the levels of projected savings to 79% of target. In addition to the £1.1m shortfall this represents, there remains £443k of undelivered savings from 2019/20, which need to be addressed by children's and adult social services. Whilst the current delay is unavoidable, services will need to deliver these savings at least by the end of current financial year so that they do not carry forward as an issue into next year, alongside potentially further new savings requiring delivery.

Summary by Portfolio	People	Place	Corporate	Non Service	Total
2020/21 MTRP Target (£) Total	2,211	1,282	794	1,130	<b>5,417</b>
Total Savings Realised by Year End 2020/21	1,840	838	670	930	<b>4,277</b>
Variation to MTRP Target	-372	-444	-125	-200	<b>-1,140</b>
Variation % to MTRP Target	-17%	-35%	-16%	-18%	<b>-21%</b>
Undelivered Savings from Previous Years	-443	0	0	0	-443
Total Undelivered Savings	-814	-444	-125	-200	<b>-1,583</b>

- 2.14 Whilst these areas are considered as part of our future financial planning and budget process, overall they contribute £1.6m of overspending against the current year's budget and the current overall overspending of the Council's budget.
- 2.15 Some of the key areas and projects experiencing delays in 20/21 because of Covid are set out below:

**Adult Services (£297k)**

- Reduction in Projected Cost of Accommodation Based Care and Support Services for People with Learning Disabilities - £140k
- Staffing review - £82k
- Telecare service - £75k

**City Services (£277k)**

- Kingsway car park operation - £100k
- Newport Live profit share - £75k
- Increased Recycling - Bag Sorting at Household Waste Recycling Centre - £57k

**People & Business Change (£105k)**

- Innovation and Transformation Offering - reduction in programme management capacity - £57k
- Digital Savings - Public Building Wi-Fi - "Community Cloud" - £48k

**Non-service (£200k)**

- Challenge the Council's Risk Appetite for Investments, and Undertake Larger Long-Term Investments (£10m) in Riskier Instruments - £200k

### 3 Schools

- 3.1 Appendix 3 highlights that overall schools are anticipating an overspend of £1,954k with no assumed grant or other compensation being received throughout the year. This is based on budgets that have been approved by Governing Bodies where school reserves are positive or the current budget position in those schools who have temporary licensed deficits as they continue to work on their financial recovery plans. Specific Covid-19 issues are not reflected here currently.
- 3.2 Over two thirds of the overspend originates from the secondary sector with the primary sector following closely accounting for 27% of the overspend. A summary table is shown below:

	Reserves balance 31/03/20	In year Under/(overspend)	Reserves Balance 31/03/21
	£'000	£'000	£'000
Nursery	(36)	(113)	(149)
Primary	3,332	(536)	2,796
Secondary	(2,178)	(1,188)	(3,365)
Special	(5)	(117)	(121)
<b>Total</b>	<b>1,113</b>	<b>(1,954)</b>	<b>(840)</b>
Assumed grant and other compensation	-	-	-
<b>Total</b>	<b>1,113</b>	<b>(1,954)</b>	<b>(840)</b>

- 3.3 Schools reserves have been depleted significantly over the last two years resulting in a closing balance as at 31<sup>st</sup> March 2020 of £1,113k. Therefore, the forecast level of overspending across schools far outweighs the reserves that are available to offset. This causes a significant concern for the Council:
- The forecast negative reserve at 31/3/2021 year-end will need to be funded by other Council budgets or from other Council reserves. This will have on-going negative consequences;
  - The current level of in-year overspending is unlikely to be resolved after this financial year by current 'deficit recovery plans' given the size of that or deal with the large, historical deficits which have been built up. It has the real potential to negatively impact on other Council budgets and reserves for more than this one year.
- 3.4 Nine schools are anticipating a negative balance position at the end of the current financial year, one from the nursery sector, two from the primary sector, five from the secondary sector and one from the special sector. The cumulative forecast deficit for these schools is just short of £4m.
- 3.5 Officers are continuing to work closely with those schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. Cabinet approved additional funding in the 2020/21 budget to resource some analytical and senior leadership capacity to this challenge and the current situation has delayed recruitment to date, which is unhelpful given the position, but unavoidable. Current officers, including the Chief Education Officer and AHoF / HoF are engaged on this alongside colleagues. A detailed briefing on the situation is being completed and will need to be considered very soon.

### 4 Use of reserves

- 4.1 Appendix 4 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31<sup>st</sup> March 2020, forecasted planned transfers in/ (out) of reserves in 2020/21 and the forecast balance as at 31<sup>st</sup> March 2021. Current projections suggest that 16% of the Council reserves will be utilised by the end of the financial year, which is in line with planned

and expected use. The general fund reserve is at the minimum level required (£6.5m) representing 2% of the overall net budget.

- 4.2 The above position on reserves is based on planned use of reserves. It does not include the impact of un-planned use resulting from funding any revenue budget overspending and ‘making good’ school reserves. As the general reserve is at the minimum level and other reserves are earmarked, any un-planned use will require the Cabinet to approve use of current earmarked reserves for these, which could affect future finances of the Council.
- 4.3 The Council has a good level of reserves and whilst these are virtually all earmarked, they do ultimately provide, in the last resort, some mitigation for overspending. If this was to happen, then future projects, which were funded from these reserves, may not be able to progress or in using other reserves, budgetary provision would need to be made to ‘repay’ these, creating further pressure on the Council’s MTFP. There are no easy, impact free solutions through reserves but they do ultimately provide some cover in the last resort.

### Timetable

Ongoing

### Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Risk of overspending	H	M	Regular forecasting and strong financial management  Revenue budget contingency	
Poor forecasting	M	M	Better forecasting in non-service areas where large variances occurred in 1920  Review and refinement in service areas of risk based modelling  CX/HoF setting out clear expectations	Asst. HoF  SFBP’s and budget managers  CX / HoF

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

### Options Available and considered

### Preferred Option and Why

### Comments of Chief Financial Officer



This first financial forecast represents an important milestone. A high degree of 'granularity' of the different issues affecting the financial forecasts is included and therefore the impact of changes in any assumptions can be made quickly. Clearly, there are a lot of uncertainties, in particular on WG funding support and collection of Council Tax but we should have some more detail on these by the end of Q2. They will be reported on an on-going basis in monthly financial updates.

There are a lot of unavoidable uncertainties surrounding the forecast but it provides a good foundation to move forward and has highlighted some early action, which HoS are now looking at; which is helpful. The Council has a strong financial position to deal with the immediate challenges these give rise to but would have an on-going impact or impact on key priorities.

### **Comments of Monitoring Officer**

### **Comments of Head of People and Business Change**

### **Comments of Cabinet Member**

#### **Local issues**

N/A

#### **Scrutiny Committees**

N/A

#### **Equalities Impact Assessment and the Equalities Act 2010**

N/A

#### **Children and Families (Wales) Measure**

N/A

#### **Wellbeing of Future Generations (Wales) Act 2015**

This update is against a backdrop of prolonged pressure on public services as a combination of reduced income, rising demands on services, increased expectations, compliance with new legislation and the increasing costs of running services, which has seen the delivery of significant budget savings over the last five years. Any future reductions in funding will need to reflect and be consistent with the five principles underpinning the Wellbeing of Future Generation (Wales) Act 2015.

Wellbeing of Future Generations (Wales) Act 2015 forms an integral part of the financial management of the Council and the MTFP process of which the outturn of the Council is an essential part. Analysis and review of reserves are an important aspect on the future generations and the Head of Finance reviews and assesses the robustness and adequacy of these reserves as part of this report.

#### **Consultation**

N/A

#### **Background Papers**

Dated:

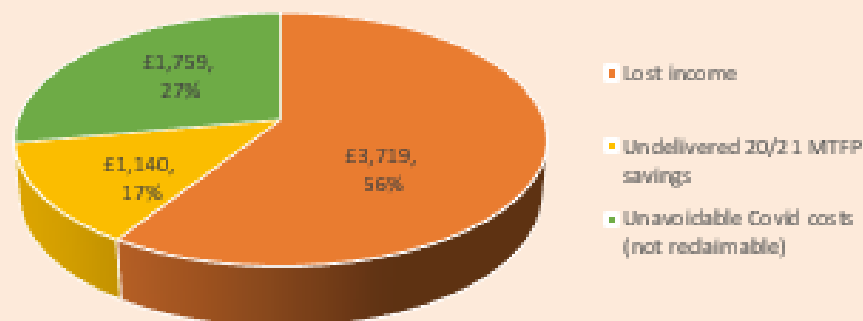
## Appendix 1

## Budget Monitoring Position – May 2020

Position by Directorate	Current Budget £'000	Forecast £000	Variance £'000
People (exc Schools)	90,444	91,767	1,323
Place	34,516	37,739	3,223
Corporate	19,095	19,191	96
<b>Service Area Budget</b>	<b>144,055</b>	<b>148,696</b>	<b>4,641</b>
Schools	106,527	108,481	1,954
Service Area Budget (inc Schools)	250,583	257,178	6,595
Schools - transfer from reserve	0	(1,113)	(1,113)
Non Service	48,214	48,176	(38)
<b>Total Budget (excluding contingency)</b>	<b>298,797</b>	<b>304,241</b>	<b>5,443</b>
General Contingency	1,473	1,473	0
<b>Total Budget (including contingency)</b>	<b>300,270</b>	<b>305,714</b>	<b>5,444</b>

Detailed explanations can be found within service area dashboards

Key overspending areas - Covid-19 Impact



#### Undelivered Savings:

- 2020/21 - £1,140k
- Previous years - £443k
- Overall, undelivered savings are resulting in forecast overspend against budget of £1.6m. This is predominantly due to delays in implementation due to Covid.

#### Position Summary

- Revenue outturn reports an overspend of £5,444k assuming the contingency is fully committed.
- Overspend predominately as a result of the Covid-19 pandemic and the impact on increased expenditure, lost income and schools overspending.

#### Key areas contributing to position

##### Unavoidable Covid related expenditure:

- Within RIH, there is significant Covid related expenditure forecast beyond June (£929k). This is in relation to homelessness and at this time it is assumed that no additional funding is available after June.
- Furthermore, within City Services £645k is forecast in Waste and Cleansing from July onwards without reimbursement.

##### Lost Income:

- Some areas are significantly impacted by the loss of income due to Covid. It is not anticipated that all areas will recover immediately therefore these losses are reflected within the forecast.
- Over the year the estimated net impact on income relating purely to the pandemic is £3.7m. Whilst reimbursement will be available from Welsh Government (WG) it is not known at this time to what extent – any reimbursement will improve the forecast.

##### Schools:

- Forecast overspend of £1,954k in year far outweighs the reserves available to schools resulting in a council overspend of £841k. This is a significant issue which requires urgent attention.

## Budget Monitoring Position – May 2020

### Key Assumptions and Risks - Covid

#### WG Financial support

- Forecasts assume that all Covid related spend incurred in the first quarter of the year will be reimbursed in full by WG hardship fund;
- Whilst it is assumed that some of the lost income will also be reimbursed by WG the value of this is yet to be confirmed – this will improve the forecast position. A claim has been returned to WG totalling almost £2m for the first quarter and we are awaiting a response;
- Quarter 2 expenditure in relation to free schools meals will be reimbursed in full;
- No further funding available in respect of homelessness.

#### Social Services

- Adults – any Covid related expenditure from quarter 2 onwards will be reimbursed by WG. If this doesn't happen the costs will fall to the council to absorb;
- Adults - Service user charges from externally provided non residential care will be affected up to the end of September;
- Children's - Temporary increases for external placement costs in respect of Covid-19 will cease from July. If, however, there is an announcement from WG that this will be compensated, it will not affect forecasts as it will remain cost neutral;
- Staffing overtime, PPE purchases and cleaning will revert to the usual levels from July onwards unless there is a requirement to maintain these increased levels whereby it will be assumed this will be funded by WG.

#### City Services and RIH

- City Services - Home to school transport payment rate of 75% continues until September then resumes standard budget/forecast profile at 100% rate;
- RIH - Homelessness Modular accommodation forecast assumes full year pressure as the service is expected to continue to be provided beyond the initial six month agreement.

### Other Key Assumptions and Risks

- Vast majority of schools have spent more than their funding in 20/21;
- The forecast overspending in schools far outweighs the level of reserves available to fund which now sees schools with a negative reserve. Schools are currently forecasting on overspend of £1.9m against an available reserve of £1.1m resulting in a net overspend impact on the council of £0.8m – this is a serious concern for the Council and something that requires immediate attention.

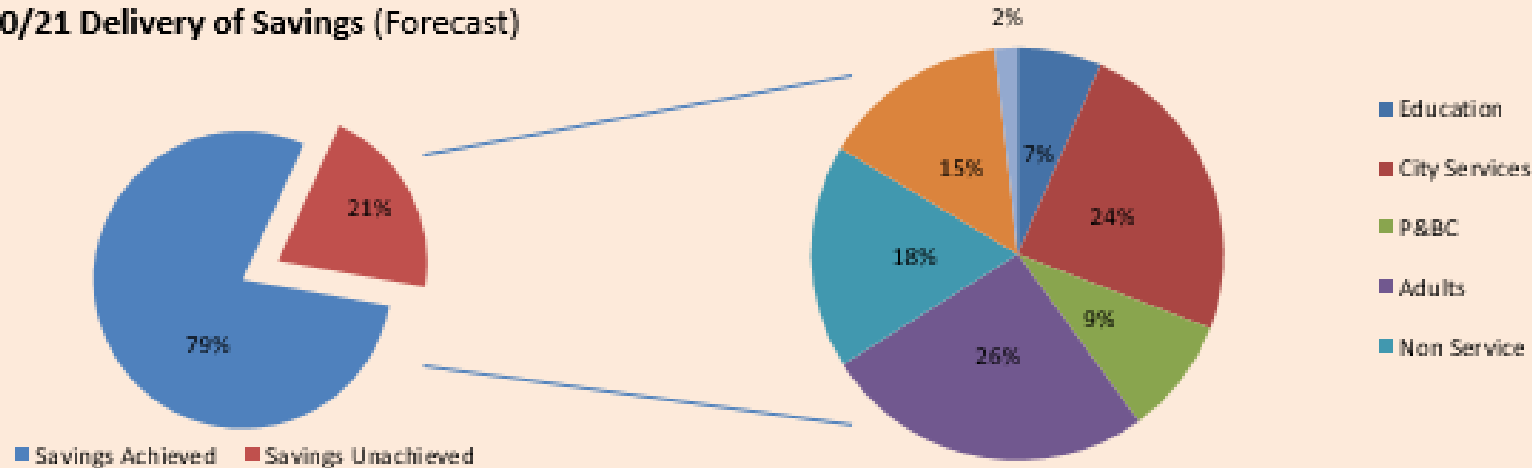
## Budget Monitoring Position – May 2020

### Staff Forecasts

Overall Staffing	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	0	50,926	50,926	50,926	50,926	50,926	50,926	50,926	50,926	50,926	50,926	50,926
Forecast (£'000)	0	50,958	50,958	50,958	50,958	50,958	50,958	50,958	50,958	50,958	50,958	50,958
Variance (£'000)	0	32	32	32	32	32	32	32	32	32	32	32

- Whilst there are a number of vacancies across the council and recruitment into these non essential posts has been somewhat delayed these savings are being offset by an increased requirement for additional staff time and agency staff beyond the WG reimbursement phase in respect of Covid. The net position remains on budget.

### 2020/21 Delivery of Savings (Forecast)



- The first chart shows that 79% of the total savings are forecast for full delivery in 2020/21;
- The second chart illustrates the areas where savings are forecast not to be delivered (21% of overall target);
- The delivery of savings in 2020/21 has been significantly affected by the ongoing pandemic and the resulting overspends against budget have been reflected within the forecast;
- In addition to the £1,140k undelivered savings in 20/21 there remains £443k of undelivered savings from previous years within social care.

Overall Summary	People	Place	Corporate	Non Service	Total
2020/21 MTRP Target(£) Total	2,211	1,282	794	1,130	5,417
Total Savings Realised by Year End 2020/21	1,840	838	670	930	4,277
Variation to MTRP Target	(372)	(444)	(125)	(200)	(1,140)
Variation % to MTRP Target	-17%	-35%	-16%	-18%	-21%

## Budget Monitoring Position – May 2020

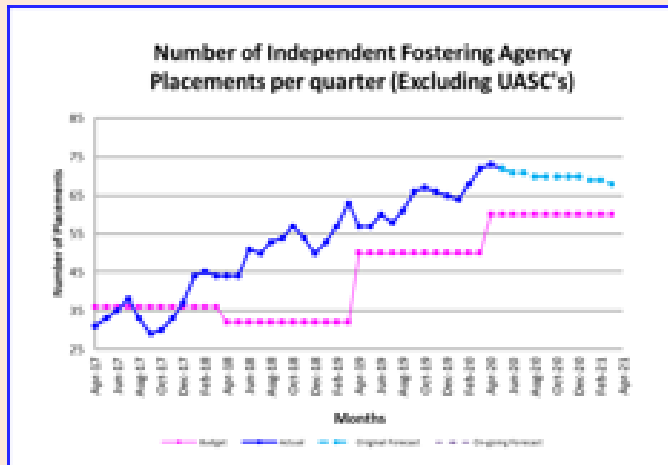
Risk Based Areas	Budget £'000	Fore cast £'000	Variance £'000	Graph Reference
<b>Children &amp; Young People</b>				
Independent Fostering Agencies	2,382	2,801	419	i
Out of Area Residential	3,009	2,742	(266)	ii
In House Fostering	3,479	3,297	(182)	
Looked after Children (LAC) Remand			0	
Legal fees	950	950	0	
In House Residential	2,291	2,343	52	
<b>Adult &amp; Community Services</b>				
Community Care - Residential	23,060	20,913	(2,147)	
Community Care - Supported Living	9,242	10,443	1,201	iii
Community Care - Non Residential	10,582	11,307	725	iv
Community Care Income - Residential & Non	(8,096)	(7,357)	739	
<b>Education</b>				
SEN Out of County - Local Authority	2,425	1,001	(1,424)	v
SEN Out of County - Independents	2,092	3,183	1,091	v
SEN Local Provision Development	621	952	331	
SEN Transport	1,674	1,674	0	
Special Home to School Transport	815	815	0	
Bridge Achievement Centre	1,190	1,190	0	
<b>Regeneration, Investment &amp; Housing</b>				
Homelessness - B&B Costs	746	1,307	561	
Commercial & Industrial Properties Income	(1,460)	(1,271)	189	
<b>City Services</b>				
Commercial / Asbestos Income	(1,245)	(893)	352	
Home to School Transport - Primary	989	705	(284)	
Home to School Transport - Secondary	1,171	986	(185)	
Home to School Transport - College	117	93	(24)	
CPE - Fines Income	(691)	(350)	341	
Burial fees	(561)	(580)	(19)	
Car parking income	(892)	(360)	532	
<b>Law &amp; Regulation</b>				
Licensing - Hackney carriages / private hire	(361)	(457)	(96)	
<b>Total Net Budget</b>	<b>53,528</b>	<b>55,434</b>	<b>1,906</b>	

- In 2020/21, there were over 25 budget areas identified as having the potential to be high risk or highly volatile. This list was reviewed on an on-going basis
- Although some of these areas have come in underspent against budget, they have continued to be monitored given the potential to have a significant impact
- There are six budget 'hotspot' areas within the risk based monitoring which demonstrate the significant financial impact and risk that only a small number of areas pose to the financial position of the Authority (graph ref i – v)
- These areas alone contribute almost £2m to the service area overspends
- A realignment exercise is currently underway to ensure that the budgets reflect the permanent demands in the area. This should deal with many of the offsetting variances.

## Budget Monitoring Position – May 2020

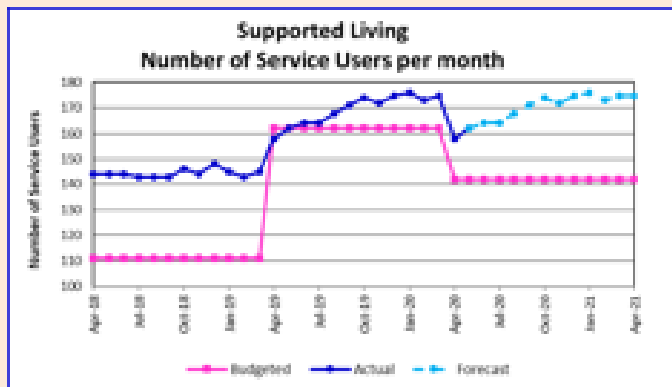
### Risk Based Monitoring graphs

(i) Independent Fostering Agencies



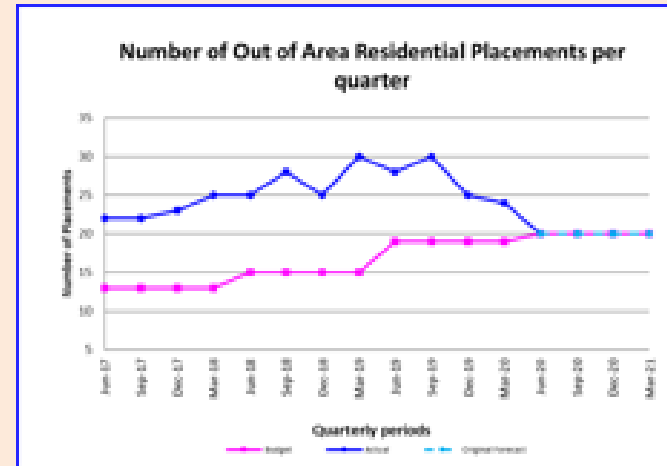
- The 2020/21 budget can afford 60 placements at an average cost. The number of placements in this sector are expected to increase to 68 at the end of the year resulting in an overspend of £419k.

(iii) Community Care – Supported Living



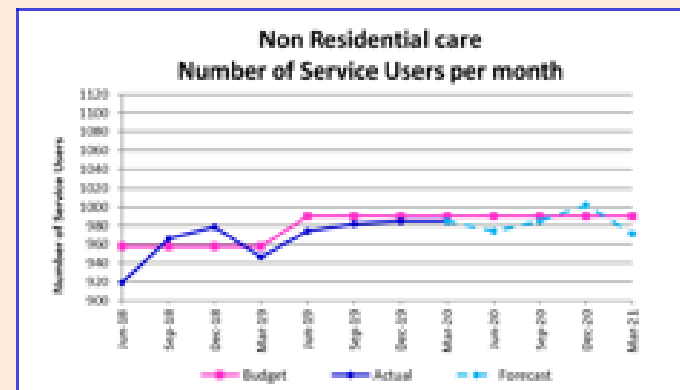
- Budget can afford 142 placements. Currently numbers are at 162 with almost a third of costs being higher than the average resulting in an overspend of £1.2m.

(ii) Out of Area (OOA) Residential Placements



- Budget can afford 20 placements at an average cost. The service anticipates the number of placements being 20 at the end of the financial year resulting in a break even position.

(iv) Community Care – Non Residential

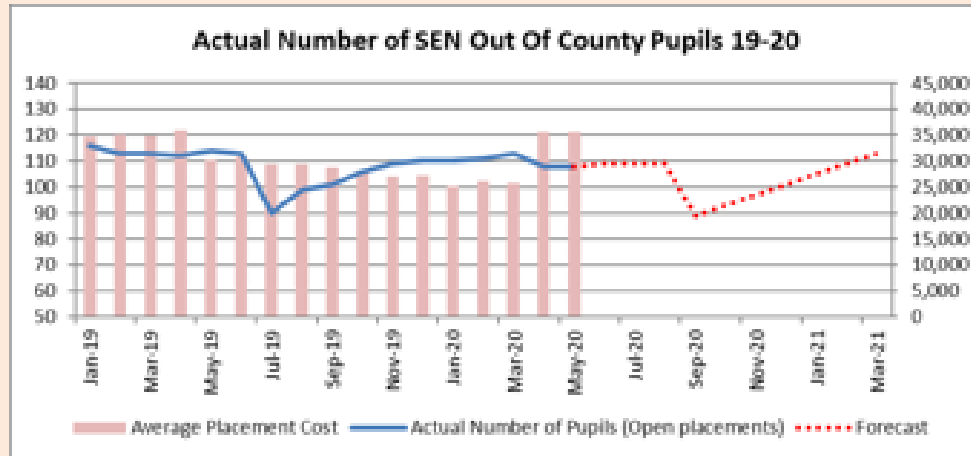


- Budget can afford 990 users per month at an average cost. Given that over a quarter of users exceed this cost per week and in increase in the number of service users an overspend of £725k is anticipated

## Budget Monitoring Position – May 2020

### Risk Based Monitoring graphs

(v) SEN Out of County Placements – Local Authority and Independent



- SEN OOC budget can accommodate 125 placements at an average cost of £36k. In May there are 108 open and 4 planned placements which have been included within the forecast. The forecast highlights an anticipated underspend against budget for local authority of £1.4m and an overspend of £1m for independent. Therefore no budgetary pressure currently exists within current forecasts.
- Placements ranging between £20k and £30k account for 31% of the total number of placements

## Budget Monitoring Position – May 2020

### Schools

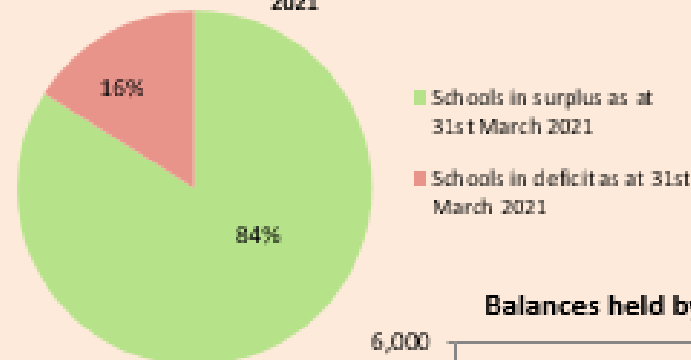
Overall, schools are anticipating an overspend of £1,954k with no assumed grant or other compensation being received throughout the year. Over two thirds of this overspend originates from the secondary sector with primary's accounting for 27%. This pattern is consistent with previous years, flagged as unsustainable and has now resulted in schools balances becoming negative.

Schools reserves are no longer available to cover the full extent of the forecast overspend. The forecast by sector is shown below;

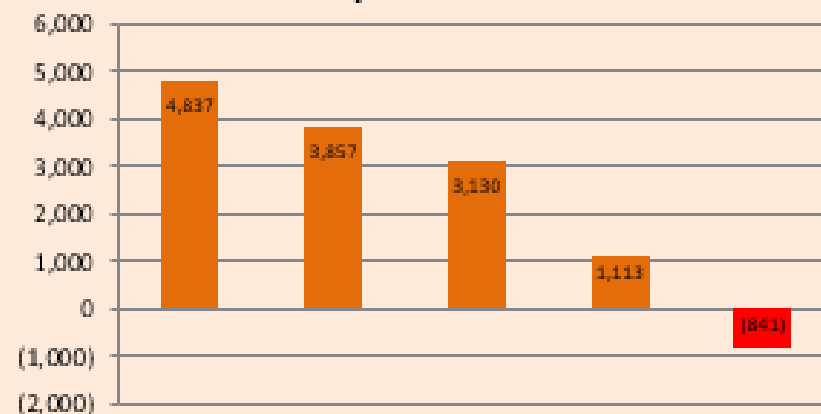
- Nursery £113k overspend (2 out of 2 nurseries reporting an in-year overspend position)
- Primary £536k overspend (24 out of 43 schools reporting an in-year overspend position)
- Secondary £1,188k overspend (6 out of 9 schools reporting an in-year overspend position)
- Special £117k overspend (2 out of 2 special schools reporting an in-year overspend position)

Schools forecasting deficit reserves at YE	May
Kimberley Nursery	(158)
High Cross Primary	(54)
St Woolos Primary	(34)
Newport High	(133)
Caerleon Comprehensive	(1,259)
Uisweny High	(784)
Llanwern High	(870)
St Julians	(501)
Maes Ebbw	(182)
<b>Total Net Budget</b>	<b>(3,975)</b>

Proportion of Schools Forecasting Deficit as at 31st March 2021



Balances held by Schools as at 31st March



Schools are forecasting an in year overspend of £1,954k therefore reducing school balances to a negative balance as there remains only £1,113k in school reserves as at the end of March 2020. This is therefore forecast to cause a pressure of £841k for the Council. **This is a significant issue which requires urgent action.**



## APPENDIX 2 Revenue Summary Monitor – May 2020

Summary Revenue Budget 2020/21	April 20	Current	Projection	(Under) /
	Approved	Budget		Over
	£'000	£'000	£'000	£'000
<b>People</b>				
Children and Young People	25,904	25,865	26,481	617
Adult and Community Services	49,261	49,215	49,928	713
Education	15,365	15,364	15,357	(7)
Schools	106,527	106,527	108,481	1,954
	<b>197,057</b>	<b>196,972</b>	<b>200,248</b>	<b>3,276</b>
<b>Place</b>				
Regeneration, Investment and Housing	9,910	9,892	11,661	1,769
City Services	24,673	24,624	26,078	1,454
	<b>34,583</b>	<b>34,516</b>	<b>37,739</b>	<b>3,223</b>
<b>Chief Executive</b>				
Directorate	516	515	363	(153)
Finance	3,434	3,422	3,313	(110)
People and Business Change	8,005	7,998	8,113	115
Law and Regulation	7,183	7,159	7,403	243
	<b>19,138</b>	<b>19,095</b>	<b>19,191</b>	<b>96</b>
<b>Capital Financing Costs and Interest</b>				
Capital Financing Costs and Interest (Non-PFI)	14,462	14,462	14,462	(0)
Public Finance Initiative (PFI)	8,854	8,854	8,854	0
	<b>23,316</b>	<b>23,316</b>	<b>23,316</b>	<b>(0)</b>
<b>Sub Total - Service/Capital Financing</b>	<b>274,094</b>	<b>273,899</b>	<b>280,494</b>	<b>6,595</b>
<b>Contingency Provisions</b>				
General Contingency	1,473	1,473	1,473	0
Centralised Insurance Fund	581	581	581	0
Non Departmental Costs	-	-	-	-
Other Income and Expenditure	683	879	878	(0)
	<b>2,737</b>	<b>2,932</b>	<b>2,932</b>	<b>0</b>
<b>Levies / Other</b>				
Discontinued Operations - pensions	1,567	1,567	1,529	(38)
Discontinued Operations - Ex Gratia Payments	2	2	2	0
Levies - Drainage Board, Fire service etc	8,704	8,704	8,704	0
CTAX Benefit Rebates	13,465	13,465	13,465	0
Extraordinary Items	-	-	-	-
	<b>23,738</b>	<b>23,738</b>	<b>23,700</b>	<b>(38)</b>
<b>Transfers To/From Reserves</b>				
Base budget - Planned Transfers to/(from) Reserves	(299)	(299)	(299)	(0)
Earmarked reserves: Transfer to/(from) Capital	-	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	-	(1,113)	(1,113)
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-	-
Invest to Save Reserve	-	-	(1,408)	(1,408)
Invest to Save Reserve (from)	-	-	1,408	1,408
	<b>(299)</b>	<b>(299)</b>	<b>(1,412)</b>	<b>(1,113)</b>
<b>Total</b>	<b>300,270</b>	<b>300,270</b>	<b>305,714</b>	<b>5,444</b>
<b>Funded By</b>				
WG funding (RSG and NNDR)	(228,077)	(228,077)	(228,077)	-
Council Tax	(72,193)	(72,193)	(72,193)	-
Council Tax Surplus	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0</b>	<b>5,444</b>	<b>5,444</b>

## APPENDIX 3 – Schools Funding and Balances

School Name	Opening Reserve 20/21	ISB Allocation (inc Post 16)	In Year U/(O) Spend May 20	Projected Closing Reserve 31/03/21
	£	£	£	£
Bassaleg School	218,531	7,818,716	(192,858)	25,673
Newport High	(233,397)	5,347,446	100,059	(133,339)
Caerleon Comprehensive	(1,064,561)	6,912,566	(194,419)	(1,258,980)
The John Frost School	76,130	6,660,840	13,219	89,349
Llanwern High	(290,421)	4,641,017	(579,748)	(870,168)
Lliswerry High	(754,031)	4,729,788	(29,986)	(784,017)
St Josephs R.C. High	90,450	6,240,112	(23,110)	67,341
St Julians School	(180,821)	7,460,513	(319,871)	(500,693)
Ysgol Gyfun Gwent Is Coed	(39,385)	2,072,009	39,099	(286)
<b>Sub Total</b>	<b>(2,177,504)</b>	<b>51,883,007</b>	<b>(1,187,615)</b>	<b>(3,365,120)</b>
Alway Primary	60,116	1,610,630	(12,508)	47,608
Caerleon Lodge Hill	96,832	1,201,596	42,100	138,932
Charles Williams CIW	224,970	1,818,335	(40,177)	184,793
Clytha Primary	16,709	795,869	(4,057)	12,652
Crindau Primary	147,659	1,378,398	(47,534)	100,125
Eveswell Primary	242,539	1,501,889	(84,844)	157,694
Gaer Primary	81,402	1,694,154	42,459	123,861
Glan Usk Primary	36,470	2,136,355	(124)	36,346
Glan Llyn Primary	53,135	943,720	(2,974)	50,161
Glasllwch Primary	73,001	781,116	(58,150)	14,851
High Cross Primary	(42,257)	910,950	(11,901)	(54,158)
Jubilee Park	(8,018)	1,209,463	23,920	15,902
Langstone Primary	104,577	1,113,506	(88,561)	16,016
Llanmartin Primary	21,641	761,269	2,224	23,865
Lliswerry Primary	117,548	2,090,994	117,427	234,975
Maesglas Primary	(18,822)	1,021,309	42,455	23,633
Maindee Primary	66,774	1,787,176	2,805	69,579
Malpas CIW Primary	63,613	1,154,702	(53,715)	9,898
Malpas Court Primary	46,823	1,200,996	(34,084)	12,739
Malpas Park Primary	41,131	856,916	20,023	61,154
Marshfield Primary	65,929	1,384,485	(53,132)	12,798
Millbrook Primary	82,741	1,064,677	(64,216)	18,525
Milton Primary	24,777	1,615,390	24,562	49,339
Monnow Primary	161,652	1,517,654	(79,318)	82,334
Mount Pleasant	34,117	875,251	(15,790)	18,327
Pentrepoeth Primary	51,847	1,536,928	(22,608)	29,239
Pillgwenlly Primary	121,114	2,107,157	(43,124)	77,990
Ringland Primary	49,111	1,071,328	(24,835)	24,276
Rogerstone Primary	(32,929)	1,926,637	50,605	17,676
Somerton Primary	144,338	662,946	(53,884)	90,454
St Andrews Primary	52,774	2,354,850	20,407	73,181
St Davids RC Primary	67,457	775,183	1,840	69,297
St Gabriels RC Primary	34,230	694,208	9,215	43,445
St Josephs RC Primary	33,472	705,062	20,373	53,845
St Julians Primary	309,759	2,163,980	(177,338)	132,421
St Marys Rc Primary	58,503	1,335,681	8,947	67,450
St Michaels RC Primary	27,137	761,344	(11,537)	15,600
St Patricks RC Primary	48,321	725,678	4,490	52,811
St Woolos Primary	(47,163)	1,132,978	13,015	(34,148)
Tredeggar Park Primary	203,343	1,527,984	25,526	228,869
Ysgol Gym Bro Teyrnion	167,308	748,924	(28,184)	139,124
Ysgol Gym Casnewydd	148,725	1,256,012	21,829	170,554
Ysgol Gym Ifor Hael	99,385	688,626	(17,854)	81,531
<b>Sub Total</b>	<b>3,331,795</b>	<b>54,602,306</b>	<b>(536,226)</b>	<b>2,795,568</b>
Fairoak Nursery	29,788	164,168	(21,621)	8,167
Kimberley Nursery	(66,244)	240,738	(91,404)	(157,648)
<b>Sub Total</b>	<b>(36,456)</b>	<b>404,906</b>	<b>(113,025)</b>	<b>(149,481)</b>
Maes Ebbw	(117,594)	3,432,192	(64,097)	(181,691)
Bryn Derw	112,917	1,574,763	(52,583)	60,334
<b>Sub Total</b>	<b>(4,677)</b>	<b>5,006,955</b>	<b>(116,680)</b>	<b>(121,357)</b>
<b>Grand Total</b>	<b>1,113,157</b>	<b>111,897,174</b>	<b>(1,953,547)</b>	<b>(840,389)</b>

## APPENDIX 4 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-20	Planned Movements in Year											Balance at 31-Mar-21	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)													(6,500)
Balances held by schools for future use	(1,113)												1,954	841
<b>Earmarked Reserves:</b>														
Music Service	(127)													(127)
Pay Reserve	(1,418)													(1,418)
Insurance Reserve	(664)													(664)
MMI Insurance Reserve	(602)													(602)
Health & Safety	(16)													(16)
Education Achievement Service	(92)													(92)
Schools Redundancies	(725)													(725)
General Investment Risk Reserve	(658)													(658)
European Funding I2A & CFW	(394)													(394)
Micro Bus	(9)													(9)
GMS Redundancies	(78)													(78)
<b>SUB TOTAL - RISK RESERVES</b>	<b>(4,783)</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>(4,783)</b>
Capital Expenditure	(5,344)												35	(5,309)
Invest to Save	(9,938)												1,564	(8,374)
Super Connected Cities	(426)												128	(298)
Landfill (fines reserve)	(332)													(332)
School Reserve Other	(182)													(182)
School Works	(452)													(452)
Investment Reserve	(342)												342	-
Usable Capital Receipts	(8,259)												3,098	(5,161)
Streetscene Manager Support	(117)												117	-
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>(25,391)</b>	-	-	-	-	-	-	-	-	-	-	-	5,284	<b>(20,107)</b>

Reserve	Balance at 31-Mar-20	Planned Movements in Year												Balance at 31-Mar-21
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Municipal Elections	(130)													(130)
Local Development Plan	(625)													(625)
Glan Usk PFI	(1,607)													(1,607)
Southern Distributor Road PFI	(40,691)												299	(40,392)
Loan modification technical reserve (IFRS 9)	(1,085)												175	(910)
Building Control	(104)												12	(92)
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>(44,242)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>486</b>	<b>(43,756)</b>
														-
Works of art	(21)													(21)
Theatre & Arts Centre	(232)													(232)
Worth Income	(25)													(25)
Green Y Pant	(18)												8	(10)
Homelessness Prevention	(38)													(38)
Environmental Health - Improve Air Quality	(49)													(49)
Refurbishment of a Children / Older People Homes	(41)												41	-
Apprenticeship Scheme	(29)													(29)
City Economic Development Reserve	(90)													(90)
Welsh Language Standards	(169)													(169)
Port Health	(16)													(16)
CRM	(244)												244	-
Financial System Upgrade	(400)												400	-
Events	(216)													(216)
MTFP Reserve	(2,037)													(2,037)
Voluntary Sector Grants	(49)												12	(37)
Bus Wifi	(17)													(17)
Bus Subsidy	(15)												6	(9)
Feasibility Reserve	(117)													(117)
IT Development	(53)												53	-
Leisure Delivery Plan	(103)													(103)
Chartist Tower	(256)												256	-
Joint Committee City Deal Reserve	(626)													(626)
NEW - Civil Parking Enforcement	(175)												175	-
<b>SUB TOTAL - OTHER RESERVES</b>	<b>(5,036)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,195</b>	<b>(3,841)</b>
Forecast Overspend - May 2020													5,444	5,444
<b>RESERVES TOTAL</b>	<b>(87,065)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,363</b>	<b>(72,702)</b>



# Report

## Cabinet

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### Part 1

Date: 22 July 2020

**Subject** Newport City Council's School Recovery Programme (Covid 19)

**Purpose** To endorse the School Recovery Programme that will enable schools to recover and operate whilst continuing to support the Council's Strategic aims set in the Corporate Plan 2017-22.

**Author** Chief Education Officer

**Ward** All

**Summary** The Covid 19 health emergency has posed significant and unprecedented challenge to the way we deliver our services and our way of life. Since March 2020, the Council's focus has been to preserve life, minimise the spread of the virus and support our communities and the vulnerable. Schools partially reopened on 29<sup>th</sup> June 2020 in order to prepare pupils to for the new academic year.

**Proposal** For Cabinet to approve and endorse the School Recovery Programme

**Action by** Cabinet

### Timetable

This report was prepared after consultation with:

- Leader of the Council
- Cabinet Member for Education and Skills
- Corporate Management Team
- Head Teacher representatives
- Education Senior Management Team

### Signed

## Background

The Covid 19 health emergency has posed a significant and unprecedented challenge to the way in which we deliver our services and our way of life. Since March 2020, the Council's focus has been to preserve life, minimise the spread of the virus, and support our communities and the vulnerable.

Newport City Council Strategic Recovery Aims have been drafted in reflection of the work undertaken by the Council in response to the crisis while also considering the Council's long-term aim to '*build a better Newport*' and supporting the Wellbeing of Future Generations Act 2015. The Council's Corporate Plan 2017-22 has four Wellbeing Objectives. Objective one relates to the recovery of schools.

<b>Strategic Recovery Aim 1:</b> Understand, and respond to, the additional challenges, which Covid19 has presented, including loss of employment, impact on business and on the progress, achievement and wellbeing of both mainstream and vulnerable learners.	
<b>Wellbeing Objective 1 – To improve skills, education and employment opportunities</b>	
To achieve this aim we will:	
1	Support schools and other education establishments to safely reopen for both school staff and pupils.
2	Work to prevent and reduce inequality of progress and outcomes in education for mainstream and vulnerable learners through the implementation of the National Continuity of Learning Plan.
3	Support schools to enhance and develop digital skills, digital teaching and learning platforms and enhanced support for digitally excluded learners.
4	Support and enable people that are digitally excluded to access community IT programmes, Council services and other public services.
5	Support people who have been affected by unemployment to access new opportunities through training and re-employment required for post Covid 19 businesses.
6	Ensure our diverse communities are appropriately supported through tailored interventions specific to their needs, including consideration of language, culture and points of access.

On Wednesday 3rd June 2020, the Welsh Minister for Education, Kirsty Williams MS, outlined the national approach for the return of children and young people to schools in Wales. The approach involves schools in Wales reopening on June 29<sup>th</sup> 2020. Welsh Government advocates a phased return to schools, supporting pupils to check in and catch-up with a focus on wellbeing, whilst also continuing with distance and online learning in and around school-based sessions. The reopening requires a clear focus on safety in accordance with social distancing legislation and associated Public Health Wales guidance. The aim is for schools to be open to pupils from all year groups for limited periods during the week, with only a third of pupils in school at any one time.

Attendance is voluntary based upon parental preference in line with current legislation and guidance. Children and young people who fall into the shielding category will carry on with online learning. School hub childcare is expected to continue, whilst taking account of demand and deliverability. Welsh Government Guidance was issued exactly one week after the announcement on Wednesday 10<sup>th</sup> June 2020.

### Newport Local Authority Approach

In order to prepare for the reopening of schools in Newport, Education Services has established an Executive School Planning Group. The aim of this group is to develop a common framework and set of principles which are reflective of national guidance and local context in order to reopen schools safely

without unnecessary duplication of work for school leaders. The group is chaired by the Chief Education Officer and includes:

- The Chair of CONSHE (Conference of Newport Secondary Heads)
- The Chair of NAPHS (Newport Association of Primary Heads)
- Two additional secondary head teachers
- Two additional primary head teachers
- Deputy Chief Education Officer
- Head of Engagement and Learning
- Head of ALN and Inclusion
- Service Manager for Resources and Planning
- Health & Safety Manager for NCC
- Senior HR Business Partner for Education.

A series of sub groups operate outside of this group to progress specific actions. These include sub groups for:

- Personal Protective Equipment (PPE)
- Support for Special Schools and Learning Resource Bases
- Transport
- Premises Management
- Human Resources / Workforce.
- Digital and IT

### **Guiding Principles**

The following guiding principles have been established regarding the school recovery plan:

1. All planning will be focussed around keeping learners and staff safe.
2. Schools will design re-opening plans based around their capacity for cleaning, staffing and space. Re-opening plans should support 'up to one third of pupils', although it is recognised that this may not be possible in every school.
3. Where possible, the local authority promotes consistency of approach in the 'offer' to pupils returning to school. It is expected that pupils of statutory school age will engage in a weekly catch up experience over the summer term or three separate check in's.
4. Schools should not operate a separate morning and afternoon slot for pupils unless it has the capacity to clean to a satisfactory standard during a pupil changeover.
5. Schools may choose their own approach to non-statutory schooling. However there is an expectation that all pupils from Nursery and Sixth Form will have the opportunity to check in with a member of staff and see their school layout.
6. Schools need to make in school provision available for vulnerable children. Vulnerable children may require more frequent time in a school. This should be determined through a vulnerable pupil risk assessment.
7. All pupils currently in one of the thirty-six Newport Childcare Hubs will return to their 'home school' by June 29th. As advised by Welsh Government, children should remain in separate bubble classes.
8. Childcare applications will continue to be approved by each school. It is recognised that a surge in applications during the planning phase could jeopardise a return to school offer which has been made to a pupil or family not accessing the childcare hub. This should be avoided and schools may choose to consider suspending childcare applications for short periods of time if a return to school

offer previously made is at risk of being retracted. If a suspension of childcare applications is being considered it should be approved by the Chair of Governors and discussed in advance of the decision with the local authority.

9. Risk Assessments templates designed by the local authority in conjunction with Head teachers must be completed to reflect each individual schools circumstance. This must be signed off by the Chair of Governors.
10. Each school must have a record to state that a Chair of Governors (or whole Governing Body where possible) has approved their return to school planning.

### **Childcare Hubs**

Childcare provision for children of critical workers and vulnerable learners has been offered across Newport schools since late March. A total of thirty-six childcare hubs have been in operation across all areas of the city and around three-hundred children have attended each day. Out of hours childcare on evenings and weekends, hosted by two schools and staffed by Regeneration, Investment and Housing staff, was in operation until 28<sup>th</sup> June.

When schools reopened all children attending childcare hubs moved back to their own school or setting. Children of key workers and vulnerable learners who were previously accessing childcare provision have continued to access this, alongside the learning that they are entitled to for the remainder of the summer term.

Based on Welsh Government advice stating that on returning to school, children should attend just one setting wherever possible, and should remain in the same small, consistent group within that setting, as far as possible. This will help reduce the likelihood of the virus moving between groups within that one setting, or moving between groups in different settings.

### **Vulnerable Groups & Learning Resource Bases (LRBs)**

Around sixty vulnerable learners have attended the childcare hubs across the city at the invitation of their head teacher and in liaison with Education Services and Children's Services. Vulnerable children were identified for invitation to childcare provision using a bespoke risk assessment developed by the Local Authority.

Pupils identified as vulnerable learners have been prioritised for support either through timetabled "check in, catch up and prepare sessions" or within a childcare hub for respite provision. If a pupil is attending the Bridge Achievement Centre (BAC) they would be unable to access sessions on their main school site to prevent cross contamination.

Schools have made "reasonable endeavors" to support vulnerable learners to access their school or Childcare hub provision. This has included timetabling specific 1:1 staff to support, part-time placements, smaller group sizes and/or staff wearing of PPE.

### Learners with ALN and Statement of SEN Provision

Schools have been advised that all learners with ALN should be risk assessed to determine the provision they require including the individualised support they need in order to access their placement and entitlement detailed within the Statement of SEN. However, learners with more profound or complex needs have required a more individualised approach to ensure they can access school and the support they need.

If the outcome of both an environmental audit and individual pupil risk assessment has determined that it is not possible or it is unsafe for the pupil to return to school, the case has been discussed with the Local



Authority. Schools have been required to evidence all alternative arrangements have been explored to mitigate any assessed risks and ensure that the pupil is not disadvantaged / discriminated against, being given every opportunity to return for designated sessions in school.

In order to ensure consistency of access of vulnerable learners in all Newport schools a risk assessment was developed and implemented to identify those learners who should be invited to attend the childcare hub. This is monitored by the Assistant Head of Education (Inclusion)

#### Provision of Transport

When schools partially re-open on June 29<sup>th</sup> Newport City Council prioritised the limited number of available transport for pupils with complex needs and disabilities who access either the Special Schools or Learning Resource Bases.

Where there is no provision of transport available to the Parent(s), Carer(s) or family member(s), the Local Authority will consider requests for transport where:

- (i). the child is currently in receipt of a Statement of SEN which specifies the provision of transport;
- (ii). the child is currently in receipt of a Statement of SEN which does not specify the provision of transport but whose individual needs require the LA to assess their eligibility.

#### **Personal Protective Equipment (PPE)**

Within the guidance issued by Welsh Government on 10 June 2020, it was noted that PPE is not required when undertaking routine educational activities in classroom or school settings.

The Chief Medical Officer has been clear that there is no evidence to support the widespread wearing of non-medical face coverings in the community. Non-medical face coverings have been recommended where social distancing cannot be maintained but these are not replacements for far more effective measures such as social distancing and hand hygiene. Schools should ensure that they organise their environments and they operate to ensure that social distancing can be maintained throughout a routine day.

A protocol for Vulnerable and Statemented pupils risk assessment has been developed and shared outlining the risk assessment procedures. Following the identification of a pupil with specific behaviour needs, schools have updated their current individual risk assessment / behaviour plans.

#### Administration of First Aid and Intimate Care

Any staff member in a school administering First Aid and/or intimate care should wear PPE. Every school has received a delivery of appropriate PPE purchased by the Local Authority.

Schools have been advised that they should support their staff if they choose to wear a face mask in school. Additionally, where it is parental choice for a pupil to wear a face covering, this should also be permitted, although parents should be informed that schools cannot be responsible for ensuring the pupil wears the mask correctly at all times during the period they are in school. School cannot retain responsibility for maintain the hygiene of the mask.

#### **Mainstream Transport**

Due to unprecedented Covid related issues mainstream pupil transport was not available when schools partially re-open on June 29<sup>th</sup>. The local authority is working to secure safe pupil transport for September and will notify schools and parents when there is more information.

In addition to the work to prioritise SEN / ALN / Special School transport, provision is being prioritised for those Welsh-medium learners in Years 11-13 for whom education is currently not available within Newport.

### **Education Workforce**

Using current guidance and best practice, the Local Authority has set out how head teachers should manage staff attendance at school. A staffing risk assessment has been issued to schools to support the identification of which staff are able to return to work and those who should remain at home.

When schools reopened on 29<sup>th</sup> June, 77% (2400 individuals) of the school workforce was available. 173 staff were not available as they were vulnerable/shielding and unable to work from home and 380 staff were vulnerable/shielding but working from home. The remaining staff were absent due to other sickness or maternity leave.

Schools have continued to offer childcare for children of key workers, including children of education workers. Head teachers have been advised that children of their staff may need to be accommodated at the school where they work to enable staff to attend work.

Staff who believe they are unable to work due to childcare reasons have been advised to discuss this with their Headteacher who can consider some of the following options:

- Sharing childcare responsibility with a partner in two-person households
- Fully considering the age and needs of children requiring supervision
- Using key worker childcare provision where school, nursery, childminders and/or family members are not able to provide childcare across your contracted working hours
- Reduced hours on a temporary basis
- Unpaid time off for dependents
- Working flexible hours around childcare needs e.g. early mornings, evenings and weekends

The Local Authority has an employee assistance programme, [Carefirst](#), which is available 24/7. School based employees are also able to access support from the [Education Support Partnership](#) who provide mental health and wellbeing support to all education staff

### **Premises Management**

The following documents have been devised and issued to schools:

- School Premises Recovery Checklist
- Risk Assessment for School Reopening
- Corona virus Protocol for School – Handwashing and the use of hand sanitiser
- Corona virus Protocol for School – Children who become symptomatic at school

The Local Authority has distributed hand sanitiser to all schools. The need for Perspex screens and signage will need to be determined by individual schools and local arrangements made for ordering. Advice on procurement of these and any other hygiene and cleaning products has been offered via the Procurement Team.

### **Catering**

There has been no school meal service or breakfast club provision in schools between 29<sup>th</sup> June and 20<sup>th</sup> July. The current Free School Meal Voucher system will continue until the end of August 2020 and thus

any child attending school for the remainder of this term is required to bring with them a home packed lunch if in school over the lunchtime period.

The Free School Milk Scheme for Nursery and Foundation Phase pupils has been suspended. This will be reviewed in readiness for September 2020.

### **Central Education Services Support**

Central Education Services recognise that minimising the number of staff on school sites can help lower transmission risks. This means that staff from central education services will not make routine visits to schools when they reopen. This includes EWOs, GEMS staff, Gwent Music tutors, Healthy Schools staff, the Inclusion Enrichment Team, the Service Children's Officer and the YEPF Officer. Central education services staff will provide telephone and email support and will also be available for MS Teams meetings. Welsh Government guidance highlights that schools should seek to draw on the potential for engagement and collaboration with other agencies such as youth services and library services.

### **Pupil Attendance**

Schools have been advised to keep a record of attendance and that families should notify the school if their child is unable to attend. Where children are not attending, particularly due to parental choice, Welsh Government requires schools to engage with parents/carers to understand why they are not attending and ensure there are no concerns about their well-being. The Education Welfare Service is supporting schools with this.

Schools will not be required to report on attendance targets in relation to absence for the 2019/20 academic year, or set attendance targets for the 2020/21 academic year.

### **Supporting Digitally Excluded Learners**

A survey of Newport schools identified 2565 digitally excluded learners who did not have access to digital devices and/or a reliable internet connect. To support these learners to be able to access online learning 850 digital devices (e.g. laptops and chromebooks) were provided by schools for a repurpose and issue to learners.

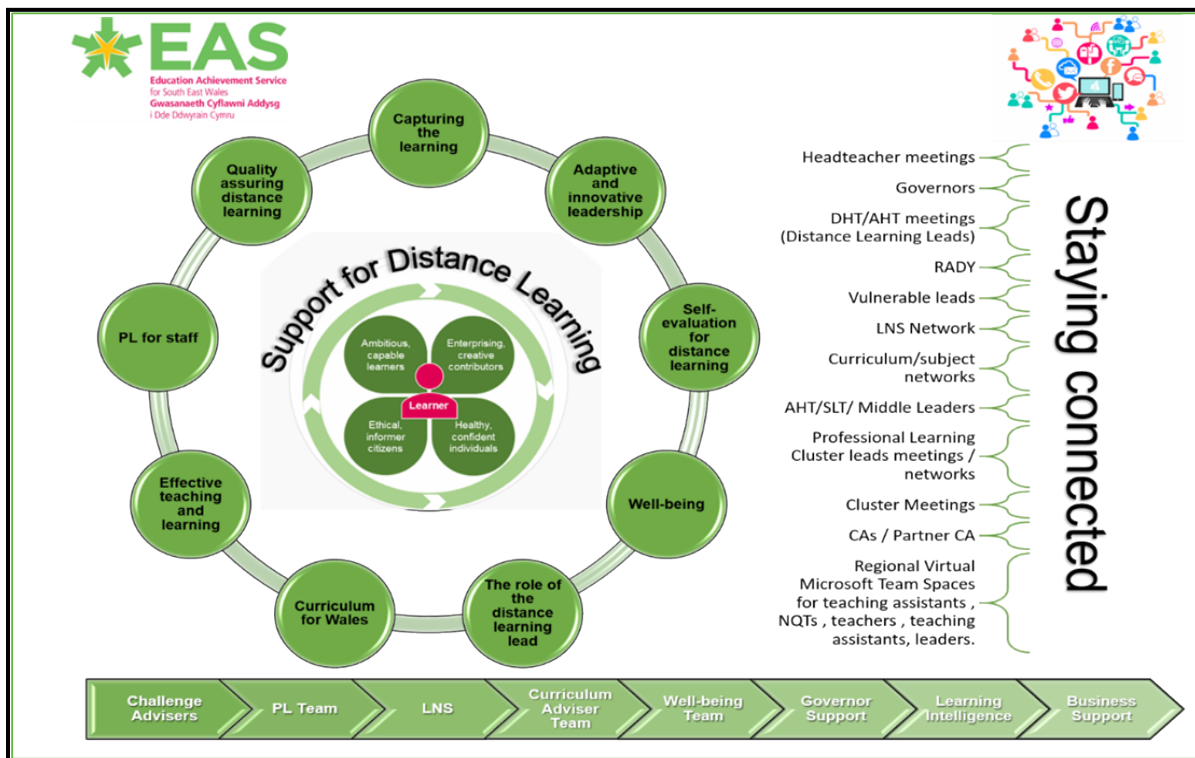
As of 23<sup>rd</sup> June, 773 devices have been refitted and loaned out to learners and 1261 MiFi units, that provide a 4G internet connection have been issued. The MiFi until support repurposed laptops or can accompany any other device that has been loaned by a school.

When returning to school, opportunities for the handling of objects between individuals have been discouraged. Schools have made use of bring your own device (BYOD) options as a way of reducing the handling of digital devices between pupils. Where relevant, schools have been advised to ask provide notice to parents that the local authority/school accepts no liability for the loss or damage to personal laptops and other equipment being used in school.

### **Distance Learning**

The EAS has restructured its provision and communication to support over the next phase of 'Check in, catch-up, prepare' and as schools move into the return to school phase in the new academic year.

EAS have repurposed existing networks to support schools and settings in a time sensitive manner during the return to school. This is illustrated in the diagram below:



A weekly email playlist to head teachers has provided timely and responsive support to schools through the relevant phases. This included a focus on distance learning, detailing the support and resources available that are underpinned by WG guidance and most recent international research from OECD, UNESCO, UNICEF and the Education Endowment Foundation (EEF). This will include specific support for leaders on agreeing expectations on strategic approaches to learning.

The EAS has continued to work with schools through networks to ensure that leaders at all levels are prepared to be adaptive, creative and innovative. For all leaders, expanding the focus on wellbeing and protection has been a key priority. In addition there is a necessity to strengthen teaching and learning to service a blended approach to learning where schools may be operating on partial or otherwise adapted schedules.

Support for well-being

The well-being of staff and pupils remains of paramount importance. The EAS continue to provide resources and guidance materials for schools in supporting the recovery to school by addressing the 5 Rs: Regrouping reflection, renewal, relationships and relaxation.

Planning for learning to include support for Curriculum for Wales

The EAS has continued to support schools to supporting curriculum planning, teaching and learning in the next phase and how this relates to the guidance provided by Welsh Government. The timetable for the introduction of the Curriculum for Wales has not changed. It will still be a requirement for schools to introduce the curriculum from nursery to Year 7 in 2022. The current situation provides an opportunity for schools to trial approaches that are better aligned to the existing curriculum. As the recently published Welsh Government guidance stated, *'many of the answers for schools on the focus, flexibility, autonomy and challenges of this academic year can be found in the Curriculum for Wales guidance.'*

EAS has continued to develop online professional learning materials for senior leaders, middle leaders and teachers on Curriculum for Wales. There will also be a series of planned webinars to provide a forum

to ask questions and find out more about the curriculum framework. The EAS will support schools in planning for the next academic year through published guidance, ensuring that this aligns to the frequency of contact that teachers have with learners.

### Supporting effective teaching and learning

The EAS will continue to support schools in developing effective strategies for teaching and learning, in the context of distance learning. This will include the blend of some class-based learning (synchronous) and some online (synchronous and asynchronous) learning. The EAS will provide a range of guidance and professional learning for schools on what effective pedagogies could support the approach to 'blended' learning. This will include bespoke follow-up support to identified schools, including all secondary schools currently involved in the regional teaching and learning pilot programme.

### Sharing Effective Practice

Based on the outcomes of the evidence gathered, a range of schools / settings will continue to be selected to create case studies of practice worth sharing, building on existing materials, in a variety of media formats. These will focus on:

- The school approach to distance learning and how this has refined overtime.
- Emerging strategies that the school/setting has employed to quality assure the distance learning provision for learners.
- The strategies for engagement of 'hard to reach' learners.
- Approaches to ensure the wellbeing of learners.

All case studies will be shared with schools and settings.

The expectation is that Head teachers and their staff will engage fully with the regional offer for distance learning and related activities.

### Professional Learning

EAS will continue to provide a range of professional learning that focuses on:

- Supporting the entire workforce to meet the professional learning needs over the next academic year.
- Ensuring that all staff have the skills to support 'blended learning'. This will require a combination of an understanding of curriculum planning (based on the contact models that schools develop), the pedagogies that underpin effective 'blended' learning and the digital skills to support, structure and enhance this.
- Ensuring that all staff have the knowledge and skills to support learner well-being.

### **Early Years Childcare**

Childcare for eligible key worker children aged 0-5 years has been available in Flying Start hubs and registered childcare providers since 14<sup>th</sup> April through the Coronavirus Childcare Assistance Scheme (CCAS). This scheme will continue until August 31<sup>st</sup> for pre-school children who do not have a school place

### **School Cleaning**

Newport Norse has managed these issues for those schools within the Service Level Agreement (SLA). There will be a need to ensure that schools with other cleaning arrangements ensure that their provider adheres to these requirements.

The redeployment of other school staff for touchpoint cleaning has been confirmed as appropriate.

### **Schools Maintenance**

Emergency maintenance requests can continue to be facilitated through Newport Norse via the usual Helpdesk arrangements. Any site visits that are required will be risk assessed by Newport Norse to ensure that social distancing requirements are adhered to.

Statutory maintenance checks are being carried out as normal.

### **Financial Summary**

Due to the uncertainty on the position of schools in the new academic year, commencing September 2020, it is hard to predict the financial impact. However there are a number of known issues and some assumptions which can be made.

- **Grants to schools:** A number of Welsh Government grants previously expected have been suspended. This includes 42% of a £5 million regional Professional Learning Grant. In many cases this will not cause significant issues in schools as teacher supply costs and Professional Learning expenses would not have been required during summer term although the expectation is that mitigating action will be taken and costs stopped or offset where possible. However, a minority of school may have employed an additional teacher to support the necessary backfill arrangements to support professional learning for the course of the 2020/21 financial year. This may present a financial pressure for schools unable to cease a fixed term contract.
- **PDG (Pupil Development Grant)** will not be adjusted, The PDG grant is allocated on the PLASC 2019 eFSM pupil numbers. There is no additional grant being provided in 2020/21 to reflect newly entitled FSM pupils as a result of COVID.
- **COVID 19 Claims to support local authorities:** Expenditure above what would be 'normally be expected' could be claimed from this Welsh Government fund. During school closures (March 20<sup>th</sup>- June 26<sup>th</sup>) , 36 childcare hubs operated across the city and on occasions operated outside of the school day or during school holidays. Hubs required regular cleaning and caretaking. Individual school claims were made against this fund. Other Covid19 19 claims included:
  - Special Schools Personal Protective Equipment (PPE) for care package.
  - PPE kits for 57 schools medical rooms (for potential contact with symptomatic pupils or staff).
  - Free School Meals vouchers (£19.50 fortnightly vouchers for approximately 5400 pupils)
  - Focussed cleaning for hub provisions and for school buildings which had remained unopened for the previous three months.
  - Bulk purchasing of hand sanitiser for all schools.

Schools which re-opened on June 29<sup>th</sup> have a high cleaning requirements. In some circumstances additional cleaning staff have been temporarily employed. Other schools have instigated overtime payments to existing cleaning staff. The school term is due to finish on July 17<sup>th</sup>, this equates to 13 working school days during July. At present there is no COVID 19 fund operating beyond June 30<sup>th</sup> to claim for these additional costs. Education Services have agreed to pay for this additional cleaning but this is not sustainable for the longer term.

- **Other financial issues and risks**

- Some costs to schools, e.g. utilities or capitation costs, may have reduced compared to planned budgets, this can be utilised by schools to offset any in year increase resulting from recovery and return to school
- Under the current LA sickness compensation scheme, there is no compensation for the first 15 days so there is a risk of increased supply cover within schools, for example where staff may need to self-isolate. There is also an increased risk the supply scheme will overspend and this will impact the bottom line of schools at year end as there will be insufficient to cover this within any remaining contingency budget.
- Special and SEN transport falls under Education services, currently the assumption is that the underspend created by the 75% contracted payments during closures will offset any increase in spend to the end of the financial year based on the position at May 2020. However, when a decision on the return of schools in September and transport arrangements required to facilitate this a pressure may be created
- Net free school meal costs for voucher provision has been recovered through the WG fund which currently ceases at the end of August 2020. Plans for catering provision from September 2020 have yet to be confirmed and currently Chartwells staff, NCC's catering contract provider, are furloughed.

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council is not able to deliver its strategic objectives set in the Corporate Plan.	High	Medium	Setting Strategic Aims will enable the Council to focus and respond to the Covid 19 health emergency. Council monitoring and reporting processes will support the delivery of the Strategic Aims and Corporate Plan.	Corporate Management Team / Heads of Service.
The Council is not able to respond and protect its residents as a result of future Covid 19 outbreaks	High	Medium	The Council's Gold Command arrangements will remain in place to respond and manage any future outbreaks.  Collaborative and partnership working with the Local Resilience Forum will ensure coordination of resources and services to respond to future outbreaks.	Corporate Management Team / Gold Command.

## Links to Council Policies and Priorities

The school recovery programme set out in this report will support the Council's Corporate Plan 2017-22. This is also aligned to the Public Services Board, One Newport Wellbeing Plan 2018-23 and Wellbeing of Future Generations (Wales) Act 2015.

## Options Available and considered

The options available to Cabinet:

1. To endorse the school recovery plan
2. Reject the school recovery plan

## Preferred Option and Why

Option 1 is preferred, as this will enable the Council to provide way forward for its Members, staff, service users and partners as the Council responds to the Covid 19 health emergency.

## Comments of Chief Financial Officer

Where schools have incurred additional costs up to June 2020, as a direct result of Covid 19, these have been submitted to WG for recovery through the Covid19 relief fund.

The relief fund is planned to stop at 30 June 2020, though this may change as further funding is made available to the Welsh Government. Until that is confirmed, any further additional costs incurred as a direct result of Covid 19 will need to be borne by the school from this point. Education Services have agreed to absorb the cost of additional cleaning for the 3 week reopening of schools to the end of the academic year; this is approx. £10k for Norse SLA schools and the additional non-SLA schools is still to be confirmed.

The financial position of schools is very challenging and an overspend beyond current level of school reserves was forecasted, even before Covid-19. This would mean that other Council budgets and/or reserves would need to fund this, which would have serious impacts themselves.

A key development in going forward is to provide as much clarity on the financial consequences of the issues which are outlined above, as soon as possible.

## Comments of Monitoring Officer

XXXX

## Comments of Head of People and Business Change

The School Recovery Programme set out in this report provides a comprehensive strategic approach to allow schools to commence safe operation whilst continuing to support the Council's Corporate Plan aims, which were reframed in the post COVID-19 Strategic Recovery Aims document agreed in the June meeting of cabinet. This approach is based on a set of guiding principles intended to balance the safety and wellbeing of children, families, staff and communities during the COVID-19 emergency with the longer-term impacts on pupils and their learning.

School Recovery has followed significant engagement and collaboration with partners led by the Executive School Planning Group and is underpinned by a wide range of policies, procedures and health and safety measures. The Programme also reflects a strong focus on responding to the needs of vulnerable learners and those likely to be most affected by COVID-19 preventative measures e.g. supporting digitally excluded learners, prioritising transport for year 11-13 Welsh medium learners (who are educated in Pontypool).

Where possible, the local authority has promoted a consistent approach in the 'offer' to Newport pupils returning to school, with individual schools completing risk assessments to reflect their specific circumstances, which must be agreed by school governing bodies.

## Comments of Cabinet Member

I am extremely proud of our school staff for their professionalism, dedication and responsiveness to the Covid 19 pandemic. Within days of closing in March a significant number of childcare hubs for children of critical workers and vulnerable learners were in operation alongside the provision of distance learning. In



addition to this, schools are supporting pupils transitioning to secondary school and to post-16 opportunities.

A total of thirty-six childcare hubs operated across the city enabling children to access childcare in their community. Since schools reopened on 29<sup>th</sup> June around 400 children have continued to attend childcare each day enabling critical workers to attend employment. It has been challenging for schools to provide this service whilst also offering other children the ability to attend school to check in and catch up with school staff, whilst following their risk assessments which promote the safety of all on site.

There remain a number of key areas to address. Provision of school transport, whilst adhering to social distancing requirements, poses a significant challenge, particularly for those learners attending Welsh Medium, Special and Catholic schools. Whilst some transport is in place, further is required for the autumn term.

Almost 800 digital and around 1260 MiFi units devices have been issued to families to support distance learning. Additionally, a school wifi network that allows children and young people to bring their own devices to school (BYOD) has been established. Building on this success remains a priority.

Pupil attendance at schools has not been compulsory since schools reopening on 29<sup>th</sup> June and attendance at individual schools has varied from between around 30% to 90%. Schools have been supported to implement expert advice to keep pupils and staff safe. A priority now is that we work with our communities to build their confidence in returning as many learners to school as possible.

### **Local issues**

None

### **Scrutiny Committees**

Under the Council's Constitution, powers have been delegated to Heads of Service and since the Covid 19 outbreak governance arrangements including the Council's Scrutiny Committees have been suspended. However, there is every intention as the Council re-instates its democratic and governance functions, the Council's Scrutiny Committees will be provided an opportunity to assess and review the contents of this report.

### **Equalities Impact Assessment and the Equalities Act 2010**

The equality impact of Covid19 and its long-term implications for communities is significant. The regulatory body, Equality and Human Rights Commission (EHRC) has recently informed public services that their scrutiny activity during this period will focus on how public sector organisations are effectively considering the equality impact of decisions, planning and policymaking. The EHRC has also announced that they will be undertaking a formal inquiry into the disproportionate impact of Covid19 on minority ethnic communities, and the structural inequalities that have contributed to this.

Key community and equality impacts that will need to be considered both at a strategic and operational level and are highlighted within the Community Impact Assessment (CIA) and in a Fairness and Equalities Impact Assessment (FEIA) specifically on the reopening of schools include:

- The complex and disproportionate impact that Covid19 has had on our Black Asian and Minority Ethnic communities
- The trust and confidence levels that communities have in local authority and wider public sector/government services as a result of the Covid19 response
- Mental health and wellbeing across communities, but particularly those who have experienced loss or increased isolation during the pandemic
- The impact of school closures on our most vulnerable learners

- Building future resilience for those communities who are most affected – focussing work to address issues like material poverty, institutional inequalities, digital exclusion and poor health which have been compounded and highlighted by the crisis

### **Children and Families (Wales) Measure**

At the heart of the Council's Strategic Recovery aims is the objective to *Promote and protect the health and wellbeing of people, safeguarding our most vulnerable, and building strong, resilient communities.* Safeguarding vulnerable children, young people and families remains an important part of Council's services. The findings and recommendations from the Fairness and Equalities Impact Assessment and the Community Impact Assessment and future studies into the impact of Covid 19 on communities and society in Wales will inform and direct the prioritisation of services.

### **Wellbeing of Future Generations (Wales) Act 2015**

The NCC Strategic Recovery Aims support the Council's Corporate Plan 2017-22, Public Services Board 'One Newport' Wellbeing Plan 2018-23 and the Wellbeing for Future Generations (Wales) Act 2015. The delivery of these strategic aims and actions, within which the reopening of school is included, will ensure that the Council is able to respond in the short term to the Covid 19 emergency but also ensure that we are able to prevent longer term impacts on the children and their education.

### **Crime and Disorder Act 1998**

Not applicable

### **Background Papers**

Public Services Board, One Newport Wellbeing Plan 2018-23  
Corporate Plan 2017-22

Date 9th July 2020

# Report

## Cabinet

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### Part 1

Date: 22 July 2020

**Subject** Western Gateway – The Newport Perspective

**Purpose** To inform Cabinet of progress with the Western Gateway partnership and highlight the key potential benefits to Newport.

**Author** Acting Head of Regeneration, Investment and Housing

**Ward** All

**Summary** The Western Gateway is a recently established strategic partnership that aims to deliver an economic powerhouse, driving growth on both sides of the Severn. As one of five cities, Newport is expected to be a key player in the success of the Western Gateway and capitalise on the benefits of greater collaboration.

**Proposal** To note the content of the report and support Newport's continuing involvement with the Western Gateway.

**Action by** Acting Head of Regeneration, Investment and Housing

**Timetable** Immediate

This report was prepared after consultation with:

- Acting Chief Executive
- Head of Finance (Chief Finance Officer)
- Head of Law and Regulations (Monitoring Officer)
- Head of People and Business Change
- Leader as Cabinet Member

**Signed**

## Background

Newport, Cardiff and Bristol formed the Great Western Cities partnership in 2015 and aspired to improve cooperation and develop a strong economic and environmental partnership. At that time the three cities had a combined economic output of £58 billion. In November 2019 the partnership was widened to include Swansea, Cheltenham, Gloucester, Bath, Swindon, Weston Super Mare and Salisbury and was rebranded as the Western Gateway. This partnership aims to boost local economies through cooperation and compete with other powerhouses in the UK to deliver greater regional growth.

**Figure 1: Western Gateway Geographical Region**



A £400,000 kick-start fund was provided by the UK Government and Katherine Bennett, Senior Vice President of Airbus has been appointed as Chair of the Western Gateway. The partnership seeks to complement the work of the City Regions across South Wales and Local Enterprise Partnerships in the West of England.

### Strengths and Opportunities

The region is already a major economic powerhouse containing three city regions, each of which have identified improved physical and digital connectivity, higher skills and employment levels, plus innovation, as being pivotal to their future economic development and prosperity. As a whole, the region has a higher GVA per head than the Northern Powerhouse and the Midlands Engine and a pre lockdown economy in the region of £107 billion. There are 4.4 million people living in the Western Gateway area alongside approximately 160,000 businesses and 2.1 million jobs. Goods exports are in the region of £21 billion and the area is well connected by major roads, 2 airports and 9 ports.

The Western Gateway has identified three key sectors where collectively it has considerable strengths:

- Advanced manufacturing and engineering
- Creative and digital media

- Finance, business and professional services

In Newport in particular, businesses, such as Admiral, Go-compare, Lloyds Banking Group, plus the Semiconductor Cluster and National Software and Cyber Security Academies are fundamental in these sectors. Not only are they hugely important to Newport, but they are also of regional and national significance and being part of a strategic partnership with greater collaboration will only help to serve these businesses and industries better, consequently benefiting the City as a whole.

The region is also a major centre for research and innovation with a host of assets:

- Ten universities and three members (Bath, Bristol and Cardiff) are part of the GW4 alliance – a network of the research intensive universities;
- Bristol and Bath – the National Composites Centre and the Quantum Technologies Innovation Centre at the new University of Bristol Temple Meads Quarter;
- Newport – the Compound Semiconductor Applications Cluster and Catapult. and the National Software and Cyber Academies;
- Cheltenham and Gloucester – the UK Cyber Business and UK Digital Retail Innovation Centre;
- Swansea – the Advanced Engineering Materials Research Institute plus the Steel and Metals Institute;
- Swindon – the UK Space Agency and UK Research and Innovation.

Being a part of the Western Gateway will mean that Newport can also benefit from being part of, and associated with, these exceptional research facilities.

As well as acknowledging the region's current strengths, growth in clean energy and low carbon, plus health and life sciences have been highlighted as opportunities. The region has particular strengths in renewable energy and tidal and marine energy. Newport in particular has seen expansion of solar farms in recent years and the possibility of a tidal lagoons has previously been discussed. There are growing opportunities for life sciences as well, linked to existing technology and digital strengths in Artificial Intelligence, high performance computing and quantum technologies. Newport's Semi-Conductor Cluster would be expected to benefit and lead in this field.

## **Ambitions**

The overall visionary ambition of the Western Gateway is 'Propelling a greener, fairer, stronger Britain'. There are then three primary ambitions which the Western Gateway is striving to achieve which would be extremely valuable to Newport, but for Newport to achieve which focus on connectivity, being a global gateway and innovation. Achieving this in isolation for Newport would be highly improbable, but when combining with a greater force that is the Western Gateway, the ambitions become much more achievable and realistic.

### Ambition 1: Connectivity

To deliver world class physical and digital connectivity into and within our area to boost productivity, unlock housing and lead our transition to a net zero future. Working with partners, the Western Gateway aims to deliver:

- Quicker, more frequent services to London and reducing the journey time from Swansea to London to under two hours;
- Quicker and more frequent services between the cities of the Western Gateway, with journey times between Cardiff and Bristol reduced to 30 minutes;
- A direct link into Heathrow and direct trains to other Core Cities and the proposed HS2 network;
- Reduced journey times, allowing residents to travel within the area in a 'golden hour' using one Western Gateway smart ticket;
- Improved connectivity through Swindon to England's Economic Heartland and improved north/south axis;

- Investment to the strategic road network, including the M4 and M5 to tackle congestion, boost capacity and unlock housing growth across the region;
- A network of electric charging points along the M4 and M5;
- The UK's most digitally connected region;
- A Gateway between the UK and the world economy, making the most of the region's ports and airports.

### Ambition 2: Global Gateway

Become Britain's Global Gateway for export and investment-led growth.

- Deliver a Global Gateway Strategy, looking at trade, investment, ports and airports, visitor economy and business events;
- Put in place a programme of sectoral trade missions to key global markets.
- Become a true Gateway for the UK, forging strong links and collaborations with our neighbours and fellow powerhouses.

### Ambition 3: Innovation

Bring our universities, businesses and natural assets together to meet the grand challenges and to create the new industries of the 21<sup>st</sup> Century.

- Capitalise on our unique natural and industrial assets, including the Severn Estuary, Hinkley Point and the potential for Tidal Lagoons in the Bristol Channel/Swansea Bay, to drive the development of new energy systems;
- Build on our industrial and research expertise to make the UK's aerospace and automotive industries a global leader in development new technologies for ultra-low emission vehicles, low carbon propulsion systems and lightweight structures for cars and planes;
- Become an internationally recognised powerhouse for innovation in the creative digital and cyber industries.

All of the above ambitions certainly have synergies with Newport's own aspirations for development and growth. The partnership is not intended to replace or replicate Newport's existing plans and strategies, or any Cardiff Capital Region aspirations, rather it will complement these through wider collaboration. Therefore, to be part of the Western Gateway and collaborating on resources, ideas and knowledge, is certainly going to boost Newport's chances of future prosperity. The Gateway will also present an opportunity for a more direct link with UK Government, which could be beneficial when it comes to treasury and major investment decisions.

### **Governance**

The Governance structure will consist of three elements.

- Partnership Board – responsible for setting the overarching vision and supporting strategies supported by a Business Advisory Group to enable a broader representation of key regional business leaders;
- Advisory Groups – responsible for developing the detailed strategy on key priorities to be progressed as determined by the Partnership Board;
- Delivery Support (secretariat) – providing support to the work of the Partnership Board, to expand as momentum gains.

## Next Steps

An Independent Economic Review has been commissioned which will provide a comprehensive evidence-base to inform future policy development and investment, a task made ever more urgent by the economic turbulence caused by the current pandemic. A high level interim report is expected by early autumn which will outline the current challenges and immediate opportunities. This will be followed by a longer term piece of work looking at the macro-modelling and more detailed analysis to achieve the ambitions outlined above.

Overall the Western Gateway presents Newport with the opportunity to be part of a strategic partnership which will help our businesses and industries through better collaboration and shared innovation. Achieving such benefits on our own would be impossible but through partnership working, greater opportunities arise and Newport's economic growth ambitions become much more achievable and realistic.

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Competition between areas within the Western Gateway might be 'toned down' in the interests of the wider region and favouring one particular city.	L	L	Overall, Newport will continue with its own agenda to attract business and investment. Membership of the Western Gateway should boost Newport's appeal and healthy competition between individual areas of the Gateway will still occur.	Acting Head of RIH
Duplication of work already done with Cardiff Capital Region	L	L	There will inevitably be some overlap, but work for the Western Gateway will focus on this area and the unique qualities of the area as a whole. It is expected to complement other studies and research.	Acting Head of RIH
Western Gateway fails to deliver benefits to Newport	L	L	Newport is not reliant on the Western Gateway or any other partnership to deliver economic growth for our City, We have our own strategies in place but working in partnership can bring increased opportunity and sharing of skills and knowledge which would not be the case if working in isolation.	Acting Head of RIH

## Links to Council Policies and Priorities

Being a part of the Western Gateway will help meet the education and skills needs, along with investment and continued regeneration of Newport, as outlined in the Corporate Plan 2017-2022.

The ambitions of the Western Gateway are consistent with the themes, objectives and priorities of the 'Newport City Council Well-being Plan 2018 – 2023' which are:

- people feel good about living, working, visiting and investing in Newport.
- people have skills and opportunities to find suitable work and generate sustainable economic growth.
- people and communities are friendly, confident and empowered to improve their well-being.
- Newport has healthy, safe and resilient environments.

Membership of the Western Gateway also helps boost prospects for development and regeneration in line with the adopted Local Development Plan and Economic Growth Strategy.

### **Options Available and Considered**

- A. This paper is for information purposes only. The purpose is to update Cabinet on the benefits of Newport being a part of the Western Gateway.

### **Preferred Option and Why**

N/A

### **Comments of Chief Financial Officer**

### **Comments of Monitoring Officer**

### **Comments of Head of People and Business Change**

### **Comments of Cabinet Member**

The Leader, as Cabinet Member for Economic Growth and Investment has approved the report for consideration by Cabinet.

### **Local issues**

None.

### **Scrutiny Committees**

Under the Council's Constitution, powers have been delegated to Heads of Service and since the Covid 19 outbreak, governance arrangements including the Council's Scrutiny Committees have been suspended.

### **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

There are no specific equality issues that need further consider.

### **Children and Families (Wales) Measure**

The Western Gateway will benefit members of all society, including children.



## Wellbeing of Future Generations (Wales) Act 2015

The Well-being and Future Generations (Wales) Act seeks to improve the social, economic environmental and cultural well-being of Wales. Public bodies should ensure that decisions take into account the impact they could have on people living in Wales, in the future. The 5 main considerations are:

- Long term: The Western Gateway is a long term partnership that aims to boost economic prosperity for the region for the foreseeable future.
- Prevention: Through collaboration, the Western Gateway aims to become more prosperous. Collaboration amongst different cities will prevent economic decline.
- Integration: The Western Gateway city regions and local enterprise partnerships have high self-contained labour markets indicating high levels of economic integration. With over 90% of the resident in-work population working in the Cardiff Capital Region and West of England, these city regions are self-contained and integrated.
- Collaboration: The whole Western Gateway is a model for cross-border collaboration.
- Involvement: The Western Gateway consists of three local enterprise partnerships, along with the authorities of the Cardiff Capital Region and Swansea Bay Region. Business representatives will also sit on the partnership board. The Western Gateway spans a large area with a large number of businesses and organisations, and there will be numerous opportunities for these to become involved with and benefit from the Gateway.

## Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

## Consultation

Consultation has taken place amongst stakeholders in the establishment of the Western Gateway and the development of the Prospectus.

## Background Papers

- Western Gateway Prospectus – A powerhouse for south Wales and western England



Western Gateway  
Feb 2020.pdf

Dated: 6 July 2020

DRAFT & CONFIDENTIAL

# Report

## Cabinet

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### Part 1

Date: 22 July 2020

**Subject Strategic Recovery Aims – Governance and Democratic arrangements.**

**Purpose** To approve and endorse revised governance and democratic arrangements for the Covid-19 recovery period and endorse the proposed procedures for the conduct of remote meetings

**Author** Head of Law and Regulation and Head of People and Business Change.

**Ward** All

**Summary** Cabinet meeting on 25<sup>th</sup> June agreed a number of Strategic Recovery Aims, which will underpin the corporate priorities as the Council moves into the recovery phase following the relaxation of the Covid-19 restrictions. This recognised that, for the immediate future, the “new normal” will require significant changes to the way in which services have been traditionally delivered and the Council’s internal democratic and governance arrangements. Officers and elected Members will need to be able to discharge their duties safely and this will require a continuing need to work remotely in the longer term.

Therefore, this report sets out proposals for the phased introduction of remote Council meetings, recommended protocols and procedures for the conduct and management of these meetings and a training and development programme for members to ensure that they are able to participate fully in these revised governance arrangements

**Proposal** To approve and endorse revised governance and democratic arrangements for the Covid-19 recovery period and endorse the proposed procedures for the conduct of remote meetings.

**Action by** Cabinet

### Timetable

This report was prepared after consultation with:

- Corporate Management Team
- Leader of the Council

### Signed

## Background

1. Cabinet meeting on 25<sup>th</sup> June agreed a number of Strategic Recovery Aims, which will underpin the corporate priorities as the Council moves into the recovery phase following the relaxation of the Covid-19 restrictions. This recognised that, for the immediate future, the “new normal” will require significant changes to the way in which services have been traditionally delivered and the Council’s internal democratic and governance arrangements.
2. To deliver the Strategic Aims and to ensure that the Council complies with devolved Welsh Government and UK Government legislation, both officers and elected Members will need to be able to discharge their duties safely and this will require a continuing need to work remotely in the longer term.
3. Therefore, Cabinet agreed that a further report should be brought forward with proposals for the phased introduction of remote Council meetings, recommended protocols and procedures for the conduct and management of these meetings and a training and development programme for members to ensure that they are able to participate fully in these revised governance arrangements.
4. Following the introductions of the Covid-19 lock-down restrictions in March, all formal meetings of Cabinet, Council and Committees were suspended and all decisions have been taken under the officer and member scheme of delegation. Because the Council already operated an extensive scheme of delegated decision-making, both at an executive member and officer level, then it was not necessary to introduce any emergency measures to enable essential and urgent business to be conducted during this period. In terms of the democratic process, the requirement for “pre-decision scrutiny” of Cabinet Member reports has continued and all elected members have been consulted on all proposed executive decisions, the only slight variation being that comments have been submitted in writing. In addition, there has been an agreed communication process for the dissemination of information to elected members about Covid-related matters and an opportunity to submit urgent written questions in accordance with Council Standing Orders. Therefore, there has been no democratic deficit even during the suspension of all meetings during the lock-down period.
5. However, in the interests of openness and transparency it was always intended to re-introduce Council and committee meetings, with public access to the proceedings, as soon as the legal framework was introduced to permit meetings to be held remotely and as soon as the technology was available to support this.
6. The Local Government (Coronavirus) (Wales) Regulations 2020 (“the Regulations”) came into force on 22<sup>nd</sup> April 2020 and apply to all Council meetings until 1<sup>st</sup> May 2021. The Regulations enable the Council to hold remote meetings to overcome Covid 19 social distancing measures and limitations in the existing Local Government (Wales) Measure 2011 regarding the requirements for convening, managing and recording meetings.
7. The Regulations enable the Council to postpone holding an Annual General Meeting (AGM) until December 2020, enable current office-holders to remain office until May 2021 and suspend the automatic disqualification if Councillors do not attend meetings for more than 6 months. Therefore, the Council does not have to hold any remote meetings at all and the current scheme of delegation is sufficient to enable urgent decisions to continue to be taken without the need to convene any meetings.
8. However, the Regulations now permit all meetings to be held remotely, should the Council wish to adopt these governance arrangements. Although the Regulations enable Welsh Government

to issue statutory guidance on how remote meetings have been conducted, they have decided not to be prescriptive and to allow individual councils to decide how the meetings should be organised, provided that they comply with the requirements of the Regulations.

9. The most significant change introduced by the Regulations is to relax the legal requirements in the Local Government (Wales) Measure 2011 regarding remote meetings and, in particular, the removal of the requirement that all members must be “seen and heard” at all times. In remote meetings up to 1<sup>st</sup> May 2021, the requirement is that members should only be able to speak and be heard by each other. This opens up a range of technology options for the conduct of remote meetings. Audio participation is all that is required, as a minimum and, therefore a recorded conference call would suffice, although applications such as Microsoft Teams also allow for visual participation. The Regulations also suspend the statutory requirement for public access to meetings where non-confidential items are being discussed, if this is not practicable, provided that a written record of the proceedings and decisions is published on the Council website within 5 days. However, the Welsh Local Government Association guidance recommends that, wherever possible, the press and public should be allowed to view live broadcasts of remote meetings where they would previously have been allowed access to attend the meetings.
10. Since the changes introduced by the Regulations, the Council’s Governance and IT teams, supported by the SRS, have been testing a number of different technology applications and solutions for conducting remote meetings. In the longer term, developments to the current Public-i system which is used to live-stream meetings from the Chamber and integrates with the democratic services governance software, may provide greater functionality. However, the preferred solution for the interim period is Microsoft Teams, which is the supported application for internal meetings and which has been rolled-out to officers and members.

### **Phased Introduction of Remote meetings and Forward work programme.**

11. The recommencement of formal Cabinet meetings as from 25<sup>th</sup> June was the first step to reinstalling governance and democratic arrangements through remote meetings. The previous Cabinet meeting was a closed session conducted remotely using MS Teams because of the relatively small number of participants. The meeting was recorded through the Teams facility in an MP4 format and the file has been converted to You-Tube and uploaded onto the Council’s website for public access and viewing. The written minutes of the meeting have also been published on the Council’s web site in accordance with the requirements of the Regulations. However, in the interests of openness and transparency future meetings will be broadcast live.
12. With larger numbers of participants and live streaming of the meeting, it will be necessary to use the MS Live Event application. This has different functionality compared with MS Teams but it can be adapted for remote Council meetings and it does have the capacity for the press and public to view the broadcast live in significant numbers, without affecting the quality of the bandwidth and connectivity for participants. However, management and organisation of the remote meetings is more complex and will require considerable support from the Governance and IT teams. The Governance Team Manager and the Democratic Services team will act as meeting organisers/producers and will activate the speaking and voting functions within the system, as well as supporting the Chair in managing the proceedings. Councillors and officers will be able to join the remote meetings as participants and can be seen and heard when their microphones and cameras are activated. The press and public will be able to access the live proceedings as attendees by clicking-on the meeting link published on the Council’s web site, together with the agendas and reports. They can see and hear the proceedings, but they will not be able to participate.

13. The Cabinet meeting on 22<sup>nd</sup> July will be the first remote meeting to be broadcast live using this technology. Subject to successful implementation, it will then be used for all monthly Cabinet meetings as from September 2020. The technology will then be rolled-out for other remote Council meetings on a phased basis, according to the nature of the business to be conducted at the meetings and the implementation of a training and development programme for elected members to ensure that they are able to participate fully in the remote meetings. The quality of the decision-making and the democratic governance arrangements during this recovery period are dependent on both the reliability of the technology and the ability of elected members to use it effectively. Therefore, member training is a critical part of the implementation of these new governance arrangements.
14. A draft timetable for the phased introduction of remote meetings is attached at [Appendix 1](#), together with an indication of the current forward work-programme. It is recommended that priority should be given to decision-making Committees, particularly where there are outstanding decisions that have not been taken under the scheme of delegation. The Scrutiny Committees can then be re-introduced, followed by the statutory Committees.
15. Although the Regulations removed the legal requirement for the Council to hold an Annual General Meeting in May 2020, there is a need to convene an AGM to deal with statutory appointments for the current municipal year. In particular, there is a requirement to appoint a new Mayor/Chair of Council, and the review the appointment of the Leader of the Council, Chairs of committees and outside bodies. Full Council will also need to ratify the recommendation from the Appointments Panel for the appointment of the permanent Chief Executive. Therefore, it is proposed that a full Council AGM should be held remotely, and broadcast live, on Tuesday 28<sup>th</sup> July 2020 but only for the purposes of making these statutory appointments. Any other non-urgent business will have to wait until the next scheduled Council meeting on 29<sup>th</sup> September.
16. During the August recess, preparations can then be made to re-commence Planning and Licensing Committee meetings as from September 2020. As both of these Committees involve public participation and speaking, it will be necessary to revise the rules of procedure and protocols for these meetings to enable them to be conducted remotely. Because they are also discharging decision-making functions of a quasi-judicial nature where rules of natural justice apply, then the arrangements will need to be adapted to allow for external participation and to ensure that only members who have been present throughout the remote meeting take part in the final decision.
17. The Scrutiny Committee meetings can re-commence in September/October followed by the statutory Committees – Democratic Services, Standards and Audit. Any advisory or non-statutory groups and meetings can be deferred until after November. The Regulations have removed the legal requirement for the statutory Committees to hold at least one meeting every year and, therefore, there is no requirement to hold any remote meetings until after May 2021. However, there are specific matters that need to be considered as part of the forward work programme, particularly in relation to Audit Committee and therefore it is recommended that these meetings should be held remotely at the appropriate time.
18. The phased introduction of remote meetings should not be seen as a return to “business as usual”. As the Council moves into the recovery phase following the relaxation of the Covid-19 restrictions, the “new normal” will require significant changes to internal democratic and governance arrangements. This is not simply a change in the way that Council meetings are conducted but reflects a change in the priorities and work of those Committees. The strategic recovery aims have re-focused and re-prioritised corporate objectives and these will need to be reflected in the revised forward work programmes. In particular, discussions will need to take place during the August recess with Chairs of Scrutiny Committees to re-assess and re-evaluate

the forward work programme in the light of the strategic recovery aims, rather than simply revert to the previous programme.

19. Agenda management will also be essential to ensure that only urgent or relevant matters are reported to remote Committees for consideration. Where appropriate, decisions should continue to be made under the scheme of delegation. If the agendas for remote meetings and the forward work programme are filled-up with non-essential reports, then this will detract and deflect from strategic priorities during the recovery phase. The agendas for remote meetings need to be shorter and more focussed, to ensure the quality of debate and decision-making, as it is more difficult to maintain attention for long periods of time in a virtual/remote setting.

## **Member Training and development**

20. Participation in remote meetings will also require a fundamental change in culture and, therefore, elected members will need to be fully trained and confident in using the technology in order to contribute effectively to the debate and decision-making. The role of the Chair will become even more important in managing the conduct of the remote meeting in a structured way. Therefore, additional training will be required for those members who Chair remote meetings, particularly their interaction with other members and officers and the use of electronic speaking and voting applications.
21. Because of the very short time available before the proposed full Council AGM on 28<sup>th</sup> July, then there will be limited opportunities to provide member training. Therefore, it is imperative that this meeting is just confined to the standard AGM business and other matters will have to wait until the September Council meeting, by which time more extensive training will have been delivered for members.
22. However, some basic training will clearly be required before this Council meeting. Therefore, Democratic Services staff will contact all Councillors in the week before the meeting to ensure that they have MS Team installed on their laptops/devices and they are able to activate the application. They will be sent a series of screenshots and instructions about what they need to do to join and participate in remote meetings, including the use of the “raised hand” facility to indicate a wish to speak and the voting application in the chat box. The Democratic Services officer will also schedule a series of one-hour live event training sessions during this week, which members will be able to join, to test the technology. The Chair of Council will be provided with a one-to-one training session in relation to how the AGM will need to be managed remotely. However, Democratic Services and IT support staff will be available at all times to offer support and guidance to any members who are having difficulty using the applications.
23. During the August recess, a more comprehensive programme of training and development will be implemented, tailored to the particular needs and roles of individual members and Committees. Bespoke training will need to be provided for Chairs of Committees and for Licensing and Planning members, in readiness for the commencement of these remote Committees in September/October.

## **Protocols and Procedures**

24. The Regulations will apply regardless of anything contained in the Council’s Constitution or Standing Orders and will override any incompatible provisions. Therefore, the Council does not need to formally amend its current Standing Orders to allow for these remote meetings to take place. However, it is recommended that a Protocol should be agreed for the conduct of remote meetings, to ensure fairness and consistency and to provide guidelines for participants regarding

procedures, etiquette and conduct. A suggested Protocol and Procedure is set out at [Appendix 2](#), together with a summary of Tips for Elected members. If Cabinet is content with this Protocol then it is suggested that they recommend to Council that it be formally adopted as part of the Constitution, until 1<sup>st</sup> May 2021 or such earlier time at the Council may determine.

## Financial Summary

25. There are no specific financial implications, as the remote meetings will be delivered within existing resources.

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to introduce remote meetings will have a reputational impact on the openness and transparency of the governance processes	Medium	Low	The current scheme of delegation and pre-decision Scrutiny ensures that decisions continue to be made lawfully but remote meetings will provide greater openness and transparency.	Head of Law & Regulation/Head of People and Business Change.
The processes and procedures for remote meetings do not operate effectively due to technology problems of lack of member training	High	Medium	Democratic Services and IT staff will support the systems and deliver appropriate training to members, to meet their needs.	Head of Law & Regulation/Head of People and Business Change
The organisation and management of remote meetings detracts from urgent work in responding to the Covid-19 emergency and delivering the recovery aims	High	Low	Agendas for remote meetings and forward work programmes will be revised and refocused in accordance with strategic recovery aims.	Head of Law & Regulation



## **Links to Council Policies and Priorities**

The proposed Governance and Democratic arrangements are consistent with the Council's Strategic Recovery aims and support the Council's Corporate Plan 2017-22. The principles of open and transparent governance are also enshrined in the well-being plan and objectives under the Well-being of Future Generations (Wales) Act.

## **Options Available and considered**

The options available to Cabinet:

1. To approve and endorse revised governance and democratic arrangements for the Covid-19 recovery period and endorse the proposed procedures for the conduct of remote meetings
2. To not approve and endorse revised governance and democratic arrangements.

## **Preferred Option and Why**

Option 1 is preferred, as this will enable the Council to maintain open and transparent governance and democratic arrangements during the Covid-19 recovery period.

## **Comments of Chief Financial Officer**

## **Comments of Monitoring Officer**

Set out in the Report

## **Comments of Head of People and Business Change**

## **Local issues**

None

## **Background Papers**

The Local Government (Coronavirus) (Wales) Regulations 2020

## Appendix 1

### FORWARD WORK PROGRAMME – PHASED INTRODUCTION OF REMOTE MEETINGS

Council meeting	Date of remote meeting	Reports
Cabinet	22 <sup>nd</sup> July 2020 Teams Live Event	Transport Update Schools' Recovery Western Gateway Strategic Equality Plan 2020/24 Remote Meetings 2019/20 Revenue Outturn Capital Outturn and Additions Treasury Management Outturn
	16 <sup>th</sup> September 2020 Teams Live Event	Capital Programme Monitor Revenue Budget Monitor WAO Annual Improvement Report Strategic Equality Plan Annual Report Corporate Risk Register Q1 Welsh Language Report
	October 2020 – March 2021 Monthly Cabinet meetings Teams Live Events	Outstanding reports deferred since April to be included in forward work programme:  Pay and Reward Policy Annual Corporate Safeguarding Report Band B Capital Investment of Schools Local Toilets' Strategy WAO Report re: Anti-Social Behaviour Destination Management Plan Corporate Risk Register Q4 Risk Management Strategy

		Forecast numbers of LAC LDP Annual Monitoring report
Council	28 <sup>th</sup> July 2020 Teams Live Event  29 <sup>th</sup> September 2020 Teams Live Event  October 2020- March 2020 Six weekly meetings Teams Live Event	Annual General Meeting  Appointment of Mayor/Chair of Council Appointment of Chair of Cabinet/Leader Other Appointments  NNDR Rate Relief Scheme  Pay and Reward Policy  Treasury Management Year End Report  Strategic Equality Plan 2020/24  LDP Annual Monitoring Report  Forward work programme
Regulatory Committees  Planning  Licensing	Monthly meetings as from September 2020 Teams Live Events with public speaking Planning Protocol to be amended to facilitate remote public participation  Licensing panel hearings as required Private hearings can be conducted using MS Teams Hearings procedures to be amended to allow remote participation by applicants, objectors and interested parties  Licensing Committee – from September 2020 Teams Live Event	Determination of planning applications that have not been taken under delegated powers  To determine licensing matters that have not been determined under delegated power and to conduct remote hearings  Licensing Act 2003 Consultation Report
Overview and Scrutiny Committees  Overview and Scrutiny Management Committee	Re-commence scheduled meetings September- October 2020  Teams Live Events	Forward work programmes to be reviewed with Chairs  Strategic Equality Plan 2020 – 2024

<p>PSC – Partnerships</p> <p>PSC – Place and Corporate</p> <p>PSC – People</p>		<p>Annual Corporate Safeguarding Report</p> <p>Regional Safeguarding Well-being Plan Mid –Year Update</p> <p>To be agreed</p> <p>To be agreed</p>
<p>Statutory Committees</p> <p>Audit Committee</p> <p>Standards Committee</p> <p>Democratic Services Committee</p>	<p>Re-commence quarterly meetings from October 2020</p> <p>Teams Live events</p>	<p>Annual Audit for 2019/20</p> <p>Audit Plan for 2020/21</p> <p>As per work programme</p> <p>As per work programme</p>
<p>SACRE</p>	<p>Re-commence meetings from October 2020</p> <p>MS Teams</p>	<p>To be agreed.</p> <p>Written comments will be agreed in response to the Welsh Government consultation on the New Curriculum: Religion, values and ethics</p> <p>An informal Q&amp;A session has been arranged via Microsoft Teams</p>
<p>Other non-statutory, advisory or liaison meetings</p>	<p>To be re-introduced on a phased basis, as required, as from November 2020</p>	

## **Appendix 2**

### **Remote Meetings Protocol**

#### **Microsoft Teams and Live Event**

##### **1. Introduction**

- 1.1 The Local Government (Coronavirus) (Wales) Regulations 2020 (“the Regulations”) came into force on 22<sup>nd</sup> April 2020 and will apply to all Council meetings until 1<sup>st</sup> May 2021. The Regulations provide the flexibility the Council to hold remote meetings, to overcome the restrictions of the Covid-19 lock-down, and to enable urgent business to be transacted in the meantime. They relax some of the limitations in the Local Government Act 1972 and the Local Government (Wales) Measure 2011 regarding the statutory requirements for convening, managing and recording meetings.
- 1.2 Remote attendance at meetings by members is permitted, provided that certain conditions are satisfied. The Regulations remove the requirement in the Measure that all members must be “seen and heard” at all times. In remote meetings up to 1<sup>st</sup> May 2021, the requirement is that members should be able to speak and be heard by each other. The requirement for public access to remote meetings is also removed. Therefore, audio participation in a closed meeting is sufficient to comply, but a visual, live solution is clearly preferable.
- 1.3 The Regulations enable the Council to hold meetings without all, or any, of the members being physically present in a room. This allows for remote meetings through electronic, digital, virtual locations, live webcast, live interactive streaming, video and telephone conferencing. The ‘place’ at which the meeting is held may be a Council building, or where the organiser of the meeting is located, or an electronic, digital or virtual location, a web address, or a conference call telephone number.
- 1.4 In order for members to be able to attend meetings of the Council remotely, they need not be physically present, provided they are able to hear and be heard (and, where possible, see and be seen) by other Councillors, participants and members of the public viewing remotely.

##### **2. Application of this Protocol**

- 2.1 The Regulations will apply regardless of anything contained in the Council’s Constitution or Standing Orders and will override any incompatible provisions. However, the Council can make its own Standing Orders and Protocols for the conduct of remote meetings.
- 2.2 Therefore, this Protocol will apply to all remote meetings of the Council, Cabinet, Committees, and sub-committees that are held up to 1<sup>st</sup> May 2021 or such earlier date as may be agreed by the Council. Any provisions in Council Standing Orders or any other parts of the Constitution shall be read subject to this Protocol and shall take effect as if varied or dis-applied by this Protocol. In the event of any conflict or inconsistency between anything in this Protocol and any rules of procedure in the Constitution, then the provisions of this Protocol shall take precedence insofar as they relate to remote meetings.
- 2.3 However, except as may be varied or dis-applied by the terms of this Protocol, then all other relevant provisions of Council Standing Orders, and other rules of procedure set out in the Constitution shall continue to apply to all remote meetings.

- 2.4 Where a member has a right to attend any meeting in accordance with any statutory or common law right or under the terms of the Council's Constitution, then that right is to be interpreted as a right to attend by remote access.

### 3. **Microsoft Teams**

MS Teams is the supported and secure application which is recommended for hosting remote / virtual meetings. It has functionality for audio, video, and screen sharing and you do not need to be a member of an organisation (or have a Teams account) to join a Teams meeting. For smaller closed meetings, the MS Teams meeting application can be used. However, for larger numbers of participants and live broadcasting of public meetings, the MS Live Event facility will be utilised.

### 4. **Access to documents**

- 4.1 Democratic Services will publish the agenda and reports for meetings on the Council's website at least 3 clear working days before the date of the meeting and will notify Councillors by email in line with usual practice. Paper copies of agendas will not be made available to members. The Regulations provide for electronic publication of agendas, reports and minutes and do not require printed copies of documents to be made available. However, the Chair can be provided with hard copies of meeting papers, if required, to assist with the management of proceedings.
- 4.2 It is recommended that Members **use their Council laptops** for participating in remote meetings and any tablets or smart phones are used to open the agenda and documents. This will assist with any technical support that may be required.

### 5. **Setting up the Meeting**

The Governance Team in Democratic Services will be responsible for organising the remote/virtual meetings. They will send a meeting request via Microsoft Teams/Live Events to all members and other participants, which will also appear in Outlook calendars. This enables them to be the 'organiser/producer' of the remote meeting and gives them more functionality in terms of controlling the proceedings and any live broadcast, in order to support the Chair.

### 6. **External participants**

- 6.1 All Members and Council staff have Microsoft Teams installed on their laptop/device linked to their email account and therefore they can join a remote meeting using this application.
- 6.2 External participants can also use the Teams application, by downloading it to their laptop, smartphone or tablet. They can be sent the meeting request via email and if a participant is included in this way, they can use all the functions of Teams (video / chat) in the meeting. This can be used for external presenters at Committee meetings or where public speaking is allowed (for example, Planning Committee). Alternatively, the Democratic Services Officer can add an external participant in part of a meeting as a voice call at the appropriate time. There is also provision for a conference call number and ID to be given to external participants, to enable them to join the meeting. Again, this will be arranged by the Governance Team as part of the meeting organisation/production.
- 6.3 The Protocols and Procedures for Planning Committee and Licensing hearings should also be read as if varied or dis-applied by the provisions of this Protocol and in the case of any conflict or inconsistency then terms of this Protocol shall take precedence insofar as they relate to remote meetings and hearings.

- 6.4 Private hearings of Licensing panels, where the press and public are excluded, may be held remotely using MS Teams and a simplified process can be followed for speaking and voting, without the need to use the chat box.
- 6.5 Where external participants have the right to speak at Planning Committee but they do not have access to the technology to dial-in remotely, they may attend the Council offices in order to participate in the virtual meeting if they are able to do so safely. External participants may also be required to participate from Council offices if this is considered necessary for the efficient conduct of the meeting, to ensure that they speak and leave the meeting at the appropriate time. A pre-recorded speech may also be used, where appropriate.

## 7. **Joining the Meeting**

- 7.1 Councillors are encouraged to join the meeting promptly (i.e. at least 10 minutes before the scheduled start time) in order to avoid disrupting the meeting. Attendees should use the link within the calendar invite for the meeting which will say '**Join Microsoft Teams Meeting**', which will open the Microsoft Teams application on the laptop/tablet automatically. Any member having technical issues opening the link or joining the meeting should e-mail or call the meeting organiser/presenter.
- 7.2 Prior to participating in any remote Council meetings, all members and officers should activate the corporate background to avoid unnecessary distractions or inappropriate images being shown on the screen. The Governance Team will send the corporate image to all participants, with instructions as to how the picture can be saved and opened as the background image within MS Teams.
- 7.3 Members should ensure that they **click on the chat icon** in the tool bar at the bottom of the screen as they will need this to indicate to the Chair that they wish to speak or cast their vote in relation to any item on the agenda. If this is not activated then they will not be able to fully participate in the meeting. The chat facility will appear on the right hand side of the screen and will be visible to all the other participants in the meeting, but not to the public.
- 7.4 Participants should also ensure that, where confidential matters are being discussed remotely, no other person can hear the audio broadcast. The relevant provisions of the officer and member Codes of Conduct regarding the disclosure of confidential information will apply at all times to remote meetings. Where other people may be present in the room, then the use of headphones or earphones may be appropriate.

## 8. **Starting the Meeting**

- 8.1 At the start of the meeting, the Governance Officer will check that all required participants are present. However, with live broadcasts, meetings will need to commence at the designated time and will not be delayed until everyone has joined. Members will be able to join the meeting later, and this will count for attendance purposes, but where Committees are acting in some form of quasi-judicial capacity and rules of natural justice apply, then members cannot participate in any debate or decision if they have not been present throughout that item.
- 8.2 The Democratic Services team will also have details of any members of the public or external participants who have been invited to participate. They will be sent an invitation to join the meeting with the appropriate appointment, link or dialling code.
- 8.3 With Live Events broadcasts, the press and public will be able to access the meeting by clicking on the link published on the Council's website. They will join the Live Event and "Attendees" and will be able to see and hear the live debate but they will not be able to participate.
- 8.4 The Chair will ask all Members and Officers to **turn off and mute all unnecessary microphones**, unless they are speaking. This prevents background noise, which is intrusive and disruptive during the meeting, and also saves bandwidth and connectivity. The Governance

Officer will also monitor this and will be able to mute microphones when they are not in use. Participants are reminded **to turn their microphones back on when they are invited to speak**. The Governance Officer cannot un-mute microphones.

- 8.5 The Chair will also ask all participants to **turn off all unnecessary cameras**. This helps to maintain bandwidth and call quality and avoids anyone being filmed/recorded without realising. The Chair should keep their camera on at all times. There is no facility for the Governance Officer to turn off other participants cameras (unlike muting microphones), although they are able to change the live display.
- 8.6 The Chair will also remind members to **activate the chat box** for the purposes of speaking and voting.

## **9. Management of Proceedings**

- 9.1 The Democratic Services team will act as meeting organisers/presenters and will support the Chair in managing the remote meetings. They will be responsible for managing the live-stream broadcast and will operate the cameras to display the speakers on the screen. They will ensure that the chat box facility is activated for participants to indicate their wish to speak and will operate the electronic poll for voting.
- 9.2 At the direction of the Chair, the Governance Team may pause or adjourn the meeting by taking down the live stream or live-feed from public viewing and may mute any speaker at any time.
- 9.3 The Governance Team shall also allocate different levels of access to people logging-in (based on whether they are the Chair, a Councillor, officer, participant or a member of the public with viewing access).

## **10. Attendance**

- 10.1 Participation in any remote meeting will count as an official "attendance" for the purposes of the 6 months' rule under Section 85 of the Local Government Act 1972
- 10.2 The Regulations suspend the operation of the automatic disqualification for 6 months non-attendance at meetings, as from 22<sup>nd</sup> April 2020. The Council is not required to grant any special dispensations during the suspension period, while no meetings have been held, as this time does not count towards the 6 months. However, when virtual meetings are held under this Protocol and a Councillor is invited to participate remotely, then time will start to run again for the purposes of his/her 6 months. Non-participation in any remote meeting is treated as a non-attendance for the purposes of Section 85.
- 10.3 Participation in any remote meeting is automatically recorded in the participants list in Teams and the attendance of members will be formally recorded in the published minutes.
- 10.4 Apologies for absence should be sent to the Governance Team in advice of the remote meeting. The Chair will be provided with the list of apologies received and will announce the names of the members who have sent their apologies at the start of the meeting. Any additional apologies should be written in the chat box for Democratic Services to record in the minutes rather than announced verbally, to avoid unnecessary disruption.

## **11. Speaking**

- 11.1 The order of speaking and the time limits for speeches and questions shall be as set out in the Council's Standing Orders.
- 11.2 No person shall speak until invited to do so by the Chair and shall cease to speak when instructed to do so by the Chair.



- 11.3 When a Member is speaking, no other Member shall interrupt or seek to speak over that Member. If a Member interrupts or speaks over another Member then the Chair will warn that Member about their conduct. If the Member concerned persists in interrupting the speaker then the Chair may move that the Member shall not be heard further. If the Member continues to interrupt after such a motion is carried, the Chair may move that either the Member leaves the meeting, or that the meeting is adjourned.
- 11.4 When the Chair opens up a matter for debate or question, Members should indicate their wish to speak by using the chat facility. At the beginning of each agenda item, the Governance Officer will activate the “Raise Hand” application within the chat facility. Members should click on the raised hand icon in the chat box and their name will appear in the list of speakers. The Chair will invite Members to speak in the strict order that their names appear in the list.
- 11.5 If a Member wishes to raise an urgent point of order, personal explanation or closure motion, then a message should be written in the chat facility, to request that the Chair allow the Member to speak out of turn. However, this should only be raised in exceptional circumstances and Members should generally await their turn to speak so as not to interrupt the flow of the meeting and to enable Democratic Services staff to line up the next speaker for the live broadcast.
- 11.6 The messaging function in the chat window should only be used for communicating and interacting with the Chair. Members should not use the chat box to communicate with each another as this function needs to be kept clear to allow the Chair to manage the meeting effectively. Any messages posted in the chat window will be available for all participants to read.

## **12. Meeting Etiquette**

All participants in the remote meeting should comply with the etiquette at all times:-

- (a) Join the meeting promptly to avoid any unnecessary interruptions
- (b) Mute your microphone when you are not talking.
- (c) Switch off your camera if you are not speaking.
- (d) Indicate a wish to speak by using the chat function
- (e) Only speak when invited to do so by the Chair
- (f) Speak clearly (and if you are not using video then please state your name)
- (g) If referring to a specific page or slide, mention the page or slide number
- (h) Switch off your video and microphone after you have spoken.

## **13. Voting**

### **13.1 Majority**

Any matter will be decided by a simple majority of votes cast by those Members voting and in remote attendance at the time when the question was put. Where Committees are acting in some form of quasi- judicial capacity and rules of natural justice apply, then members cannot vote or participate in any decision if they have not been a remote participant throughout that item. In the case of an equality of votes, then the Chair will have a second and casting vote.

### **13.2 Method of voting**

When a motion has been put to the vote, the Democratic Services officer will enable the Polling application in the chat box. Members must ensure that they have the chat functionality enabled and open on the right hand side of the screen in order to cast their votes. A voting survey will appear in the chat box on the right hand side of the screen and with options to indicate whether a member wished to vote For, Against or Abstain. Members should click on the circle alongside the option that they wish to vote for, followed by the "Submit Vote" box underneath it.

- 13.3 If a Member makes a mistake when voting, they can click the correct option and submit the vote again and it will override the original vote option submitted. The Chair will allow sufficient time for members to cast their votes correctly.
- 13.4 The Poll will update in real time. The votes will be automatically counted as they are submitted and are visible to all participants in the meeting. Electronic votes are recorded on the system but individual votes are not identified on the screen and the chat room Poll is not available on the live stream for public viewing.
- 13.5 The Chair will declare the numbers of votes cast and whether the motion has been carried or lost once there is a clear majority. This process will be repeated for every agenda item that requires a vote.
- 13.6 If the Polling function fails or any voting Member is unable to cast their vote, they can submit their vote in writing by adding it to the chat and it will be counted with the other votes already cast.
- 13.7 If a recorded vote is requested, the Chair will ask each Member in alphabetical order to state whether they wish to vote for or against the motions or whether they wish to abstain. The votes will then be counted and recorded. At the conclusion of the voting, the Chair will declare the numbers of votes cast and whether the motion has been carried or lost.

#### **14. Confidential and Exempt Information**

- 14.1 If a motion is passed to exclude the press and public from a remote meeting while confidential or exempt information is being discussed (as defined in Schedule 12A of the Local Government Act 1972) under Part 2 of the agenda, then the right of the press and public to see and hear the meeting shall cease and the Democratic Services officer will immediately disconnect the livestream broadcast and their remote access. The access rights of any external participants in the meeting will also be removed.
- 14.2 Members (and any officers who remain as participants in the Part 2 meeting) should ensure that no other person is able to see or hear the confidential discussion from their laptop/device. Any such disclosure of confidential information would be a breach of the Officer or Members Code of Conduct.

#### **15. Quorum**

The number of Councillors required to be present for a quorum at any remote meeting shall be as set out in the Constitution. For the purposes of determining whether a quorum of Councillors is present at any remote meeting, the Chair shall include all those members in remote attendance at any one time. If at any time during the remote meeting, the participation list shows that there is no longer a quorum of participating Members, the Chair shall immediately adjourn the meeting. The remaining business shall be considered at a future meeting to be convened on a date and time to be agreed by the Monitoring Officer in consultation with the Chair and the Leader.

#### **16. Declaration of Interests**

- 16.1 If a member has any pecuniary or personal interest in any matter under discussion at the remote meeting then that interest should be declared as soon as possible by notifying the Chair through

the chat facility. The Chair will then invite the member to speak and declare the nature of the interest, which will be recorded in the written minutes.

16.2 Where the personal interest is a pecuniary or prejudicial interest and the Member is required to leave the meeting during the discussion of the item, the Member shall immediately disconnect their remote access by clicking the Leave button or clicking the red square with the white telephone in the toolbar. The Member should not re-join the meeting until notified by the Democratic Services officer that the item has been concluded. The Chair should check that the Member has left and re-joined the meeting at the appropriate time by clicking on the 'show participants' button in the toolbar next to the chat icon.

16.3 Wherever possible, Members should notify the Monitoring Officer or the Democratic Services Manager at least 2 working days in advance of the remote meeting whether they have any personal or pecuniary interest to declare.

16.4 The Democratic Services officers will e-mail the declaration of interest form to members for completion and return following the meeting. This will be added to the electronic register of members' interests.

## **17. Interpretation of this Protocol and Standing Orders**

Where the Chair is required to interpret Standing Orders and the provisions of this Protocol for remote participation, they shall take advice from the Monitoring Officer prior to making a ruling. However, the Chair's decision shall be final.

## **18. Disorderly Conduct by Members**

18.1 In accordance with Standing Orders, if any Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs the business of the remote meeting, the Chair may move that the Member shall not be heard further.

18.2 If the Member continues to behave improperly after such a motion is carried, the Chair may move that either the Member leaves the remote meeting, or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

## **19. Technical issues.**

19.1 In the event that the Chair or Democratic Services Officer identifies a failure of the remote participation facility, the Chair should declare an adjournment while the fault is addressed.

19.2 If it is not possible to address the fault and the meeting becomes inquorate because of this fault, the meeting will be abandoned until such time as it can be reconvened on a date and time to be agreed by the Monitoring Officer in consultation with the Chair and the Leader. If the meeting is quorate, then it will continue.

19.3 There is no facility for pausing and restarting the live stream. Therefore, during any adjournment, participants should switch off their microphones and cameras. The Chair will confirm the time for recommencing the meeting and all participants will need to re-join the meeting at the restart time.

19.4 If the meeting was due to determine an urgent matter and it has not been possible to continue because of technical difficulties, the decision shall be taken in accordance with the urgent scheme of Cabinet Member or Head of Service delegation, if it cannot await a further re-convened remote meeting.

## **20. Access to information**

- 20.1 The requirement to ensure meetings are open to the public includes access by remote means, including video conferencing, live webcast and live interactive streaming. Where a meeting is accessible to the public through such remote means, the meeting is open to the public whether or not members of the public are able to attend the meeting in person.
- 20.2 Any requirements for the authority to ensure publication, posting or making available a document for inspection at offices of the council include publication on the Council's website.
- 20.3 As soon as possible after the conclusion of the remote meeting, the draft minutes and the live Teams recording of the meeting will be uploaded onto the Council website for public access and information.

## TIPS FOR COUNCILLORS

### Joining a remote meeting in Teams

- **Step 1** You will receive an email that is a calendar appointment from Democratic Services. You should accept or decline this appointment depending on your attendance.
- **Step 2** You will need to click the link within the outlook calendar, or within the calendar in Teams to Join the meeting.
- **Step 3** This is a hold screen to test your camera and microphone. Turn everything on and adjust as necessary. If you cannot see or hear anything, use the cog to try different settings.
- **Step 4** Once happy with settings, mute your microphone and click Join Now. This will take you into the meeting with everyone else.
- **Step 5** Click the chat icon to make sure the chat function is visible down the right hand side of the screen. Use this to indicate to the chair you wish to speak or to vote on a particular item
- **Step 6** Once the meeting has finished, click the red square with the white telephone icon to leave the meeting.

### DO

- **Active the corporate background under the settings, this will prevent anything in your background being visible.**
- **Be aware of the tools and functionality. You do not want to be talking away for a couple of minutes only to have your microphone muted and no one can hear you.**
- **If your internet connection is poor, consider turning off the incoming video under settings. This will reduce the amount of network needed to participate.**
- **Switch off your camera and microphone from the outset of the meeting. You need to turn your camera off for the live stream to work effectively, failure to do so means the public will not be able to see participants speaking. Muting microphone prevents any unnecessary noises being heard on the live stream.**

- Remember to use the chat facility to indicate to the chair when you want to speak.
- Unmute your microphone and turn on your camera when you are invited to speak otherwise others will not be able to hear or see you.
- Consider using headphones to listen to the meeting. The audio through headphones will be clearer than the sound coming through your surface pro and will also ensure there is no feedback between the microphone and the speakers.
- Try and keep your device still and on a hard surface. If you are holding it or it is on your lap, every movement you make will come across on the image you project to everyone.
- If you find your picture is dark on the screen, try turning on the room lights or have a lamp on to the side of you.
- Think about your surroundings and be aware of what is being discussed. For example, if you are discussing an exempt item, you should make sure no one else is in the room with you and able to see or hear the content of the meeting.

### **DO NOT**

- Use the chat functionality for anything other than voting and interacting with the Chair.
- Leave your camera and microphone on unless you are speaking. Everyone will be able to hear everything you say throughout the meeting unless your microphone is muted.
- Be tempted to dress down just because you are taking part remotely. Think about how you look on the stream and how this will be portrayed on the live stream to the public. It will still be a public meeting of the Council like any other.
- Wait until the meeting time to log in and set up. Test everything in advance, try calling other people to make sure you can hear and be heard.
- Stay in the meeting for any longer than is required and make sure you leave the meeting properly. If not, people will still be able to see and hear you. At the end of the meeting, turn off your microphone AND camera to minimise the risk of people hearing things you don't want them to!

# Report

## Cabinet

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### Part 1

Date: 22 July 2020

**Subject** **Strategic Equality Plan 2020-2024**

**Purpose** To present the council's draft Strategic Equality Plan 2020-2024 and seek approval from Cabinet. The Strategic Equality Plan is required to be published on the council's website in accordance with statutory deadlines.

**Author** Connected Communities Manager

**Ward** All

**Summary** Under the Equality Act (2010) the Council is required to publish a Strategic Equality Plan every 4 years, including a number of strategic equality objectives. Objectives should be based on local and national evidence of inequality, the authority's own equality data, and consultation undertaken with key stakeholders, including people that share protected characteristics. This is the third Strategic Equality Plan, and builds on progress already made, whilst taking a more outcome-focussed approach to delivery of clearly defined objectives. The statutory deadline for publishing of the Strategic Equality Plan is March 31st. The Equality and Human Rights Commission (regulatory body) have notified public sector bodies who are subject to regulations under the Equality Act 2010 that the publishing of a draft document is sufficient in the context of the Covid-19 pandemic. Therefore, the council published a draft Strategic Equality Plan online on March 31<sup>st</sup>.

The council recognise that since March, the equality landscape has been impacted significantly by the Covid19 pandemic and Black Lives Matter movement. The Strategic Equality Plan is a long term, high level document which provides overarching objectives with sufficient flexibility to adapt to changing priorities. The delivery plan which underpins this Strategic document will reflect ongoing work relating to equality in these areas.

**Proposal** **To approve the attached Strategic Equality Plan prior to presentation at Council.**

**Action by** Head of People and Business Change

**Timetable** Strategic Equality Plan to be presented to Council.

Draft Strategic Equality Plan currently published to be updated and finalised immediately following Council by the end of September.

**This report was prepared after consultation with:**

Cabinet Member for Community and Resources  
 Heads of Service  
 Senior Leadership Team  
 Overview and Management Scrutiny Committee

DRAFT



## Background

### Legislation

The Equality Act 2010 (the Act) brought together and replaced previous anti-discrimination laws with a single Act. The Act includes a public sector equality duty (the general duty), replacing the separate duties on race, disability and gender equality which came into force on the 5<sup>th</sup> April 2011.

The aim of the general duty is to ensure that public authorities and those carrying out a public function consider how they can positively contribute to a fairer society through advancing equality and good relations in their day-to-day activities. The duty ensures that equality considerations are built into the design of policies and the delivery of services and that they are kept under review. The general duty requires public bodies to have due regard to the need to:

1. eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited under the Act
2. advance equality of opportunity between people who share a relevant protected characteristic and those who do not
3. foster good relations between people who share a protected characteristic and those who do not

The general duty covers the following protected characteristics:

- Age
- Gender reassignment
- Sex
- Disability
- Marriage and civil partnership (in relation to employment only)
- Pregnancy and maternity
- Sexual orientation
- Race – including ethnic or national origin, colour or nationality
- Religion or belief – including lack of belief

Listed bodies in Wales are also subject to the Act's specific duties, which are designed to support them meeting the general duty. The specific duties include the requirement for bodies to prepare and publish its equality objectives at least every four years, and the requirement to have a Strategic Equality Plan which sets out how these objectives will be met. Objectives must relate to all protected characteristics, and effective arrangements must be in place to monitor progress made against them.

Objectives should be developed through consideration of a listed body's work and activities, including employment, service delivery and policy development. This analysis should be informed by engagement with people that share protected characteristics, gathering and analysing information, and assessing equality impact. Engagement is a key opportunity to gather information about which areas of work may be of interest to people with particular protected characteristics.

### Development of objectives

The Council's draft Strategic Equality Plan 2020-24 sets out six equality objectives, each with a number of related outcomes and key actions that will contribute to those outcomes. The objectives relate to Leadership and Governance, Access and Engagement, Representative Workforce, Community Cohesion, Learning Well and Independent Living.

These objectives were drafted considering broad themes that have already been identified across the council's existing strategic documents, such as the Well-Being and Corporate Plans, and key external documents like the Equality and Human Rights Commission's 'Is Wales Fairer?: The State of Human Rights and Equality' (2018) report, which provides a broad assessment of inequality in Wales.

The objectives were also aligned with Welsh Government’s strategic equality work, considering documents including their Nation of Sanctuary Plan, Hate Crime Framework for Action, and Action on Disability framework.

Extensive stakeholder consultation has also informed the objectives, including surveys relating to:

- Public perception of equality in Newport
- Support for LGBTQ+ people in Newport
- Attitudes towards migration in Newport
- Making a complaint to the council

The council’s equality objectives were also subject to a 6 week consultation period, providing opportunity for the public to consider our areas of proposed focus.

Specific engagement was undertaken with people that share protected characteristics through focus groups with:

- Newport Access Group
- Newport People First
- Newport BAME Forum
- Newport Youth Council
- LGBTQ+ young people

A Consultation Report will be published alongside the Strategic Equality Plan. This is attached at Appendix 1 and provides further detail on the methods and outcomes of engagement, links to wider council priorities, and how local and national evidence has informed the development of the objectives. An operational delivery plan will underpin the Strategic Equality Plan, setting out in detail the steps that will be taken to achieve the objectives. The delivery plan will be routinely reported on through the council’s Strategic Equality Group (SEG), chaired by the Cabinet Member for Community and Resources and will also form the basis of the Strategic Equality Annual Report, received by Cabinet.

The draft Strategic Equality Plan 2020-2024 is attached to this report as Appendix 2.

### Financial Summary

The cost of implementing the Strategic Equality Plan and the equality objectives is met out of existing budgets by each relevant service area. A cost of approximately £3000 has been met by the Equality and Welsh language budget 19/20 for work to improve accessibility of the public facing Strategic Equality Plan.

	<b>Year 1 (Current) £</b>	<b>Year 2 £</b>	<b>Year 3 £</b>	<b>Ongoing £</b>	<b>Notes including budgets heads affected</b>
<b>Costs (Income)</b>					<b>Not applicable</b>
<b>Net Costs (Savings)</b>					
<b>Net Impact on Budget</b>					

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
That the Plan and its equality objectives are not implemented	M	M	Governance arrangements relating to delivery of the Strategic Equality Plan are being reviewed to ensure that actions are effectively progressed and monitored throughout the duration of the plan, particularly at an operational level	Heads of Service

## Links to Council Policies and Priorities

The Council's commitments under the Equality Act and the Strategic Equality Plan are aligned to the Wellbeing Goals, in particular, working towards a more equal Wales, and a Wales of cohesive communities.

Previously, the council has included Welsh language as a specific equality objective within its Strategic Equality Plans. As separate, statutory, reporting processes are in place under the council's Welsh Language Standards, Welsh language will no longer feature in our Strategic Equality Plan.

## Options Available

- a) To approve the attached Strategic Equality Plan
- b) To not approve the attached and redraft

## Preferred Option and Why

Option a) is the preferred option, in order to ensure that the Council remains compliant with its statutory obligations.

## Comments of Chief Financial Officer

There are no adverse financial implications associated with the proposal to approve and publish the Strategic Equality Plan. The cost of implementing the SEP is met from existing budgets in service areas.

The Strategic Equality Plan and the general obligations and requirements under the Act are key issues in the planning and delivering of services and therefore a key consideration in the Council's financial planning and budgets. Established processes allows for this consideration and is reviewed regularly.

## Comments of Monitoring Officer

There are no specific legal issues arising from the Report.

In accordance with the Equality Act 2010 the Council is required to publish a revised Strategic Equality Plan every 4 years. The general Public Sector Equality Duty requires the Council to have due regard in the exercise of its functions, to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct, to advance equality of opportunity and to foster good relations. Regulations made by the Welsh Ministers impose specific duties on local authorities in Wales for the purpose of enabling better performance of these general duties. These include the duty to publish objectives designed to enable the authority to perform the statutory duty, to publish a statement setting out steps taken or

intended steps in order to fulfil each objective and how long the authority will take in order to fulfil each objective. This Strategic Equality Plan supports Newport City Council in meeting these duties.

## **Comments of Head of People and Business Change**

There are no direct HR implications arising from this report.

This Strategic Equality Plan represents another important step towards creating a fairer, more equal Newport. It builds on positive work already achieved under previous plans, and sets out clear objectives and outcomes for the next 4 years. The Plan also contributes to the delivery of the Council's wellbeing objectives and the national wellbeing goals.

## **Comments of Cabinet Member**

The Equality Objectives in this Strategic Equality Plan are outcome focused. They reflect both the strategic priorities of the wider organisation and those of key partners, like the Equality and Human Rights Commission and Welsh Government. It is important to note however that they also reflect the concerns of the public, thanks to our wide and robust consultation process. The strategies have evolved significantly since our 2016-2020 plan. We worked in close partnership with service areas across the authority to develop well balanced priorities that are both inward-facing and externally focussed.

## **Local issues**

NA

## **Scrutiny Committees**

The draft Plan was reported to Overview and Management Scrutiny Committee in March 2019 and their comments informed amendments to the draft Strategic Equality Plan. Comments and responses are summarised below:

The current National Emergency relating to the Corona Virus has caused the Shut down of our major industries/services and other aspects of our economy and normal life. As a result of this, Local Government has been severely affected from a strategic planning and service delivery aspect.

a) What if any changes to the Councils published plan have been made or need to be made to take account of this unpredicted and monumental change? Or need to be made so that we can transition back to normality.

There are no changes to the Strategic Equality Plan proposed as a result of the Covid-19 crisis, however, operational plans which underpin its delivery may need to take into account delays, or address any pressing areas of inequality, for example, mitigating any resulting community tensions. Welsh Government have already agreed to some extended deadlines. It is recognised that Covid-19 is impacting disproportionately on many of our minority communities, and any learning from this will be reflected in our delivery plan which will evolve as necessary over the lifespan of the Strategic Plan.

b) Do our city goals need to be urgently realigned to take account of the current national situation and the wider aspects of recovery.

The Strategic Equality Plan details the strategic and policy framework within which the Council operates, and is designed to align with the Council's wider corporate priorities. The operational plan which will support its delivery will be reviewed following this period of emergency management and incorporate any immediate actions necessary to mitigate the impact of Covid19, but the overarching principles, and long term strategic objectives remain the same.

c) Devise and implement a method or means of measuring success of actions/ activities against the various stated areas of focus/goals. If it can be measured it can be managed to completion. Each activity/area of focus needs to have a recognised owner, this is for accountability and reporting purposes.

As outlined in the Strategic Equality Plan, an operational delivery plan will set out in detail steps that will be taken to achieve the Strategic Equality Objectives. This will include clear timescales, action owners and performance indicators. The Plan also sets out the aim to work towards mainstreaming equality delivery through service area plans, resulting in better performance management as part of the corporate process. A published annual report on progress against Strategic Equality Objectives is a statutory requirement under the Equality Act 2010.

7) Project milestones and reporting of activity milestones need to be agreed and published for each team or area of activity.

As above.

8) There needs to be one overall project manager/owner identified and tasked with performance management of the various programmes of work encompassed by the scope of work.

As above.

### **Equalities Impact Assessment and the Equalities Act 2010**

Strategic Equality Plans are required by law in order to contribute towards the reduction of inequalities and set out priorities which impact positively on people that share protected characteristics. An Equality Impact Assessment which has been carried out on our draft Strategic Equality Plan is attached at Appendix 3.

### **Children and Families (Wales) Measure**

This Strategic Equality Plan sets out a specific objective focussed on improving equality for vulnerable learners. This objective will be achieved through delivery of the council's Learn Well education strategy. Pupil voice is at the heart of this work, and ongoing consultation and engagement with children ensures their participation in decisions that affect them.

### **Wellbeing of Future Generations (Wales) Act 2015**

The Wellbeing of Future Generations Act 2015, which came into force in April 2016, places an obligation on Local Authorities to improve the social, economic, environmental and cultural well-being of Wales. The Strategic Equality Plan represents much of the work that the authority undertakes to fulfil our Wellbeing objectives to work towards 'a more Equal Wales' and a 'Wales of Cohesive Communities', drawing on much of the research undertaken by the Equality and Human Rights Commission into fairness and inequalities in Wales.

The Strategic Equality Plan and its objectives aim to influence the way that the Council makes decisions that have a long term impact on communities, and engages and consults with diverse and seldom heard groups to ensure they are able to influence the design of service delivery. Early intervention to address issues such as hate crime and the risk of radicalisation prevent escalation of issues which may threaten community cohesion, and collaboration with key partners in the delivery of our Equality Plan ensures an effective, holistic approach. The Strategic Equality Plan is influenced by national research, local data, and engagement with people in Newport that share protected characteristics.

### **Crime and Disorder Act 1998**

Not applicable

### **Background Papers**

Strategic Equality Plan 2016-20

<http://www.newport.gov.uk/documents/Council-and-Democracy/Equalities-and-Welsh-language-/NCC-Strategic-Equality-Plan-and-Equality-Objectives-2016-1.1-Eng.pdf>

Strategic Equality Plan Annual Reports

<http://www.newport.gov.uk/en/Council-Democracy/Equalities-the-Welsh-language/Equalities.aspx>

Equality Act 2010 and guidance for Local Authorities in Wales  
<https://www.gov.uk/guidance/equality-act-2010-guidance>

Draft published Strategic Equality Plan 2020-24

<https://www.newport.gov.uk/documents/Council-and-Democracy/Equalities-and-Welsh-language-/SEP-2020-1.0-English.pdf>

DRAFT



Consultation:  
Strategic  
Equality  
Objectives

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## ABOUT OUR CONSULTATION

This consultation report is about the council's proposed "Strategic Equality Plan". Under the Equality Act (2010), local authorities in Wales must publish a Strategic Equality Plan that sets out objectives and priorities it wants to achieve over a four year period. These priorities are called "Equality Objectives".

This document introduces Newport City Council's Equality Objectives and describes the consultation process that we undertook to identify them.

## OUR EQUALITY DUTIES

### THE GENERAL DUTY

**When making decisions and delivering services we must have due regard to:**

- Eliminating discrimination, harassment, victimisation and any other conduct that is prohibited under the Act.
- Advancing equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (protected characteristics are explained later in this report).
- Fostering good relations between persons who share a relevant protected characteristic and persons who do not share it.

When thinking about how to advance equality of opportunity between persons who share a relevant protected characteristic and those who don't, we also need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic and are connected to that characteristic.
- Meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low. We also have to particularly think about how it will tackle prejudice and promote understanding.

### THE SPECIFIC DUTIES

The Equality Act provides a power to make regulations imposing duties on public bodies to support better performance of the general duty; these are known as the Specific Public Sector Equality Duties and are different in England, Scotland and Wales. The Specific Duties underpin the General Duty and have been developed around four main principles:

1. Use of evidence
2. Consultation and Involvement
3. Transparency
4. Leadership

### WHO IS PROTECTED UNDER THE EQUALITY ACT 2010?

It is against the law to discriminate against someone because of their protected characteristic. This is the term used in the Equality Act 2010 to identify the types of things that affect how people are treated and can mean people may experience discrimination.

The law is designed to protect them, they are:

- ▶ age
- ▶ disability
- ▶ gender reassignment
- ▶ religion or belief
- ▶ marriage and civil partnership
- ▶ sex
- ▶ sexual orientation
- ▶ race
- ▶ pregnancy and maternity



## OUR EQUALITY OBJECTIVES

### 1. LEADERSHIP, GOVERNANCE & INVOLVEMENT

**“Newport City Council has strong leadership and clear governance around equality, ensuring robust monitoring processes and regular meaningful stakeholder engagement”**

This Equality Objective focuses on the role that Newport City Council can play in promoting equalities, how we can put the agenda at the heart of our decision making processes, and how we ensure that we are delivering against our commitments and involving local people in the decisions that affect them.

### 2. CUSTOMER SERVICE AND ACCESS

**“Newport City Council’s services are accessible to everyone in Newport, providing services that are both inclusive and considerate of individual need”**

This Equality Objective focuses on the degree to which the services delivered by the council are accessible to the public, it also focuses on how we consider the diverse needs of communities when designing new services or amending existing ones.

### 3. REPRESENTATIVE WORKFORCE

**“Newport City Council has a workforce that represents the city and is a workplace with an inclusive culture which recruits, develops and retains staff”**

This Equality Objective focuses on our staff, how we can be more representative of the communities we serve at every level throughout the organisation, and how we can support staff to achieve their potential.

### 4. COMMUNITY COHESION

**“Newport City Council contributes to the City of Newport being a safe space for all, promoting positive relationships between different communities, supporting integration and effectively identifying emerging community tensions”**

This Equality Objective focuses on building communities that have shared values, where diversity is welcomed and embraced, and where people feel connected to the place that they live

### 5. LEARN WELL

**“Newport City Council supports the well-being and attainment of the city’s pupils, and actively looks to address any disparity in achievement of vulnerable learners”**

This Equality Objective focuses on how we work with schools to support them in addressing areas of inequality that may exist between different groups of pupils.

### 6. INDEPENDENT LIVING

**“Newport City Council contributes to the city being a great place to live, to grow older and live independently”**

This Equality Objective focuses on how the authority can support people to live more independently, and how we can offer a greater variety housing-related support that is responsive to individual need.

## OUR CONSULTATION

We engaged with the public in two ways, through a number of online public consultation exercises, and a series of focus groups targeted at specific groups that were likely to have an interest in the development of our Strategic Equality Plan.

**Focus groups:** We mapped a number of groups across protected characteristics to ensure there was good qualitative representation in the development of our strategy. Over the period of consultation we engaged with the following groups:

- Newport Access Group
- Newport People First
- Newport BAME Forum
- Newport Fairness Commission
- Newport Youth Council
- Newport City Council Strategic Equality Group

In addition to this, a number of organisations with specific interests in equality and diversity (such as Welsh Government's Equality partners) were also consulted with. These organisations were:

- Woman's Equality Network
- Chwarae Teg

**Online consultation:** This ran over a 5 week period and was promoted on social media, specifically the council's Facebook and Twitter pages. Through this consultation process, any member of the public could contribute views on the authority's equality objectives.

In total, 33 of people responded to our dedicated SEP online consultation.

**Bus WiFi Consultations:** We are able to ask a series of questions before giving access to members of the public to free Wi-Fi on Newport buses. The responses received on a number of themed surveys were used to identify meaningful key actions within the Strategic Equality Plan and further shape our equality objectives.

SEP Bus Wifi: In total 2765 people responded to our bus Wi-Fi survey on the strategic equality plan. This survey focused on how we demonstrate leadership on equality issues and how inclusive we seem as an employer. These responses helped to shape our equality objective on Leadership, Governance and Involvement and Representative Workforce in particular.

LGBTQ+ Bus Wifi Survey: In total 2036 people responded to our bus Wi-Fi survey on LGBTQ+ issues in Newport. Of these, 397 identified as LGBTQ+. These responses helped shape our fifth Equality Objective "Learn Well".

Migration Bus Wifi survey: In total 851 people responded to our survey on migration within Newport. This helped inform our Community Cohesion equality objective.

In total the council received 5652 responses to Bus Wifi surveys.

## OUR EQUALITY OBJECTIVES

This section explains how we developed our draft Equality Objectives before they were taken to public consultation.

We started by looking at broad themes that have already been identified across the council's existing strategic documents, including our Well-Being and Corporate Plans. These plans already identify some key areas of work that we should be focussing on, based on existing research and an understanding of national and local need.

In addition, we also considered key external documents like the Equality and Human Rights Commission's 'Is Wales Fairer?: The State of Human Rights and Equality' (2018) report, which provides a broad assessment of inequality in Wales. We also mapped our draft Equality Objectives against Welsh Government's strategic equality work, considering documents like their Nation of Sanctuary Plan, Hate Crime Framework for Action, and Action on Disability framework.

Key themes identified are presented within the Policy Matrix below:

	EHRC* Indicator	NCC Well Being Plan	NCC Corporate Plan	Welsh Government
Leadership, Governance and Involvement	X	X	X	X
Customer Services & Access	X		X	
Representative Workforce	X	X		X
Community Cohesion	X	X	X	X
Learn Well	X	X	X	X
Living Independently	X	X		X

\*Equality and Human Rights Commission, Regulatory Body

## LEADERSHIP, GOVERNANCE & INVOLVEMENT

**“Newport City Council has strong leadership and clear governance around equality, ensuring robust monitoring processes and regular meaningful stakeholder engagement”**

The role positive leadership, clear governance and active involvement plays in promoting the equalities agenda comes across strongly in a number of key policy documents. **Welsh Government’s** own draft Strategic Equality Plan highlights the not only its aim of making Wales (and the Welsh Public Sector) a world leader in the field of gender equality, but more widely the central role that equalities plays in its vision for Wales.

**The EHRC Is Wales Fairer? Review** highlights that the important role of strong leadership in embedding the principles of equality within an organisation whilst also acknowledging that “participation of communities in decision making is important to enable people to influence those decisions that affect them in different areas of life” (2019, p.101).

**Newport’s Well-being Plan** identifies engagement with local people as being key to the development and delivery of appropriate services and acknowledges the important role of gathering accurate customer intelligence in identifying different outcomes between different sections of the city’s population (2017, p.29).

This commitment to listening to the needs of the people of Newport is also echoed within our **Corporate Plan 2017-2022** which identifies key organisational design principles relevant to this draft Equality Objective, namely **Enabling and Capacity Building, Citizen Role**, and being **Evidence-based**. These principles ensure that services and decisions are shaped by the voices and experiences of citizens who are representative of our diverse city.

**Our consultation feedback** broadly suggested that we have scope to improve on how we promote and show leadership in the field of equality. Within our online survey, 78.1% of respondents stated that they agreed with this Equality Objective.

Specific concerns about a lack of leadership ranged from the council not being visible enough marking key dates in the equalities calendar, to a perceived lack of an online presence, particularly when countering hate speech online. There was also reference, particularly within our survey responses, to the idea that Newport City Council was not an employer that welcomed diversity, and too often simply paid “lip service” to the agenda.

## CUSTOMER SERVICE AND ACCESS

**“Newport City Council is accessible to our diverse communities, providing a service that is both inclusive and considerate of individual need”**

Over 73,000 people visit the Civic Centre and Information Station annually, accessing a huge number of different services. Over the course of the lifespan of our Equality Strategy, we will increasingly look to move towards new ways of engaging with the public, including further digitalisation of services and the establishment of Neighbourhood Hubs across the city. It is essential that we consider the impact of these changes on all of our communities, and that we work towards a service that is accessible to everyone.

**Our Corporate Plan 2017-2022** outlines a number of aspirations for improving customer services over the next few years, including improving online access to council services and embedding our Neighbourhood Hubs across the city.

**The EHRC’s Is Wales Fairer Review: 2018** includes access to services as a key equality indicator, cutting across a number of themes including access to culture, leisure and sport. The report also details barriers that may be faced by particular communities in accessing services, including fear of discrimination and poor accessibility.

Work on this objective will focus on those communities that may be disproportionately impacted by these barriers.

**Our consultation feedback** painted a mixed picture in terms of how people felt about the responsiveness of frontline council services to specific needs. Some of our feedback suggested that services were good at responding to specific customer needs and that these services had also significantly improved over the past few years. However, it was clear that some groups had also experienced what they felt was a very poor customer service, and that council services often struggled to be responsive to people's needs. This experience was often linked to frontline staff not being able to access interpreter services (including BSL) and hearing loops. It was also raised that frontline staff should be provided with mandatory disability awareness training.

This Equality Objective was popular among survey respondents, with 81.3% of people stating that they agreed with the proposed draft objective.

## REPRESENTATIVE WORKFORCE

**“Newport City Council has a workforce that is representative of the demographic of the city and a workplace with an inclusive culture which recruits, develops and retains diverse staff”**

Delivering a representative workforce is a continuation from our previous Strategic Equality Plan, and represents an ongoing piece of work that will continue to develop with the evolution of the city. Having a representative workforce is key to ensuring the public has trust in us, and that we have at our disposal the diversity of ideas, skills, and experience necessary to meet the needs of the city.

At present, 4.4% of our employees identify as being from a BAME (Black Asian Minority Ethnic) background, compared to census figures of around 10% for the city of Newport. Women are over-represented in the workforce at around 76%, however our [gender pay gap report](#) suggests that we have a gender pay gap of around 4.8%. In addition to this, only 1% of our employees identify as being disabled. We recognise that there is more to be done, in improving the quality of demographic data we collect about our staff, how we use this to inform our work and attracting, recruiting and retaining a diverse workforce.

**The EHRC's 2018 Review** highlights workforce diversity as an important theme, and states that improved levels of workforce diversity should be pursued more robustly (EHRC 2018, p.31). The review also makes clear that this move towards more diverse workforces should be more inclusive, identifying concerns that “disabled people are less likely than non-disabled people to work in managerial or professional occupations which tend to have high pay” (EHRC, Page 29), and that BAME young people are underrepresented in apprenticeship schemes. This is echoed by **Newport's Well-being Plan** which highlights the important role that representative workforces have to play in making the city and the council feel inclusive of different groups (NWBP 2019, 13).

**Welsh Government's Equality and Inclusion** programme also engages with the issue of representation in the workforce, with a number of organisations funded through Welsh Government's Equality and Inclusion Programme having launched initiatives aimed at increasing participation from underrepresented groups. Welsh Government's draft equality objective 8 also aspires to “the Welsh public sector leading the way as exemplar inclusive and diverse organisations and employers”.

**Our consultation feedback** was supportive of this proposed draft objective, with 66% of respondents to our dedicated SEP online survey stating that they agreed with the Equality Objective. There was frequent acknowledgement across all consultation formats that this objective linked closely with the need to provide stronger visible leadership in the field of equalities, as discussed in Equality Objective 1; Leadership, Governance and Involvement.

Statements from supporting consultation exercises, suggested that non-white British survey respondents were 8% less likely to believe that they could enjoy a successful career at Newport City Council. Within these survey response comments relating to a lack of opportunity for external candidates were also frequently raised.

Within our online survey, 65.6% of respondents stated that they agreed with this draft objective.

## COMMUNITY COHESION

**“Newport City Council contributes to the City of Newport being a safe space for all, promoting positive relationships between different communities, supporting integration and effectively identifying emerging community tensions”**

Creating and supporting cohesive communities remains a priority for us, particularly as we continue to experience the effects of the decision to leave the European Union, and see threats to cohesion continue to grow, including levels of hate crime across Wales.

Newport has a rich history of migration and we continue to welcome newcomers to the city, however we are also aware of the importance of effective integration which places responsibilities both on new arrivals and receiving communities. We also need to support those EU nationals living in Newport to continue to do so post-Brexit, ensuring everyone living in Newport feels a sense of belonging and common sense of purpose.

The **EHRC Review** highlights the significance of Hate Crime across England and Wales, identifying Ethnicity and Religion as the motivations for most Hate Crimes, and an increasing trend in Hate Crimes motivated by sexual orientation, transgender identity and disability (2017, p.93-94). Hate crime in Newport continues to rise annually, although we know that this is still under reported by many communities, particularly LGBTQ+ and disabled people.

This theme also has strong links to **Newport’s Well-being Plan** and to the overarching Well-being Goals of “A Wales of cohesive communities” and “A more equal Wales”. This objective supports the authority’s key priority areas identified within the **Corporate Plan**, specifically those which commit to delivering “**Resilient Communities**” and a “**Thriving City**”.

This draft objective is also linked to **Welsh Government’s own strategic priorities**, specifically their draft Equality Objectives 5 and 6 which make clear commitments to improving community cohesion through the “elimination of identity-based abuse, harassment, hate crime and bullying” and the establishment of “A Wales of cohesive communities that are resilient, fair and equal”.

**Our consultation feedback** was supportive of this proposed draft objective, with 64.5% of respondents to our dedicated SEP online survey stating that they agreed with the Equality Objective.

## LEARNING WELL

**“Newport City Council supports the well-being and attainment of all our pupils, addressing any disparity in achievement of vulnerable learners”**

This proposed Equality Objectives acknowledges the key role that education has to play in removing barriers and delivering opportunities to enable all our children and young people to reach their potential.

Our Education Services ‘Learn Well Plan 2019-2022’ sets out ambitions for all those working within Education Services in Newport to improve the well-being of pupils in our schools in ways that reflect the council’s well-being objectives. Our work under this objective will align closely with the Learn Well Plan, which has a particular focus on the educational outcomes of vulnerable learners.

**The EHRC review** supports a focus on vulnerable learners, highlighting the disparity in exclusion rates across different groups (2018, p.15). The report also identifies a number of issues relating to disparities in educational attainment.

Education services play a key role in delivering all of **Newport's Wellbeing Plan** objectives, but most relevant is our commitment to ensure that "people have skills and opportunities to find suitable work and contribute to sustainable economic growth". (NWBP Page 13). Our **Corporate Plan** also identifies that "integration, good education and employment opportunities will help maintain cohesive communities" (CP Page 42).

**Our consultation feedback** was supportive of this proposed draft objective, with 67.8% of respondents to our dedicated SEP online survey stating that they agreed with the Equality Objective.

Comments from this survey and others conducted as part of the consultation highlighted the importance of education generally, and a concern about the implication of diminishing school budgets. The responses also suggested that more need to be done to support potentially marginalised pupils in schools.

## LIVING INDEPENDENTLY

### **"Newport City Council contributes to the city being a great place to live, to grow older and live independently"**

This Equality Objective focuses on how the authority can support people to live more independently, and how we can offer a greater variety of housing-related support that is responsive to individual need.

**The EHRC review** identifies this area as an area that the public sector in Wales should focus on, stating that "Everyone should have the freedom to enjoy an adequate standard of living, with independence and security, and to be cared for and supported when necessary" (2018, p.46). The review goes on to highlight a number of key challenges within this area such as limited adapted housing provision, poor equalities monitoring data and an increased prevalence of poverty, which impacts on young people and disabled people most acutely.

This Equality Objective also relates to one of the 5 "Cross-Cutting Interventions" that appear in Newport's **Well-being Plan**. The plan highlights the importance of establishing a clear 'Newport Offer' that puts forward a complete package (of what?) that includes accessible housing (2018, p.14). This Equality Objective also relates to a number of other Newport City Council policy documents, particularly the council's 2017 **Independent Living Strategy** which looks to give people in Newport more choice and control over their living situation.

This Equality Objective also links to a number of key themes within Welsh Government's Equality and Inclusion work stream. Within their strategy on "[The Right to Independent Living](#)", Welsh Government stress that the public sector in Wales should have the "Social Model of Disability" at the heart of their approach to designing public services, and that all people should have the same **freedom, dignity, choice and control** at home, work, in education and in the community (2019, p.6).

**Our consultation feedback** was supportive of this proposed draft objective, with 77.4% of respondents to our dedicated SEP online survey stating that they agreed with the Equality Objective.

Comments from the survey highlighted general concerns around the prevalence of homelessness in Newport, particularly within the city centre, and an increased need for older people to receive support to access financial support and benefits. However it was clear in our focus groups that respondents were keen to ensure that "Living independently" did not mean living in isolation, and that being an active member of the community was very important.

## CONSULTATION QUESTIONS

**Question 1: Do you agree with the proposed draft Equality Objective 1 (Leadership, Governance and Involvement) that the authority has set out?**

Yes  No

If no, why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 2: Do you agree with the proposed draft Equality Objective 2 (Customer Service and Access) that the authority has set out?**

Yes  No

If no, why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 3: Do you agree with the proposed draft Equality Objective 3 (Representative Workforce) that the authority has set out?**

Yes  No

If no, why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 4: Do you agree with the proposed draft Equality Objective 4 (Community Cohesion) that the authority has set out?**

Yes  No

If no, why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 5: Do you agree with the proposed draft Equality Objective 5 (Learn Well) that the authority has set out?**

Yes  No

If no, why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 6: Do you agree with the proposed draft Equality Objective 6 (Independent Living) that the authority has set out?**

Yes  No



If no, why? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 7: Do you think there are any areas of inequality that are not addressed by draft Equality Objectives and that are of particular importance to you?**

Yes  No

If yes, what? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 8: We would like to know your views on the effects that the proposed Strategic Equality Objectives would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How might we build momentum and increase any positive impact of these effects, or where you think there might be negative effects, what can we do to mitigate them?**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Question 9: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Mae'r dudalen hon yn wag yn



Newport City  
Council  
Draft  
Strategic  
Equality Plan  
2020-2024

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Mae'r ddogfen hon ar gael yn Gymraeg.  
Mae fformatau eraill ar gael ar gais.

This document is available in Welsh.  
Other formats are available on request.

## FOREWORD

I am very pleased to be able to present our third Strategic Equality Plan to the people of Newport. Our city has long been home to progressive ideas, tolerance, and respect, and this plan demonstrates we are continuing in that proud tradition.

This strategy represents an evolution from our 2016-2020 plan, with more outcome based objectives that have been developed by working closely in partnership with various teams across the authority and, of course, in collaboration with key stakeholders from across the city, not least the members of the public who contributed to the development of the plan in January 2020.

We are living in unprecedented times, we find ourselves not only at the start of a new decade, but also at a societal cross roads following both our exit from the European Union and as we collectively look to recover from the global covid-19 pandemic. A series of events that has touched us all, but has impacted specific groups in our communities so acutely, and often laid bare the inequalities that exist between us.

However, in many ways our challenges remain the same. We must continue to strive to deliver equitable public services for all of our residents in the face of an increasingly challenging economic backdrop, and we must do this while not allowing the forces of division to create an environment of intolerance and hostility between us.

That said, I remain confident that we are on the right track, and that this plan represents a positive contribution in our journey towards making the city safer, more accessible and a better place to live for everyone.



Cllr Jane Mudd

Leader of the Council

Newport City Council

## ABOUT THIS STRATEGY

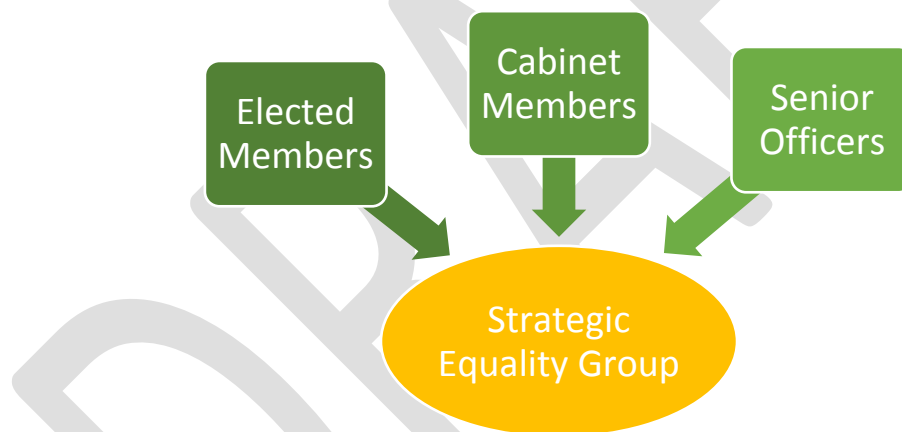
Under the Equality Act (2010), local authorities in Wales must publish a Strategic Equality Plan (SEP) that sets out the objectives it wants to achieve over a four year period. These priorities are called “Equality Objectives”.

This strategic plan outlines Newport City Council’s priorities for furthering and promoting equality across the city. The strategy runs for four years, beginning in April 2020 and finishing in March 2024.

In this strategy we have tried to be explicit about how our equality objectives will make a real difference to how we deliver services, and to the lives of people in Newport. Within each objective we have identified clear outcomes we are working towards, and a number of actions that will contribute to us achieving those outcomes. You can also see which groups we believe will benefit most from our objectives.

## HOW ARE WE GOING TO MONITOR THE STRATEGY?

Delivery of the SEP will be supported by our Strategic Equality Group and underpinned by a series of comprehensive operational delivery plans. The Strategic Equality Group is made up of senior officers and elected members and is chaired by the Cabinet Lead for Equality. The Council’s Overview Scrutiny and Management Committee will have additional responsibility for the scrutiny and monitoring of the SEP’s progress, and update reports will be received by the committee every 6 months.



In addition to this level of scrutiny from within the organisation, we will also publish annual reports which summarise the progress we have made as an authority against each Equality Objective. These will be compiled at the end of every financial year and are considered by our Scrutiny Committee before being presented to Cabinet for publication.

You can read the annual reports from our previous strategic equality plans on our [website](#).

### THE GENERAL DUTY

#### **When making decisions and delivering services we must have due regard to the need to:**

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it (protected characteristics are explained later in this report).
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

### WHO IS PROTECTED UNDER THE EQUALITY ACT 2010?

It is against the law to discriminate against someone because of their protected characteristic(s). This is the term used in the Equality Act 2010 to identify the types of things that affect how people are treated and can mean people may experience discrimination.

Protected characteristics are:

- ▶ age
- ▶ sex
- ▶ disability
- ▶ sexual orientation
- ▶ gender reassignment
- ▶ race
- ▶ religion or belief
- ▶ pregnancy and maternity
- ▶ marriage and civil partnership

The Equality Act 2010 also says our Strategic Equality Plan should be explicit about how our plan relates to different protected characteristics. If our plan doesn't impact on a protected characteristic, the act asks us to explain why.

### OTHER KEY DOCUMENTS

We have also tried to make sure that this strategy aligns with a number of other key documents, as well as considering national research and priorities. These include:

- our Corporate Plan; which sets out our vision for council services
- The Equality and Human Rights Commission's "Is Wales Fairer? 2019 Review"; a document which outlines the key challenges we face in Wales in relation to the public sector
- the city's Well-being Plan: which sets out a vision for Newport that is shared by all public sector partners in the city











Our Wellbeing Plan is based on the 7 Wellbeing Goals that we have a duty to deliver under the Wellbeing of Future Generations (Wales) Act 2015. Those goals most relevant to this plan are 'a Wales of cohesive communities' and 'a more equal Wales'.

## ABOUT US

Newport is a coastal city with a rich industrial heritage; the authority covers a geographical area of just over 84 square miles. It has an urban hub with an extensive rural hinterland and is home to one of Wales' most diverse and multi-cultural populations. The authority is one of the largest employers in the local area with 66% of our employees living within council boundaries.

Our mission at Newport City Council is simple; **to improve people's lives** and this means everyone, irrespective of your background or circumstances.

## WHAT DOES NEWPORT LOOK LIKE?

	Population of: 147,769
	20% of the population is below the age of 16 (slightly higher than the Welsh average)
	51% of the city's population is female 49% of the city's population is male
	62.5% of the population is between the ages of 16 and 64 (slightly higher than the Welsh average)
	17.5% of the population is over the age of 65 (slightly lower than the Welsh average)
	10.1% of the population comes from Black and Minority Ethnic Groups (over double the Welsh average)
	1.7% of the population identifies as either Lesbian, Gay, or Bisexual
	17.3% of households in Newport are in material deprivation (slightly higher than the Welsh average)
	10.6% of the population self-identify as having a physical or mental condition which means their "day to day activities are limited a lot" (slightly lower than the Welsh average)
	The top three religions in the city are: Christianity (56.9%), No religion (29.7%) and Islam (4.7%)

## Our Consultation

In developing this plan we have used a range of consultation methods to ensure we get the right balance of different views. We have done this through online surveys aimed at the general public and more targeted focus groups with relevant stakeholders and community groups. We have also considered the equality information we have available to us based on our population and workforce, and the wider priorities of our organisation.

While results from our different consultation exercises suggested that people felt we were focusing on the right equality objectives, with 72.4% of people agreed with our draft objectives, they also gave us a clear steer on how we could look to improve our services.

*“In regards to how the council promotes equality, I think they could do a lot more”*  
**(Questionnaire respondent)**

*“I don’t have the skills to access council services online. It’s too overwhelming”*  
**(Focus group respondent)**

*“I don’t think I could have a succesful career at Newport City Council because I have a disability”*  
**(Questionnaire respondent)**

*“Many of my friends that I know live in Newport and they range from a variety of ethnicities, but I still think there is a lot of discrimination”*  
**(Questionnaire respondent)**

*“The council could do more outreach in schools for young people from marginalised backgrounds”*  
**(Questionnaire respondent)**

*“It’s important to ensuring that vulnerable adults have the proper support to understand and identify the social and financial help they have a right to”*  
**(Focus group respondent)**

To read more about how we developed our draft Equality Objectives and the consultation process that has informed the development of this strategy, please read our “Strategic Equality Plan 2020-2024: Consultation Report” which accompanies this strategy.



## OUR EQUALITY OBJECTIVES

### 1. LEADERSHIP, GOVERNANCE & INVOLVEMENT

**“Newport City Council has strong leadership and clear governance around equality, ensuring robust monitoring processes and regular meaningful stakeholder engagement”**

This Equality Objective focuses on the role that Newport City Council can play in promoting equalities, how we can put the equalities agenda at the heart of our decision making processes, and how we ensure that we are delivering against our commitments and involving local people in the decisions that affect them.

### 2. CUSTOMER SERVICE AND ACCESS

**“Newport City Council’s services are accessible to everyone in Newport, providing services that are both inclusive and considerate of individual need”**

This Equality Objective focuses on the degree to which the services delivered by the council are accessible to the public, it also focuses on how we consider the diverse needs of communities when designing new services or amending existing ones.

### 3. REPRESENTATIVE WORKFORCE

**“Newport City Council has a workforce that represents the city and is a workplace with an inclusive culture which recruits, develops and retains staff”**

This Equality Objective focuses on our staff, how we can be more representative of the communities we serve at every level throughout the organisation. It also focuses on how we can support staff in achieving their potential.

### 4. COMMUNITY COHESION

**“Newport City Council promotes positive relationships between different communities, supporting integration and effectively identifying emerging community tensions”**

This Equality Objective focuses on building communities that have shared values, where diversity is welcomed and embraced, and where people feel connected to the place that they live.

### 5. LEARN WELL

**“Newport City Council supports the well-being and attainment of the city’s pupils, and actively looks to address any disparity in achievement of vulnerable learners”**

This Equality Objective focuses on how we work with schools to support them in addressing areas of inequality that may exist between different groups. The objective has a particular focus on reducing gaps in attendance between different groups.

### 6. INDEPENDENT LIVING

**Newport City Council contributes to the city being a great place to live, to grow older and live independently, and has in place a range of services that accommodates people in different situations**

This Equality Objective focuses on how the authority can support people to live more independently, and how we can offer a greater variety housing-related support that is responsive to individual need.

**NOTE: the final published version of this plan will be presented using this design style on the next pages**

# OUR MAP TO A MORE EQUAL NEWPORT

## EQUALITY OBJECTIVE 1

### LEADERSHIP, GOVERNANCE AND INVOLVEMENT

Embedding Welsh Government's statutory guidance on the "socio-economic duty" into council governance processes.

Monitoring Protected Characteristics of participants in consultation activity, and analysing results based on demographics

Delivering events and communications throughout the year relating to key dates, e.g. Black History Group, LGBT History Month, Deaf Awareness Week

Reviewing the service area plans which deliver against our corporate plan, ensuring each area incorporates an equality performance indicator

## EQUALITY OBJECTIVE 3

### REPRESENTATIVE WORKFORCE

Removing all identifiable information from our paper applications, often referred to as a 'Blind application process'

Actively promoting vacancies and a career opportunities at Newport City Council to underrepresented groups

Mapping pay gaps by ethnicity and disability and taking positive action to address any identified disparities

## EQUALITY OBJECTIVE 2

### CUSTOMER SERVICE AND ACCESS

Improving the process that we go through when we review complaints of discrimination

Establishing a Disability Access Group to support the development of customer service provisions

Delivering hate crime awareness training to all of our customer services staff

## EQUALITY OBJECTIVE 4

### COMMUNITY COHESION

Working in partnership with our Youth Council and local LGBTQ+ people to develop a 'safe space' for LGBTQ+ people in Newport

Developing a multi-agency mechanism to effectively monitor community tensions at the earliest stage

Delivering Prevent update training to all Newport schools, raising awareness of the risks of radicalisation to vulnerable groups

Developing a Welcome to Newport mobile app for new arrivals to the city.

## EQUALITY OBJECTIVE 5

### LEARN WELL

Mapping and reduce gaps in attendance and exclusion rates of BAME learners

Mapping and reduce gaps in attendance and exclusion rates of ALN learners

Working proactively with LGBT+ students via school councils and youth council

Mapping and reduce gaps in attendance and exclusion rates of eFSM / non-eFSM learners

## EQUALITY OBJECTIVE 6

### INDEPENDENT LIVING

Delivering 'in home support' to adults with learning disabilities

Delivering Refuge provision for victims of domestic violence delivered in partnership with Women's Aid and Llamau

Providing new properties by working in partnership with registered social landlords

Promoting independent living at an early stage through closer working with education

## Equality Objective 1: Leadership, Governance & Involvement

Newport City Council has strong leadership and clear governance around equality, ensuring robust monitoring processes and regular meaningful stakeholder engagement

**Outcome 1:** Newport City Council shows clear and consistent leadership in promoting equality and diversity across the city.

**We will do this by:**

- Showing visible support on key dates and events in the equalities calendar; i.e. raising flags, promoting events in Newport Matters through our social media accounts, and promoting events through our internal staff communications
- Supporting community events throughout the year that relate to key dates, i.e. Black History Month, LGBT+ History Month
- Supporting the role of our Member Champions

**Outcome 2:** Newport City Council has a clear governance structure in place to monitor equality performance across the organisation

**We will do this by:**

- Reviewing the service area plans which deliver against our corporate plan, ensuring each area incorporates an equality performance indicator
- Ensuring all managers receive Fairness and Equality Impact Assessment (FEIA) training
- Embedding Welsh Government's statutory guidance on the "Socio-economic duty" into council governance and strategic decision making processes
- Working with our lead Cabinet Member for Equalities and Strategic Equality Group to review our governance arrangements and ensure they are fit for purpose

**Outcome 3:** Newport City Council will improve how it understands the impact of changing services by engaging residents and relevant groups in the decision making process,

**We will do this by:**

- Monitoring Protected Characteristics of participants in consultation activity, and analysing results based on demographics
- Updating our well-being profiles, which are used as evidence for decision making and design of services, to better reflect information we hold about communities across Newport

**Which protected characteristics will these outcomes most benefit?**

We believe that improved leadership, governance and involvement will benefit all protected characteristics.

## Equality Objective 2: Customer Service and Access

Newport City Council's services are accessible to everyone in Newport, providing services that are both inclusive and considerate of individual need

**Outcome 1:** We have a better understanding of the demographics of our service users, and reflect these in service design, removing barriers to access.

**We will do this by:**

- Utilising data to identify any under or over representation in people that access our frontline services
- Establishing a Disability Access Group to support the development of customer service provisions
- Running visits twice a year to the our customer facing services (for example Neighbourhood Hubs, Contact Centre) for communities who may be less confident in accessing services or making complaints
- Delivering diversity training on a regular basis to all of our customer services staff
- Reviewing accessibility of services for people that speak languages other than English or Welsh
- Effectively capturing language skills of staff across the organisation in order to best utilise these
- Ensuring our website and apps are compliant with new accessibility regulations

**Outcome 2:** Complaints relating to discrimination are managed in a way that ensures organisational learning

**We will do this by:**

- Sending all closed complaints a customer service experience questionnaire which includes demographic data for improved monitoring
- Introducing Equalities and Welsh Language Complaints data as standing agenda items on our Strategic Equalities Group and Welsh Language Implementation Group
- Delivering hate crime training to all of our customer services staff
- Signposting people who raise allegations of discrimination against the council to appropriate services
- Introducing a process review in response to any complaints of discrimination

**Outcome 3:** Through close partnership working with Newport Live barriers to accessing sports and leisure provision in the city will be reduced

**We will do this by:**

- Helping Newport Live to provide accessible opportunities for people to engage in Sports, Leisure, Art and Culture.
- Helping Newport Live achieve the Disability Sport Wales insport Gold award
- Promoting the availability of benefits available to carers in accessing Newport Live opportunities
- Supporting Education services to provide accessible School based Sport and Physical Activity Opportunities

**Which protected characteristics will these outcomes most benefit?**

We believe that an improved approach to customer service and access will benefit all protected characteristics.

## Equality Objective 3: Representative Workforce

Newport City Council has a workforce that represents the city and is a workplace with an inclusive culture which recruits, develops and retains staff

**Outcome 1:** Staff with protected characteristics are proportionally represented at all levels throughout the organisation

We will do this by:

- Reviewing and improving the information collected on staff
- Mapping pay gaps by ethnicity and taking positive action to address any disparities
- Mapping pay gaps by disability and taking positive action to address any disparities
- Taking positive action to recruit and promote female staff into upper pay quartiles
- Actively promoting vacancies to underrepresented groups

**Outcome 2:** Diverse staff have a voice within the organisation, and are listened to

We will do this by:

- Establishing a BAME staff support network
- Establishing an LGBTQ+ staff support network
- Establish a disability staff support network
- Developing a transitioning in the workplace policy in partnership with LGBTQ+ staff

**Outcome 3:** The potential for unconscious bias in recruitment processes is recognised, and minimised

We will do this by:

- Removing all identifiable information from our paper applications, often referred to as a 'blind application processes'
- Reviewing access to training and development opportunities by protected characteristic
- Delivering Unconscious Bias training to staff undertaking interviews

### Which protected characteristics will these outcomes most benefit?

While many of our actions will have a benefit for all protected characteristics, the actions highlighted above will have a particular positive impact against the protected characteristics of:

- Race
- Religion & Belief
- Sexual Orientation
- Gender Reassignment
- Disability

## Equality Objective 4: Community Cohesion

Newport City Council promotes positive relationships between different communities, supporting integration and effectively identifying emerging community tensions

**Outcome 1:** Everyone living in Newport feels welcomed, and integration is supported by local communities

We will do this by:

- Developing an Integration Strategy for Newport focussing on refugees, asylum seekers and migrants
- Establishing a task force to support the delivery of our work as an Inclusive City, involving communities and key stakeholders
- Developing a Welcome to Newport App for new arrivals
- Working in partnership with locally funded services to support EU nationals to apply to the EUSS
- Working in partnership with our Youth Council and local LGBTQ+ people to develop a 'safe space' for LGBTQ+ people in Newport
- Resettling a further 7 families under the Home Office's UK Resettlement Scheme

**Outcome 2:** Community tensions are monitored and mitigated effectively

We will do this by:

- Developing a multi-agency mechanism to effectively monitor community tensions at the earliest stage
- Delivering Prevent update training to all schools in Newport, raising awareness of the risks of radicalisation and vulnerable groups
- Delivering training to community groups that empowers them to challenge and act on hate speech where they encounter it

**Which protected characteristics will these outcomes most benefit?**

While many of our actions will have a benefit for all protected characteristics, the actions highlighted above will have a particular impact against the protected characteristics of:

- Race
- Religion & Belief
- Sexual Orientation
- Gender Reassignment

## Equality Objective 5: Learn Well

Newport City Council supports the well-being and attainment of the city's pupils, and actively looks to address any disparity in achievement of vulnerable learners

**Outcome 1:** There is greater parity in attendance and exclusion rates for all pupils in Newport

We will do this by:

- Mapping and reducing gaps in attendance and exclusion rates of BAME learners.
- Mapping and reducing gaps in attendance and exclusion rates of Additional Learning Needs (ALN) learners
- Mapping and reducing gaps in attainment rates of eFSM / non-FSM learners (students eligible for free school meals and those who are not)

**Outcome 2:** We have a better understanding of the challenges faced by potentially marginalised pupils

We will do this by:

- Working proactively with LGBTQ+ students via school councils and the youth council
- Developing a cross-organisational strategy for post-16 Education
- Monitoring and developing the rates of post-16 participation in Science, Technology, Engineering and Mathematics (STEM) subjects for vulnerable learners
- Tackling period poverty and distributing sanitary products into Newport Schools
- Improving our response to identity based bullying by embedding Welsh Government's 'Rights, Respect and Equality' anti-bullying guidance in our practices

**Which protected characteristics will these outcomes most benefit?**

This Equality Objective is likely to most benefit against the protected characteristics of:

- Race
- Disability
- Sex
- Sexual Orientation
- Gender Reassignment

## Equality Objective 6: Independent Living

**“Newport City Council contributes to the city being a great place to live, to grow older and live independently, and has in place a range of services that accommodates people in different situations”**

**Outcome 1: People are empowered to live in their own accommodation for longer**

We will do this by:

- Delivering housing related support to adults with learning disabilities
- Providing dedicated housing related support aimed specifically at refugees
- Providing generic ‘in home support’ for lone parents via the LIFT project.
- Developing bespoke accommodation in partnership with Registered Social Landlords (RSL’s) for people with a range of different needs.

**Outcome 2: People are empowered to play an active role in their local communities**

We will do this by:

- Promoting independent living skills at an earlier age through closer working with local schools and the council’s Education team
- Providing a dedicated Community Connectors team that signposts people to services and activities delivered in their local communities
- Supporting adults with learning disabilities to access Welfare Benefit entitlements to better utilise their own financial resources and support their independence

**Outcome 3: The city is responsive to the accommodation needs of victims of domestic abuse**

We will do this by:

- Providing Refuge provision for victims of domestic violence, delivered in partnership with Women’s Aid and Llamau.
- Delivering a BAME specific women’s refuge and associated supported aimed at women fleeing domestic violence

**Which protected characteristics will these outcomes most benefit?**

This Equality Objective is likely to most benefit against the protected characteristics of:

- Race
- Disability
- Sex
- Age

This Equality Objective is also likely to make a positive contribution towards helping the authority consider socio-economic disadvantage.



## TO FIND OUT MORE

This Strategic Equality Plan is designed to have a positive impact on the lives of everyone that lives in Newport. It presents an opportunity to build on achievements we have already made both as an employer and a service provider, as well as look to the future and identify new opportunities to reduce inequalities. If you would like further information on this plan or our equality work, please get in touch: [equality@newport.gov.uk](mailto:equality@newport.gov.uk)

This plan is available in Welsh and can be made available in other formats and languages.

### **Key Documents**

Is Wales Fairer? The State of Equality and Human Rights 2018 (Available online:

<https://www.equalityhumanrights.com/sites/default/files/is-britain-fairer-2018-is-wales-fairer.pdf>)

Welsh Government: Strategic Equality Objectives 2020-2024 (Available online:

<https://gov.wales/sites/default/files/consultations/2019-09/strategic-equality-objectives-2020-2024-consultation.pdf>)

Newport City Council: Corporate Plan 2017-2022 (Available online:

<http://www.newport.gov.uk/documents/Council-and-Democracy/About-the-council/Corporate-Plan-2017-2022.pdf>)

Newport's Well-being Plan: 2018-2023 (Available online: <http://www.newport.gov.uk/documents/One-Newport/Local-Well-being-Plan-2018-23-English-Final.pdf>)

<http://www.newport.gov.uk/documents/Care-and-Support/Newport-Directory-of-Supporting-People-Services.pdf>

Mae'r dudalen hon yn wag yn

# Fairness and Equalities Impact Assessment (FEIA)

Version 3.6 May 2017

The purpose of this assessment is to provide balanced information to support decision making and to promote better ways of working in line with equalities (Equalities Act 2010), Welsh language promotion (The Welsh Language (Wales) Measure 2011), sustainable development (Wellbeing of Future Generations (Wales) Act 2015), and the four parameters of debate about fairness identified by the Newport Fairness Commission (NFC Full Report to Council 2013).

**Completed by:** Joseph Lewis                      **Role:** Equalities Officer

**Head of Service:** Rhys Cornwall                      **Date:** [Click here to enter a date.](#)

**I confirm that the above Head of Service has agreed the content of this assessment**

**Yes / No**

**When you complete this FEIA, it is your responsibility to submit it to**  
impact.assessments@newport.gov.uk

**1. Name and description of the policy / proposal being assessed. Outline the policy's purpose.**

Strategic Equality Plan: 2020 -2024

The purpose of this plan is to establish strategic equality objectives for Newport City Council that will extend over a four-year period.

**2. Outline how you have/ will involve stakeholders who will be affected by the policy/proposal**

The authority engaged with the public in two ways, a number of online public consultation exercises coupled with a series of focus groups targeted at specific groups that were likely to have an interest in the development of the plan.

**Focus groups:** The authority mapped a number of groups across protected characteristics to ensure they had good qualitative representation in the development of the strategy. Over the period of consultation the authority engaged with the following groups:

- Newport Access Group
- Newport People First
- Newport BAME Forum
- Newport Fairness Commission
- Newport Youth Council
- Newport City Council Strategic Equality Group

In addition to this, a number of organisations with specific interests in equality and diversity (such as Welsh Government's Community Cohesion Partners) were also consulted with, however this was done over email. These organisations were:

- Woman's Equality Network
- Chwarae Teg

**Online consultation:** This was administered over a 5 week period and was promoted on social media, specifically the council's Facebook and Twitter pages. Through this consultation process, any member of the public could contribute their thoughts to the authority's equality objectives.

In total 33 people responded to our dedicated SEP online consultation.

**Bus WiFi Consultations:** The authority is able to ask a series of questions before giving access to members of the public to free WiFi. The length of time these surveys run for varies. The responses received on these surveys were used to identify meaningful key actions within the Strategic Equality Plan and validate its equality objectives.

SEP Bus Wifi: In total 2765 people responded to our bus Wi-Fi survey on the strategic equality plan. This survey focused on the leadership that council shows on equality issues and how inclusive the authority seems as an employer. These responses helped shape our Equality Objectives on Leadership, Governance and Involvement and Representative Workforce in particular.

LGBTQ+ Bus Wifi Survey: In total 2036 people responded to our bus Wi-Fi survey on LGBTQ+ issues in Newport. Of these 397 identified as LGBT. This helped shape our fifth Equality Objective "Learn Well".

Migration Bus Wifi survey: In total 851 people responded to our survey on migration within Newport. This helped inform our Community Cohesion Equality Objective in particular.

In total the council received 5652 responses to Bus Wifi surveys.

### **3. What information/evidence do you have on stakeholders? e.g. views, needs, service usage etc. Please include all the evidence you consider relevant.**

This plan has been developed using the following data sets:

- Ward Profiles
- HR ITrent Data
- Strategic Equality Plan Annual Reports: 2018-19
- Newport's Well-being plan
- Customer Data (Customer Relationship Management System)
- Consultation data listen in section 2.

This plan has also been developed using key documents:

- Is Wales Fairer: The State of Equality and Human Rights in 2018.
- Action on Disability: The Right to Independent Living Framework and action plan
- Welsh Government's Strategic Equality Objectives 2020 – 2024

#### 4. Equalities and Welsh language impact

Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: <ol style="list-style-type: none"> <li>Promote equal opportunity</li> <li>Promote community cohesion</li> <li>Help eliminate unlawful discrimination/ harassment/ victimisation?</li> </ol>
	Positive	Negative	Neither	
<b>Age</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with explicit benefits to both younger people and older people identified throughout the plan.</p> <p>The strategy recognises explicit benefits to this protected characteristic within <b>five of our six</b> equality objectives.</p> <p>Equality objective 5 and 6 are closely aligned with a number of the authority’s strategic documents focussed on the protected characteristic of age. Namely the authority’s “Education Learn Well Strategy”, which focuses on younger people, and the authority’s “Independent Living Strategy”, which has a greater emphasis on older people.</p> <p>Further operational outcomes, in line with statutory obligations to uphold the general duty of the equality act, will be identified over the course of the strategy and developed within the operational action plans of each objective.</p>
<b>Disability</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with explicit benefits identified in <b>five of our six</b> equality objectives within the strategy.</p> <p>Benefits identified around the development of the authority’s Customer Service provision including the commitment to greater partnership working with Newport Live in the area of disability sport is a particular highlight that will facilitate both greater opportunity to access council services and wider recreational activities within the city.</p> <p>Further operational outcomes, in line with statutory obligations to uphold the general duty of the equality act, will be identified over the course of the strategy and developed within the operational action plans of each objective.</p> <p>It has also been agreed that progress against the authority’s School Accessibility Strategy will be reported on as part of this plan’s annual report, ensuring congruence across equality related agendas and giving the Accessibility Strategy a strengthened</p>



Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: 1. Promote equal opportunity 2. Promote community cohesion 3. Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
				platform to highlight areas of achievement and required development.
<b>Gender reassignment/transgender</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with explicit benefits against this characteristic identified in <b>five of our six</b> equality objectives within the strategy.</p> <p>The commitments made within the strategy to develop a 'Transitioning at work' policy, to improve the monitoring of staff equality data and develop a corporately supported LGBTQ+ staff network are all tangible examples of how this strategy will help meet the duties laid out in the Equality Act.</p> <p>Further operational outcomes, in line with statutory obligations to uphold the general duty of the equality act, will be identified over the course of the strategy and developed within the operational action plans of each objective.</p>
<b>Marriage or civil partnership</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with benefits against this characteristic identified in <b>two of our six</b> equality objectives within the strategy.</p> <p>This strategy's commitment to improve the awareness of our staff of equality related issues through training, and improving the governance and engagement process that surrounds equality related issues, will positively impact how we are able to consider and address issues that relate to this protected characteristic.</p> <p>As is the case with all other protected characteristics, further operational outcomes, in line with statutory obligations to uphold the general duty of the equality act, will be identified over the course of the strategy and developed within the operational action plans of each objective.</p>
<b>Pregnancy or maternity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with benefits against this characteristic identified in <b>two of our six</b> equality objectives within the strategy.</p> <p>This strategy's commitment to improve the awareness of our staff of equality related issues through training and improving the governance and engagement process that surrounds equality related issues, will impact positively on how we are able to</p>


Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: 1. Promote equal opportunity 2. Promote community cohesion 3. Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
				<p>consider and deal with issues that relate to this protected characteristic.</p> <p>However, as is the case with all other protected characteristics, further operational outcomes, in line with statutory obligations to uphold the general duty of the equality act, will be identified over the course of the strategy and developed within the operational action plans of each objective.</p>
<b>Race</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with benefits against this characteristic identified in <b>all</b> equality objectives within the strategy.</p> <p>This strategy's commitment to improve the awareness of our staff of equality related issues through training and improving the governance and engagement process that surrounds equality related issues, will improve how we are able to consider and deal with issues that relate to this protected characteristic.</p> <p>Commitments made in Equality Objective 4 which relate improving community cohesion are also particularly relevant to this protected characteristic, including the development of an integration strategy for Newport, and work to address community tensions and hate speech.</p> <p>The commitments made within Equality Objective 3; Representative Workforce represent the most explicit commitments to improving workforce diversity to date, with commitments to extend the pay gap analysis that is already being taken on Gender to other characteristics and the move to a blind application process being a particular highlight.</p>
<b>Religion or Belief or non-belief</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with benefits against this characteristic identified in <b>four of our six</b> equality objectives within the strategy.</p> <p>This strategy's commitment to improve the awareness of our staff of equality related issues through training and improving the governance and engagement process that surrounds equality related issues, will improve how we are able to consider and deal with issues that relate to this protected characteristic.</p>


Protected characteristic	Impact:			Provide further details about the nature of the impact in the section below. Does it: 1. Promote equal opportunity 2. Promote community cohesion 3. Help eliminate unlawful discrimination/ harassment/ victimisation?
	Positive	Negative	Neither	
<b>Sex/ Gender Identity</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with benefits against this characteristic identified in <b>four of our six</b> equality objectives within the strategy.</p> <p>This strategy's commitment to improve the awareness of our staff of equality related issues through training and improving the governance and engagement process that surrounds equality related issues, will improve how we are able to consider and deal with issues that relate to this protected characteristic.</p> <p>In addition to this, specific actions relating to domestic abuse demonstrates the authority's ongoing commitment to addressing this issue.</p>
<b>Sexual Orientation</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This plan will have a positive impact against this protected characteristic, with benefits against this characteristic identified in <b>five of our six</b> equality objectives within the strategy.</p> <p>As well as our commitment to improve the awareness of our staff of equality related issues through training and the improvements that we will make to our governance and engagement processes, this protected characteristic will also benefit from the development of action plans and commitments within wider objectives.</p> <p>For example, the commitment to work with the NCC Youth Council and local people to establish a safe space for LGBTQ+ people is a particular highlight. Objective 5 (Learn Well) also focusses specifically on vulnerable learners, which is a term inclusive of LGBTQ+ pupils who may be more vulnerable to issues including identity based bullying.</p>
<b>Welsh Language</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>It is not anticipated that this plan will have a significant impact, either positively or negatively. Welsh Language featured as an equality objective within the previous Strategic Equality Plan. However this plan pre-dated the authority's first 5 Year Welsh Language Strategy, as such, content which previously featured within the Strategic Equality Plan, now reports into the authority's Welsh Language Implementation Group and is featured within the Welsh Language Annual Report.</p>



## How has your proposal embedded and prioritised the sustainable development principle in its development?

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? Describe how.
 <p>Long Term</p> <p>Balancing short term need with long term needs</p>	<p>This strategy has been developed in line with the statutory cycles (every four years) established within the Equality Act 2010. However, the objectives and commitments made within this strategy represent a positive and ambitious step in improving corporate diversity and the responsiveness of our services to an ever increasingly diverse city demographic.</p> <p>The objectives and commitments themselves balance the short term demand of needing to better communicate what the authority is doing to improve equality and diversity, both corporately and in terms of service provision, with the delivery of medium to long-term financially sustainable services. This has been achieved through the integration of equality objectives with various service area priorities, exploiting opportunities to maximise impact where those priorities intersect most explicitly with the equality agenda.</p>
 <p>Collaboration</p> <p>Working together to deliver objectives</p>	<p>In developing both the objectives and the various commitments which feature within the Strategy, the Connected Communities Team worked closely with teams and service areas from across the authority, establishing areas where their work agendas intersected most explicitly with the equalities agenda. Using this as our starting point, we were able to coproduce objectives which struck a balance between being both achievable and ambitious. The Team also actively engaged equality networks and organisations, as well as people that share protected characteristics, to ensure objectives and actions are reflective of local need. Proposals to establish both internal and external reference groups will ensure the ongoing involvement of people that share protected characteristics in delivering objectives.</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? Describe how.
 <p>Involvement</p> <p>Involving those with an interest and seeking their views</p>	<p>The authority engaged with the public in two ways, an online public consultation and a series of focus groups targeted at specific groups that were likely to have a specific interest in the development of the plan.</p> <p><b>Online consultation:</b> This was administered over a 5 week period and was promoted on social media, specifically the council’s Facebook and Twitter pages. Through this consultation process, any member of the public could contribute their thoughts to the authority’s equality objectives.</p> <p><b>Focus groups:</b> The authority mapped a number of groups across protected characteristics to ensure they had good qualitative representation in the development of the strategy. Over the period of consultation the authority engaged with the following groups:</p> <ul style="list-style-type: none"> <li>- Newport Access Group</li> <li>- Newport People First</li> <li>- Newport BAME Forum</li> <li>- Newport Fairness Commission</li> <li>- Newport Youth Council</li> <li>- Woman’s Equality Network</li> <li>- Chwarae Teg</li> <li>- Newport City Council Strategic Equality Group</li> </ul> <p>In addition to this organisations with specific interests in equality and diversity (such as Welsh Government’s Equality partners) will also be engaged via the Strategic Equality Group, the authority’s working group which supports delivery of the current plan.</p>
 <p>Prevention</p> <p>Putting resources into preventing problems occurring or getting worse</p>	<p>This plan represents a positive step forward for the authority and an evolution of its previous Strategic Equality Plans. The plan has looked to establish tangible outcomes that will help demonstrate to the public that Newport City Council takes seriously the obligations it has under the Equality Act.</p> <p>It also takes steps, particularly within corporately focused objectives, to improve diversity within the organisation (bringing it more into line with the city’s demographic), and within its governance processes (by improving the skills of elected members and reducing opportunity for unconscious bias).</p>

Sustainable Development Principle	Does your proposal demonstrate you have met this principle? Describe how.
 <p>Considering impact on all wellbeing goals together and on other bodies</p>	<p><b><u>A Resilient Wales</u></b>  This strategy can be seen to contribute to this objective through the alignment of Equality Objectives with Service Area and specific team objectives. This has helped ensure that the commitments and themes we are working towards are both practical and achievable within the strategy’s life cycle but also ambitious.</p> <p><b><u>A More Equal Wales</u></b>  This strategy has been developed in close conjunction with many of the wider equality priorities set by Welsh Government at a national level, and reflects many of the strategic priorities which feature in the EHRC’s “Is Wales Fairer” review.</p> <p><b><u>A Wales of more cohesive communities</u></b>  This strategy strongly reflects the priorities for delivery within the Welsh Government’s Community Cohesion programme (most explicitly within Equality Objective 4: Community Cohesion).</p> <p><b><u>A Wales of vibrant culture and thriving Welsh Language</u></b>  This strategy makes a number of commitments make explicit the authority’s commitment to being a leader in Equalities, and also makes clear that it will champion key dates in the equalities calendar.</p>

**5 Will the proposal/policy have a disproportionate impact on a specific geographical area of Newport?**

This strategy looks to improve council performance on equality related issues and the responsiveness of its services to the needs of diverse or marginalised groups. As the strategy’s equality objectives are organised around the protected characteristics that are set out within the Equality Act, it is reasonable to conclude that this policy will be most impactful in areas which have the highest proportion of those characteristics, for example, within wards that have a higher BAME population like Pillgwenlly, Stow Hill and Victoria. However, the nature of any disproportionate geographical impact will be positive, given that people that share protected characteristics are likely to face disadvantage and/or structural inequalities which the plan seeks to address.

**6 Taking this assessment as a whole, what could be done to mitigate any negative impacts of your policy and better contribute to positive impacts?**

**7 Monitoring, evaluating and reviewing**

Following the publication of this strategy, we will establish and agree action plans with Equality Objective leads. These action plans will be reviewed quarterly to evaluate progress and identify actions.

Progress on actions will then be discussed at the council's Strategic Equality Group, a member led group which supports work in relation to Equality and Diversity related issues across the city.

In line with statutory requirements, this plan and all of its objectives will also be subject to a full annual report, subject to review by our Oversight, Scrutiny and Management Committee and presented at Cabinet and full Council for approval.

## 8 Involvement

The strategy will be published online following its agreement by Cabinet and Council. Once agreed, the authority will publicise the publication of the strategy. Those groups who participated within the consultation exercise that informed the strategy will be contacted directly and informed of both the publication of the document and about the ways in which their comments informed the strategy.

## 9 Summary of Impact (for inclusion in any report)

**Equality Act 2010 AND Welsh Language**

**Wellbeing of Future Generations (Wales) Act 2015**