

Agenda

Cabinet

Dyddiad: Dydd Gwener, 18 Chwefror 2022

Amser: 4.00 pm

Lleoliad: Ystafell Bwyllgora 1 - Canolfan Ddinesig

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

Eitem		Wardiau Dan Sylw
1	<u>Ymddiheuriadau dros Absenoldeb</u>	
2	<u>Datganiadau o ddiddordeb</u>	
3	<u>Cofnodion y Cyfarfod Diweddaf</u> (Tudalennau 3 - 20)	
4	<u>Strategaeth Gyfalaf a Rheolaeth Trysorlys 2022/23</u> (Tudalennau 21 - 78)	All Wards
5	<u>Cyllideb Refeniw a CATC: Cynigion Terfynol 2022/23</u> (Tudalennau 79 - 210)	All Wards
6	<u>Deilliannau Disgyblion Cyfnod Allweddol 4 a 5 wedi'u Gwirio</u> (Tudalennau 211 - 230)	All Wards
7	<u>Strategaeth Bum Mlynedd yr Iaith Gymraeg</u> (Tudalennau 231 - 282)	All Wards
8	<u>Porth y Gorllewin</u> (Tudalennau 283 - 290)	All Wards
9	<u>Adroddiad Diweddarau Covid</u> (Tudalennau 291 - 306)	All Wards
10	<u>Adroddiad Diweddarau Brexit</u> (Tudalennau 307 - 314)	All Wards
11	<u>Rhaglen Waith</u> (Tudalennau 315 - 322)	
12	<u>Live Event</u> Cabinet Meeting, 18 February 2022 - YouTube	

Contact: :

01633 656656

E-mail: democratic.services@newport.gov.uk

Date of Issue: Date Not Specified

Mae'r dudalen hon yn wag yn



Minutes

Cabinet

Date: 14 January 2022

Time: 10.00 am

Present: Councillors Councillor J Mudd (Chair), Councillor R Jeavons, J Hughes, P Cockeram, D Harvey, D Mayer and D Davies

1 Apologies for Absence

Councillor Truman.

2 Declarations of Interest

None received.

3 Minutes of the Last Meeting

The Minutes of 15 December 2021 were accepted as a true record.

4 Revenue Draft Budget and Medium-Term Financial Plan (MTFP): Final Proposals 2022/23

The Leader presented the report to Cabinet Member colleagues. The report highlighted the key issues affecting the development of the Council's 2022/23 budget and Medium-Term Financial Plan. Cabinet was therefore asked to agree the proposals to enable the commencement of the 2022/23 budget consultation process.

It was noted by the Leader that there were no new budget savings for consultation and no requirement for new or additional savings for us to balance the overall budget for next year. This was an exceptional position that in which the Council found itself in comparison to previous years, this was thanks to the favourable draft settlement received from Welsh Government at the end of last year.

There was currently a balance in hand for the 2022/23 financial year, this is unavoidable due to the late settlement. There remained, however, further work to identify appropriate investment as set out within its key priorities.

Overall, the draft budget included investment of almost £26m in 2022/23 and £47m over the medium term. This included pay and pricing inflation, however the Leader took the opportunity to specifically mention the areas of investment that herself and Cabinet colleagues believed were the areas in need as well as areas which saw further investment following the better-than-expected settlement:

This budget proposed investment in schools of up to £8m in 22/23, which represented a 7.3% growth in schools' budget, and up to £17.5m over the next three years. The 22/23 investment represented an additional £2m over and above pay and pricing inflationary

increases with the costs associated with new and growing schools. This would increase the per pupil funding amount and all schools would experience the benefit of this. The Leader gave her personal thanks and that of Cabinet, for the professionalism and commitment shown by schools-based staff over the last two years. Staff worked tirelessly since the start of the pandemic to adapt to changes in teaching and learning and should be commended for their efforts.

The Leader mentioned further investment proposals for early intervention and prevention to alleviate the pressures that Councils continued to face within both education and social care settings. This included investment to create additional capacity within the safeguarding hub to support families, providing additional resource and to support a proactive approach into assessing and supporting vulnerable pupils.

Consideration was also given to other targeted investments which might impact on support given to vulnerable families and individuals, as the Council continued to manage the impact of the pandemic. These would be announced in the final budget.

Consideration was also being given to investments which would impact on the city centre and the businesses within it. In particular, promotion of the city, marketing, inward investment, co-ordination of activities and events, tourism, and the general environment in and around the city centre. These would also be announced in the final budget

The Council was currently planning to invest around £9.5m in the draft budget over and above an allowance for pay and pricing inflation and the details of these could be found within appendix 1 of the report. Some of the key items included:

- £3.2m for Real Living Wage for care workers and the increase in National insurance contributions
- £1.4m for increasing demand in both children and adult services
- Almost £900k additional funding for free school meals provision.

Over £700k provision to support Welsh Governments directive to ensure that there were no rough sleepers in Newport. The Council had delivered a huge amount of support to rough sleepers and found accommodation to many individuals and families who found themselves in a difficult place. This investment would enable the Council to provide continued support.

Further detailed investments would be agreed at the final budget in the Cabinet's February meeting feedback from consultation would be considered. Cabinet was interested to hear views on its three key priority areas of schools, early intervention and the city, as well as feedback on specific budget investments. In addition, as well as the on-going investment in the revenue budget which the final budget would confirm, the Cabinet would also identify one-off investments in these and other key areas, funded from the current year's underspend. This would also include provision for covid risk in terms of the likely impact from the pandemic once the Welsh Government Hardship Fund came to an end in March 2022 as this would also require appropriate mitigation.

Finally, a 3.7% council tax increase was proposed for consultation. This was a weekly increase of £0.59 - £0.79 for properties in Band A to C, which were the most common bands in Newport.

The settlement received had allowed the Council to invest and increase funding in key services and more information would be announced in the final budget, but Council Tax was an important factor in that also.

Newport continued to have one of the lowest tax rates in Wales and across the UK as it continued to increase across most Councils.

Comments of Cabinet Members:

- Councillor Davies supported the Leader's comments regarding the hard work and professionalism of staff seen in schools across Newport, in ensuring that children were kept safe. The Cabinet Member was mindful that the hardship grant would end in March and was uncertain of the legacy that Covid would have on children, although they had suffered because of the impact. Isolation and deprivation meant that children were struggling, and this would not change due to the high cost of living taking its toll. Schools were the hub of the community, making sure that children were being supported through learning and being clothed and fed at home. The need therefore for £8M in the budget for Education was welcomed.
- Councillor Cockeram echoed the Cabinet Members comments regarding the impact on mental health in children during lock down. The £9.5M investment in safeguarding hubs which were improving with partnerships in place. The Cabinet Member also invited the Leader to visit the hub to see how the hub operated at some point in the future, when it was safe to do so. The Leader would be delighted to join the Cabinet Member in visiting the site as it was critical to support the residents of Newport.
- Councillor Hughes passed on his sympathy to family of Councillor Peter Clark from Monmouthshire on behalf of Newport City Council and Cabinet. The Cabinet Member and also a social worker welcomed the commitment to a living wage during these challenging times. It showed that the Council was listening and contributing to key services as well as supporting the residents of Newport.
- Councillor Jeavons referred to the months of schooling missed by children came at a price to parents and carers too and welcomed the proposals outlined in the budget to support this.
- Councillor Harvey considered that full Council would see that this was a good budget and thanked school staff and pupils who had been affected during this very difficult time and therefore supported the budget moving forward.

The Leader added that there were still decisions to be made but that these would be made with the feedback from members of the public. There were no proposed increases in licenses for Taxi drivers, catering business or for groups that used sporting facilities. This budget was based on the support for all our families in Newport.

Decision:

1. Cabinet agreed the following draft proposals for public consultation:
 - i) A council tax increase of 3.7%, a weekly increase of £0.59 - £0.79 for properties in Band A to C, the most common bands in Newport, as set out in paragraphs 3.21.
 - ii) Proposed fees and charges in appendix 4.
 - iii) The budget investments shown in appendix 1.
 - iv) The budget investment provision in schools of up to £8,003k, noting this would fully fund the planning assumption on teacher's pay at 4% from September 2022 plus the cost of new/expanding school provision as noted in paragraph 3.11 – 3.18. Specifically on the teacher's pay, given the uncertainty surrounding teachers' pay from September 2022 provision of up to 4% was proposed and would be held centrally until confirmation of the pay award was received. Cabinet agreed to confirm and finalise this when there was certainty

with the intention of retaining the objective described above in fully funding the September pay increase, within the funding provision available.

2. Cabinet noted:

- v) The position on developing a balanced budget for 2022/23 and considering the late announcement of the 2022/23 RSG funding, acknowledge that the position would be subject to ongoing review and updates between now and the February Cabinet when the final budget was agreed.
- vi) The medium-term financial projections, assumptions contained within and those projections contained investment required to finalise the implementation the Corporate Plan promises.
- vii) The need to prioritise the development of a 'strategic change programme' to develop a long-term sustainable financial footing for services.

Further work was required to specifically review and manage the financial impacts of some key risks in 2022/23, such as Covid related costs and income losses.

5 Revenue Budget Monitor

The Leader presented the report highlighting the forecasted position on the Council's revenue budget along with the financial risks and opportunities that presented themselves as at November 2021.

Against a net budget of £316million, the November revenue position currently forecasted an underspend of £10 million, after taking account of a new reserve request, representing a 3% variance against budget. This position was inclusive of the continued financial impact of the COVID-19 pandemic and assumed full reimbursement of all significant costs and lost income for the remainder of the year. This followed confirmation from WG that the Hardship Fund would be available until March 2022.

The Leader went on to explain that although service areas were reporting an underspend against the budget resulting from difficulties/ delays in recruitment, covid related activities being reimbursed by the Hardship Fund and additional grant income within both Children and Adult Services, much of the underspend originated from non-service budgets, such as savings against:

- (i) capital financing budget,
- (ii) Council Tax Reduction Scheme and Council Tax collection,
- (iii) the revenue contingency budget, which was currently not needed, and
- (iv) some other non-service budgets which were not committed currently. These together produced the £10m underspend.

Some individual areas however, continued to overspend against specific activities, details of which were set out within the report. In previous years, these overspends related to demand-led activity areas, such as Social Services, however the last couple of years were not a true representation of the challenges faced in these areas due to the pandemic and the reimbursement of additional costs received from the Hardship Fund. Given the uncertainty in these areas, there was a risk that in year demand levels may change from current forecasts, with a potential for the forecast underspend to increase further. This did not mean that the Council did not spend the money; but meant it would be spent later.

The key areas contributing to the £10million forecast position included:

- (i) Increased costs in respect of dealing with 'ash die-back', increased insurance premiums and the remedial works required across the commercial and industrial

estate. The anticipated overspend in areas of emerging risk was expected to be short of £1 million by the end of the financial year.

- (ii) An anticipated shortfall against the delivery of 2021/22 and prior year savings of almost £600k, largely due to delays in progressing the necessary actions, mostly due to the pandemic. Whilst the level of unachieved savings in relation to the current financial year was lower than in previous years, there remained a need to ensure that all savings were delivered, in full, as soon as possible and officers continued to take action to ensure these were delivered from the earliest opportunity.
- (iii) There was a forecast underspend of £2.7million in relation to the Capital Financing budget. As part of the budget setting for 2021/22, the capital financing costs of the current capital programme, which ends in 2022/23, were funded up front. This resulted in a saving within the Minimum Revenue Provision budget and the interest payable costs, as this budget was not yet required. This underspend was known and understood when the budget was agreed in March of this year.
- (iv) Savings of approximately £900k were also expected against the council tax reduction scheme budget due to a lower number of council tax benefit claimants than expected and council tax collection.
- (v) Furthermore, given that an underspend position was anticipated at this stage of the year there was no requirement to utilise the council's general revenue budget contingency of £1.3million therefore adding to the non-service underspend.

Schools were anticipating a net overspend of £2.6million, after allowing for reimbursement of eligible expenditure and lost income from the Hardship Fund.

It was noted however that schools carried forward significantly higher balances at the end of the 2020/21 financial year, compared with previous years. This higher level of balances was primarily the product of Welsh Government grants issued towards the end of the last financial year, which offset spend that schools had already budgeted for. As a result, schools carried forward higher than anticipated balances, which, in most individual cases, would be more than sufficient in offsetting the overspends being reported.

In comparison to previous years, only four schools were projecting to hold deficit balances, totalling £919k, with two of those expecting to be smaller than the previous year.

The revenue budget monitor pointed to a significant underspend which had the potential to further increase with the level of unexpected grant income that could come our way. This might allow Cabinet to consider a mixture of much needed one-off investments and provide mitigation for future budget risks as the financial impacts of Covid continue beyond March this year but with no Hardship Fund to support. More details would be announced in the final budget proposals in February.

Comments of Cabinet Members:

- Councillor Jeavons referred to the Ash Die Back tree removal programme carried out recently and the safety issue which required this spending as the Council continued remove the trees across the city.
- Councillor Cockeram referred to 2.13 children's residential services and the potential of approximately £2m savings on placements. The funding of homegrown foster care for children would make savings in the next year or two moving children from the independent sector. The Leader thanked foster carers, who were warm and generous individuals for their support in Newport.

- Councillor Davies referred to the net overspend in schools and the proposed £8M increase to invest in schools, which included the support of Additional Learning Needs (ALN). It was therefore hoped that this time next year the Council would not be seeing the same issues.

Decision:

That Cabinet:

- Noted the overall budget forecast position and for an underspend position to exist at the end of the financial year.
- Approved the creation of a £563k specific earmarked reserve from this year's underspend to support increased demand on adult learning disability budgets in 2022/23.
- Noted and asked the Chief Executive and Directors team to implement currently undelivered savings as soon as was practically possible and appropriate to do so, noting the on-going risks associated with these current delays and the current context.
- Noted the continued financial challenges being experienced by certain, demand-led, services and the need for robust financial management in these areas, as well as the level of currently unachieved budget savings.
- Noted the risks identified throughout the report and in the Head of Finance comments, particularly in relation to future years and the lasting impacts of the pandemic.
- Noted the forecast movements in reserves.
- Noted the improved overall position in relation to schools, when compared to previous years, but also noted the remaining deficit positions for some schools and the risk of past issues re-emerging if good financial planning and management was not undertaken.

Action by

Cabinet Members / Head of Finance / Corporate Management Team:

- Heads of Services continued to keep under review the key risk cost areas and taking action, with Cabinet Members, to move towards balanced positions for those budgets currently projected to overspend.
- Directors team / Heads of Services delivered agreed 2021/22 budget savings as soon as was practically possible.

Heads of Services and budget holders closely monitored the impact of new pandemic related restrictions, the likelihood of their continuation into next financial year and their financial consequence in the absence of a hardship fund.

6 Capital Budget Monitor

The Leader presented the report advising Cabinet that the report was an iterative one, and highlighted the changes to the capital programme since Members last considered capital monitoring as at September 2021 and sought to add in new schemes totalling +£4.84m, predominantly grant related.

The report captured the movements and forecasts up to the end of November 2021. The September capital programme budget reported was £65.99m.

There were amendments (net reductions) of -£3.49m, most notably the handing back of grant in respect of A467 improvements which would not be progressed beyond design stage in the current financial year.

Service colleagues identified a further -£9.81m slippage, in respect of schemes progressing at a slower rate financially than originally anticipated when service colleagues indicated annual expenditure plans, moving that part of the budget into 2022-23.

When added to the September budget, the revised capital programme budget for 2021/22 now totalled £57.53m.

The focus of the monitoring was primarily upon the current year (2021-22). The capital programme recognised however that larger schemes would have expenditure that crossed financial years, such that the convention was to establish a five-year programme envelope, with the current one due to expire at the end of 2022-23. The presentation of multi-year tables to 2024-25 in the report implied a seven-year programme but was mainly recognition that 21st Century schools and City Deal commitments extended beyond the end of 2022-23.

Against the revised 2021-22 budget, spend of £57.58m was projected, resulting in a temporary overspend of £51k. These overspends were anticipated to be funded through additional grant bids, but where such financing was not forthcoming, they would instead call upon the various annual sums' maintenance budgets.

Service departments were successful in sourcing additional funding in the form of grants to supplement the traditional programme. This was certainly most welcome in enhancing the Council's ability to maintain and upgrade infrastructure but tended to be specific to certain years. This resulted in an increasing volume of slippage being rolled forward towards the end of the current programme envelope, such that the 2022-23 starting budget was anticipated to be above £100m, which was far in excess of traditional spending levels and anticipated current programme management capacity. This figure had the potential to increase further based on past experience of last quarter considerations such as inclement weather, supply chain issues, and more recently Covid induced absences affecting progress predictions made earlier in the year.

The magnitude of slippage involved may impact upon the capacity to introduce new schemes into the first couple of years of the new programme, owing to the fact that completion of the existing programme might take priority.

The remainder of the report identified the running balances of available resourcing to support new schemes and initiatives, in the form of capital reserves and receipts and treasury headroom.

The Capital Receipts uncommitted running balance (£2.65m) in the report was an increase on the September figure, due to the inclusion of receipt activity that has occurred (extra £1.47m). The level of financing required to come from Capital Receipts remained the same as reported in September (£4.3m).

The Capital Expenditure Reserve had a running balance of £4.47m but might help afford the Council's share of an enhanced schools Band B programme (£1.3m) and the Council's share of the demolition costs of Newport Centre (£250k). Neither of these figures were approved by Members yet and as such only represented pre-commitments in this Capital Monitoring report.

The £4.5m extra capital expenditure headroom was originally built into the debt financing budget in anticipation of a need to facilitate additional projects before the end of current programme window (end 2022-23). The table in the report identified there was no additional commitments identified since the September report, which left an uncommitted £391k for new schemes that could arise between now and end of March 23 that were most appropriate to be afforded by borrowing.

The implication of this was that there would be limited internal headroom without continuing to rely heavily upon an externally funded grant bidding process. The progress of schemes would increasingly be influenced by advanced planning and design to act at pace when grant funding sources were released and having the necessary project management capacity to address/satisfy multiple and diverse projects.

Comments of Cabinet Member:

- Councillor Cockeram mentioned that the Rosedale Annex building works was not funded by health, but through the Regional Partnership Board. The Leader asked that officers note this for future reference.

Decision:

That Cabinet:

1. Approved the additions and amendments to the capital programme (Appendix A), including the use of reserves and capital receipts requested in the report
2. Approved slippage/re-profiling of £9,811k into future years
3. Noted the update on the remaining capital resources ('headroom') up to and including 2022/23
4. Noted the capital expenditure forecast position as at November 2021

7 **Welsh National TOMs for Social Value**

In November 2020 the National TOMs Framework for Wales was launched on behalf of the Welsh Local Government Association (WLGA), supported by the National Social Value Taskforce Wales.

The TOMs for social value was a measurement framework and practical toolkit that allowed for an unlocking of social value through its integration into procurement and project management across the whole Council.

The Welsh TOMs framework had been designed around seven themes (the seven wellbeing goals of the Wellbeing of Future Generations Act 2015), 35 Outcomes and 93 Measures:

Themes – The overarching strategic themes that an organisation is looking to pursue,
Outcomes – The objectives or goals that an organisation is looking to achieve that will contribute to the themes,

Measures – The measures that can be used to assess whether these Outcomes have been achieved.

For the TOMs Framework, these were action based and represented activities that a supplier, service provider and contractor could complete to support a particular desired outcome.

The framework consisted of a set of 93 Measures. A range of these measures were selected, according to the nature of the procurement, to be included in a Council's tender process, in order for tendering suppliers to respond against these measures and inform the Council how it could add this social value to the contract. The tenderer's response was then scored, and the evaluation of this social value element was then factored into the full evaluation of their tender bid.

The principal benefits of this TOMs framework were associated with a consistent reporting standard for Social Value. It therefore:

- provided a consistent approach to measuring and reporting Social Value,
- was flexible, adaptable and bespoke which was fundamental in order to demonstrate that the methodology can succeed,
- allowed for continuous improvement,
- provided a robust, transparent and defensible solution for assessing and awarding tenders,

- allowed organisations to compare their own performance by sector and industry benchmarks and understand what good looks like,
- was based on non-financial performance but allow monetary value to be reported, and
- reduced the uncertainty surrounding Social Value measurement for businesses, allowing them to make informed decisions based on robust quantitative assessments and hence embed social value into their corporate strategies.

It was the intention that the Welsh National TOMs Framework be adopted as an over-arching framework and toolkit to be used in an appropriate and proportionate manner within procurement activity, initially for contracts above £75,000 in value. This value was similar to other local authorities and was matched to our Contract Standing Orders open tendering procedure, applicable to the same £75k value.

The TOMs Framework was an effective and efficient mechanism in measuring, recording and monitoring Social Value and Community Benefits.

Comments of Cabinet Members:

- Councillor Davies welcomed the adoption of the TOMs Framework which tied in the Future Wellbeing Generation Act, which would enable the Council to add social value to the climate change. A portable for businesses was also available to help local businesses.
- Councillor Mayer mentioned the different parameters were currently overlapping and that this framework would bring together the different strands in order that people could access information in one place.
- Councillor Hughes mentioned this was a great move forward for the Council and also considered the socio-economic aspect, the Welsh language and climate change for Newport City Council.

Decision:

That Cabinet approved the adoption of the Welsh National TOMs as the overarching framework for measuring social value delivery through Commissioning, Procurement and Contract Management.

8 **Mid-Year Performance Analysis 2020/21**

The Leader presented the report, informing Cabinet on the Mid-year performance analysis (2021/22) in the delivery of the Council's service plans for the first six months (April to September) of this financial year.

Cabinet was asked to consider the contents of this report noting where the Council was succeeding in delivering against their Plans and where the Council could also improve. The report included the feedback and recommendations from the Council's performance scrutiny committees.

The Council was in its final year of the five year Corporate Plan which set out vision and goals for improving people's lives in Newport and the delivery of services. The Council's eight service areas developed service plans outlining how they would contribute toward achieving the Council's Wellbeing Objectives and improve the delivery of their services. The focus in the last two years was to protect its services and some of the most vulnerable residents and businesses in the City during this pandemic. Despite these challenges services were responding and adapting to meet these new demands and additional pressures.

The report provided an overview of the progress being made across the Council's projects, service area objectives and actions, and performance measures. Overall, despite the challenges being faced by services, the Council continued to make good progress against the objectives set in the service plans.

At the Mid-year point of this financial year, 47 out of 61 projects were reporting a green status meaning they were on track to deliver within scope, time and budget. There was only one project (Additional Learning Needs Transformation) that was reporting a Red status with 13 projects reporting an amber status, however officers were taking all necessary actions to ensure their performance improved.

With regard to the performance measures across the eight service areas, 69% of their actions were reporting a Green status with only 2% (6 actions) reporting Red and 17% reporting an Amber status. 63% (48 out of 76 measures) of the Council's measures reported a green status meaning they are on track and/or succeeding against their target. 15 out of 76 of measures reported an amber status meaning they are behind on meeting their target. 13 measures however were reporting a red status meaning that the measures are significantly off target. Further information on the Council's Red projects, actions and performance measures were reported in appendix 1 of the report. The Council's Senior Officer group were taking necessary actions to improve their performance and to closely monitor these measures to ensure improvements were made.

The report has also highlighted some of the achievements and notable developments in the delivery of the Corporate Plan:

Adult & Community Services – Continued support to services within the community, including care homes.

Children and Young People Services – Supporting Kinship Carers and unaccompanied Asylum Seeking children to settle in Newport.

City Services – Continuing delivery of strong recycling performances for Newport, the Active Travel programme; installation of the new footbridge across Newport and the purchase of more electric vehicles to contribute towards the Council's goal of being net zero carbon by 2030.

Education – Pupil attendance, Collaboration with the Education Achievement Service to deliver Additional Learning Needs Transformation by September 2022 and progress of the 21st Century Schools and EdTech programmes including the amalgamation of Fair oak and Kimberly Nursery into Newport Nursery school and opening of the fourth Welsh-Medium primary school, Ysgol Gymraeg Nant Gwenlli.

Finance Service - Supporting delivery of services and 2022/23 and medium-term budget preparations and supporting residents to catch up on arrears coming out of last year and providing debt advice / support to address wider needs of residents.

Law & Regulation – Supporting businesses to adhere to the Covid / health & safety regulations taking action as necessary to ensure compliance. Democratic support to the Council's elected members and meeting the new Local Government and Elections Act including Assembly Elections and by-elections; virtual / hybrid meetings. Environmental Health supporting schools, care homes and Civil Contingencies to ensure Covid outbreaks are managed / mitigated.

People and Business Change – Continued to play an essential role in enabling the Council to meet its corporate objectives and supporting all service areas to deliver key outcomes. This included moving to a New Normal building plan with flexible working and Climate Change initiative. Civil Contingencies continued to be at the centre of coordinating the Council's response to the Covid pandemic which will continue into remaining 21/22. Wellbeing policies, policy partnership as well as supporting families to resettle in Newport as part of the Home Office refugee resettlement scheme, to name a few.

Regeneration Investment & Housing –Neighbourhood Hubs, supporting residents through work and skills initiatives such as Kickstart and Restart, school holiday play provision throughout the summer. Housing and homelessness support collaborating with partners to

find long term support and accommodation. Business Support, Indoor Market/Market Arcade redevelopment and the new Leisure & Wellbeing Centre on Usk Way.

Scrutiny Committee Feedback and Recommendations - Feedback provided by Performance Scrutiny Committees in November on the delivery against the service plans and wider context of the Covid crisis. The Cabinet Report included their feedback and key points raised in each of the meetings and full minutes / videos of the meetings can be accessed online through the Council's website. Cabinet accepted the feedback received from its colleagues at both Scrutiny Committees and encouraged both Cabinet Members and Senior Officers to consider these in the delivery of services and future reports presented.

Comments of Cabinet Members:

- Councillor Davies highlighted school attendance. The Council took a proactive approach to all attendance, as this was also a safeguarding issue for children. One key red area was in relation to the ALN provision; however the Council was still waiting on guidance from WG and were therefore unable to progress. Other issues however, in relation to funding needs would be addressed.
- Councillor Jeavons also mentioned that City Services were still delivering targets as highlighted above including the installation of the Devon Place footbridge which was installed on Christmas Day ahead of schedule. The Deputy Leader took the opportunity to thank all the hardworking staff involved in the installation of the project. The Leader also commended the work and referred to the time lapse video showing the working being carried out on the installation of the footbridge.
- Councillor Cockeram referred to Appendix 1 where officers were awaiting guidance from WG on Corporate Parenting which meant that the Council was in the red because of this, however the Corporate Parenting Forum was one of the best committees with foster carers and children attending, yet because of the delay from WG, this was showing as red. The Leader agreed that there were factors beyond the Council's control regarding these issues. It was however important to recognise that the pandemic did also impact on WG, which would contribute to the delay. The Leader finally thanked the Cabinet Member for his hard work and contribution towards social services as well as staff in Adult Services.
- Councillor Harvey mentioned that considering it was almost two years of covid restrictions, there were 220 listed actions that were green with six red actions, which was commendable. The Cabinet Member considered that the report was very well put together and thanked staff for their hard work in the most difficult of times. The Leader also supported the Cabinet Members acknowledgements.
- Councillor Hughes also thanked all those staff working in the Environment Services during these challenging times, working with the communities during the pandemic.
- Councillor Mayer supported the work that was undertaken by Scrutiny and considered that Newport City Council was doing an excellent job under the circumstances and felt that the red areas would be addressed later in the year, which was a positive move forward.

The Leader thanked and strongly agreed with all the comments made by the Cabinet Members on this report as well as thanking Scrutiny colleagues for their support.

Decision:

That Cabinet considered the contents of the report noting the performance of the Council's service areas acknowledging where the Council was performing well and addressing areas of underperformance with Directors and Heads of Service.

9 Update Report on CCR/CJC Working Arrangements

The Leader introduced the report, which was a common report, based on a background note prepared by the Director of the Cardiff Capital Region City Deal. The report was being presented to all of the 10 local authorities forming the South East Wales Corporate Joint Committee, to provide an update on the implementation process in order to meet the statutory requirements of the Local Government and Elections (Wales) Act 2021.

The report set out an interim governance and delivery model, pending the resolution of a number of outstanding financial issues and the transfer of functions to the Corporate Joint Committee. This involved a 'twin-track' approach to comply with the bare minimum legal requirements to formally establish the CJC by the statutory deadline of 31 January and would continue with the existing City Deal Joint Working arrangements, until outstanding issues were resolved.

Whilst Cabinet nor Council were being asked to take any further decisions at the present time, the report was simply for information purposes and Cabinet were being asked to note the current position regarding the implementation plan and the interim governance arrangements. The formation and operation of the Corporate Joint Committee was prescribed by legislation and Regulations, while the interim delivery and governance arrangements were in accordance with the CCR Joint Working Agreement previously agreed by Council.

Colleagues were aware that the 2021 Act required all local authorities in Wales to establish Corporate Joint Committees to discharge certain regeneration, economic development and transport functions at a regional level. These Corporate Joint Committees were different to previous Joint Committees, such as the CCR Regional Cabinet, because they were mandated by Welsh Government as opposed to being voluntary arrangements, and they were constituted as separate legal bodies, with powers to set their own budget, employ staff and hold property and other assets. A copy of the full Regional Cabinet report was attached at [Appendix 2](#).

The Regional Cabinet agreed on 13 December to adopt a "twin-track" approach, which would meet the minimum requirements of the legislation but enable the CJC to remain dormant and for the City Deal arrangements to continue during this interim period. A full copy of that Regional Cabinet Report is attached at [Appendix 3](#).

The intention was that the CJC would hold an inaugural meeting of all the respective Leaders before 31 January, to set an initial budget, adopt the proposed standing orders set out in [Appendix 1](#) and establish a basic governance framework. The Standing Orders simply reflected the requirements of the legislation and Regulations, with each of the 10 authorities being represented by their respective Leaders and each member having one vote. Budget decisions would be unanimous and other decisions required a special majority of 70%. The Brecon Beacons National Park Authority was also required to be a statutory member of the CJC but only in relation to the development of the Strategic Development Plan, given their planning powers. There was also power for the CJC to co-opt other members.

For the purposes of setting the first CJC budget and the bare minimum model, the CJC would utilise the existing agreed City Deal budget and there should be no requirement for any additional budget allocation from the councils. For future budgets, a mechanism would need to be agreed to deal with budget allocation from constituent councils to enable the CJC to set its own budget under the Regulations, as it had no direct levying or precepting powers.

Once the outstanding financial issues were resolved, the intention would be to transfer the functions of City Deal to the CJC in accordance with the original "lift and shift" transitional plan. If these issues were not resolved before the statutory commencement of the CJC

functions after the end of June 2022, then the “twin-track” arrangements may need to continue. The councils may then need to make budget provision for the CJC to commence work on the strategic development plan and regional transport plan, as that work could not be undertaken by the Regional Cabinet.

In the longer-term, once the CJC became fully-functional, then decisions would need to be taken regarding its future funding and working arrangements but, for the time being, Cabinet was asked to note the current position and the interim arrangements for the continuation of the City Deal Joint Working Agreement.

Comments of Cabinet Members:

- Councillor Davies thanked the Leader for the comprehensive explanation of a complex and difficult paper the report.
- The Leader in turn thanked all officers involved in the report and appendices, including Kellie Beirne, Programme Board Director of Cardiff Capital Region.

Decision:

That Cabinet:

- (a) Noted the interim governance and delivery model for implementation of the SE Wales Corporate Joint Committee and the ‘twin track’ arrangements proposed across operation of CCR City Deal, alongside initial enactment of a ‘bare minimum’ CJC – and until such time the proposed ‘lift and shift’ approach can occur.
- (b) Noted the requirement for the CJC to set and approve a budget on or before 31 January 2022 and the steps set out in the report to enable this.
- (c) Noted the risks and issues set out in the report which required ongoing monitoring, mitigation and management.
- (d) Noted the request made by CCR of Welsh Government to amend the CJC Regulations to change the date on which immediate duties commenced under the Regulations from 28 February 2022 to 30 June 2022.
- (e) Noted the draft Standing Orders at Appendix 1 which set out the initial requirements and operating model for the CJC as well as initial business for the inaugural meeting on 31 January 2022
- (f) Noted the work ongoing by CCR and its constituent Councils to work with Welsh Government, Audit Wales and advisors as appropriate, to help inform resolution of the remaining issues wherever possible.
- (g) Noted that the Leader would represent the Council on the SE Wales CJC and that they would have a duty to consider and set their first budget at their inaugural meeting on 31 January 2022, in order to ensure that the Council was complying with the legislation as required

10 **Welsh in Education Strategic Plan 2021/25**

The Leader advised Cabinet colleagues that the report was prepared by the Chief Education Officer and required Cabinet to consider the appropriateness of the new 10-year Welsh in Education Strategic Plan, or WESP, for submission to Welsh Government.

The School Standards and Organisation (Wales) Act 2013 required local authorities to prepare a WESP and confirmed that this must contain targets and proposals to improve

provision of education through the medium of Welsh and the standards of Welsh-medium education and teaching of Welsh. The Act also required local authorities to submit its WESP to Welsh Government for approval prior to implementation. The new 10-year WESP period was due to commence in September 2022, and the deadline for submission to Welsh Government was 31 January.

The new WESP demonstrated how Newport would contribute, over the next 10 years, towards Welsh Government's Cymraeg 2050 strategy. Cymraeg 2050 introduced a long-term vision for a Wales where the Welsh language thrived and aims to increase the number of Welsh speakers to 1 million by 2050.

The overall target within the WESP related to the expected increase in Year 1 children who were taught through the medium of Welsh. This target was in itself prescribed by Welsh Government, and a minimum 6 percentage point was identified for Newport. This was quantified by a doubling of the provision that was available during the 2020/21 academic year by 2032. Inevitably this would need to be supplemented by increased early years and childcare opportunities, expansions in the Welsh-medium secondary sector and additional workforce.

The draft WESP was developed in conjunction with partners from Newport's Welsh in Education Forum and as required, was subject to an eight-week period of formal consultation. This included extensive stakeholder engagement, significant publicity via the Council's social media channels and a number of opportunities to seek learner voice comments through specifically arranged sessions through a number of secondary schools. This was described in detail in the Consultation Report which accompanied this report, and was published on the Council's website.

The feedback received during the consultation period was considered and some minor changes being made to specific target areas. Overall, however, the responses suggested that the WESP was considered to be appropriately robust and suitably ambitious and should now be submitted to Welsh Government for consideration.

Comments of Cabinet Members:

- Councillor Davies reiterated comments made by the Leader which was an important legislation by WG. The Council was grateful for the support from the Welsh in Education Forum. The number of students that participated in the plan was positive and showed immense support. The Welsh Language Commissioner had stated that Newport City Council's WESP contribution was excellent.
- Councillor Hughes added, that as a Welsh speaker, he agreed with the report and was thankful for the Welsh provision that had been put in place. This was changing the environment for Welsh speakers, particularly in a diverse city as Newport. It also would not only improve the Welsh language but would also encourage children learning to speak other languages.

Decision:

That Cabinet considered the feedback received during the formal consultation and approved that the WESP be submitted to Welsh Government for consideration, with a view to the new Plan being implemented from September 2022.

11 **Brexit Update Report**

The Leader advised that the next Cabinet Report was an update on the post EU Transition arrangements since the UK left on 31 December 2020.

It was over a year since the UK left the European Union and Single Market and throughout the year the Council continued to see widespread impacts not only from leaving the EU but also due to the global impacts of Covid as economies saw an increase in demands and supplies being disrupted.

The cost of living for households in Newport and Wales increased throughout the year with wages struggling to meet these additional costs. For low-income households, these increases will have the biggest impact with energy prices expected to increase further in 2022.

As reported in the Covid Recovery Cabinet Report, the Council, Welsh Government and other not for profit / charities offered households financial support during this difficult time as well as providing debt advice, training and employment opportunities.

The cost and supply of goods and materials continued to impact services and projects delivered by Newport. Construction projects and the delivery of services such as Disabled Facility Grants were seeing increases in their costs due to these factors.

For the City's EU / EAA citizens living in Newport, over 10,000 applications for settled status were concluded with 920 applications awaiting a decision (*based on Home Office figures to September 2021*). Cabinet supported EU/EAA citizens living and working in Newport, as everyone had a part to play in making Newport a great city in which to live and work. Cabinet encouraged anyone who was still awaiting a decision or having difficulties to conclude their application to contact the Council and other organisations such as Citizens Advice Bureau.

Education services alongside Maindee Primary School were supporting the city's Roma community improving residents' knowledge and understanding of the Roma community, their history and traditions.

The Council's Hardship solutions group were coordinating the effort by the Council and not for profit services to support those impacted and try to prevent exploitation of those affected.

Comments of Cabinet Members:

- Councillor Davies referred to the levelling up agenda and hoped that the implementation of this would be in place to ensure that the Council could support its residents in the best way it could.
- Councillor Cockeram commented on the health and social services sector vacancies that impacted on the vulnerable as a result of Brexit.

Decision:

That Cabinet considered and noted the contents of the report and to receive regular updates as progress is made.

12 **Covid Recovery Report**

The Leader highlighted the purpose of this Cabinet Report was to provide an update on the Council's response to the Covid pandemic and the City's recovery ensuring residents and businesses comply with the current restrictions and the progress being made with the Council's Strategic Recovery Aims and Corporate Plan.

The last month saw the Omicron variant become the dominant strain across Newport and Wales. The number of positive cases for the variant significantly increased across Wales over the last two weeks which was also having an impact on Council services.

In response, the Welsh Government took Wales into Alert Level 2 and reintroduced several restrictions to support the health and care services. The Welsh Minister however would be making his announcement later on possibly easing of restrictions.

The report outlined these restrictions the Cabinet continued to ask residents and businesses to follow these and to take up the opportunity to take up the booster jab and vaccinations for those have not done so already.

With the increase in the number of cases across the community, this was now having an impact on Council staff including those in school settings.

The Council's Gold (Civil Contingencies) team and Cabinet Members were receiving regular reports on this ongoing situation and there was number of staff absences due to staff either self-isolating and/or absent with Covid. This had an impact on the Council's front-line and critical services such as social services, City Services and our schools. Contingency measures were in place across Council and schools to manage this situation.

The Leader asked service users, residents and businesses across Newport, to keep in touch with the Council's social media, and website with any announcements to the disruption of our services. If anyone was concerned about the delivery of their service or concerned for their neighbours and family members to get in contact with the Council.

The Leader and the Council also understood the difficulty for Newport's residents and businesses faced during this time of year due to the cost of living, fuel payments and not being able to trade as normal.

Newport Council and the Welsh Government had many financial and non-financial support packages in place. The Leader wanted to take this opportunity to encourage those that needed assistance to contact the Council and also visit the Council's website to see what support was available during this period of time. In addition to this support, last month this Cabinet agreed to provide an additional £100k towards supporting the City's foodbanks and charities. This funding would help the foodbanks to manage the increase in demand for their services and to help households to try and improve their circumstances.

The Leader highlighted the strategic recovery aims as outlined within the report.

Finally, the Leader referred to Councillor Harvey's comments earlier in that we were approaching the two-year anniversary of the beginning of the pandemic and echoed the Cabinet Member's thanks to council staff supporting Newport.

Comments of Cabinet Members:

- Councillor Jeavons referred to front line services of Newport City Council and reiterated that staff were not immune to Covid. The Omicron variant had spread rapidly, and this had an effect on services, if therefore some streets were missed over the Christmas period, residents should leave their refuse out to be collected as soon as possible.
- Councillor Harvey and Hughes echoed the comments of the Leader.

Decision:

Cabinet considered and noted the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Decision:

Cabinet agreed the Work Programme.

14 **One Newport Partnership Summary of Business**

Cabinet noted the One Newport Summary of Business for information.

Mae'r dudalen hon yn wag yn

Report

Cabinet

Part 1

Date: 18 February 2022

Subject **2022/23 Capital Strategy and Treasury Management Strategy**

Purpose The purpose of this report is to present to Cabinet the Capital and Treasury Management Strategies, noting the comments made by Governance & Audit Committee, before recommending these strategies to Council for approval. The report summarises the key aspects of both strategies, as well as highlighting the main implications and risks arising from them, which are brought to Cabinet's attention for review. The report also includes the proposed Capital Programme, which Cabinet are required to approve.

Author Assistant Head of Finance / Head of Finance

Ward General

Summary As set out within the Corporate Plan, the Council has ambitious plans for the city, with the Capital Programme a key enabler in delivering this ambition. The current programme is entering its last year, with a number of key programmes and projects having been completed to date and a number of others nearing completion.

This report includes both the Capital and Treasury Management Strategies which, at their core, (i) confirm the Capital Programme, as part of the Capital Strategy and (ii) the various borrowing limits and other indicators which govern the management of the Council's borrowing and investing activities, as part of the Treasury Management Strategy.

The Capital Strategy also sets out the long-term context (10 years) in which capital decisions are made. It demonstrates that the Council's approach to taking capital and investment decisions is in line with service objectives, whilst giving consideration to risk, reward and impact. It also demonstrates that these decisions are taken whilst having proper regard to stewardship of public funds, value for money, prudence, sustainability and affordability.

The capital plans of the authority are inherently linked with the treasury management activities it undertakes and, therefore, the Treasury Management Strategy is included alongside the Capital Strategy.

The main recommendations arising from the two strategies are summarised in this report below and are also appended.

Proposal That Cabinet recommend to Council for approval:

- The Capital Strategy (Appendix 2), including the current Capital Programme within it (shown separately in Appendix 1), and the borrowing requirements/limits needed to deliver the current programme.

- The Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) for 2022/23. (Appendix 3)
- As part of the above:
 - To note the increased debt and corresponding revenue cost of this, in delivering the current Capital Programme, and the implications of this over both the short and medium-long term with regard to affordability, prudence and sustainability.
 - To note the Head of Finance recommendation to Council that borrowing needs to be limited to that included in the current Capital Programme, and the recommended prudential indicators on borrowing limits to achieve this.
 - To note the requirement to limit and manage debt funded expenditure beyond the existing programme period, for sustainability purposes, with particular regard to the development of the new Capital Programme.
 - To note the changes to the Prudential Code and Treasury Management Code, and the impact of those changes on the Council's approach to capital investment and treasury management.
 - Note comments made by Audit Committee on 27th January 2022 (paragraph 6).

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council and Cabinet Member for Economic Growth and Investment
- Chief Executive
- Strategic Directors
- All Heads of Service
- Newport Norse
- The Council's Treasury Advisors
- Accountancy staff

Signed

Background

Governance and requirement of councils

1. The Council's Corporate Plan sets out how the Council will take forward its mission of 'Improving Peoples' Lives' and includes a set of key promises. Delivery of these will, in some instances, involve capital funded projects.
2. Whilst Cabinet makes decisions regarding the capital projects to be included in the programme, it is full Council that approves the borrowing limits that the overall programme must remain within. Many projects are funded from capital grants, capital receipts and specific reserves, which do not impact on borrowing levels, but, where borrowing is required, it is important that those limits are not exceeded.
3. This is an important area of overall financial management governance in that debt funded capital expenditure, and the external borrowing that results, lock in the Council into a long-term liability for the associated revenue costs. These costs, known as 'Capital Financing Costs' are comprised of the external loan interest costs and the provision for financing the debt funded capital expenditure, known as Minimum Revenue Provision (MRP).
4. The key governance documents that underpin this area of local authority finances are:

Capital Strategy

This, at its core:

- i) Sets out the long-term context (10 years) in which capital decisions are made and includes the medium term Capital Programme;
- ii) Demonstrates that the local authority takes capital / investments decisions in line with service objectives, giving consideration to risk, reward and impact;
- iii) Shows how the Council takes account of stewardship of public funds, value for money and affordability, sustainability and prudence in its decisions and plans.

Treasury Management Strategy

This, at its core:

- (i) Sets out the Council's longer term borrowing requirement and approach, which is driven mainly by the Capital Programme requirements and, in Newport specifically, the reducing 'internal borrowing' capacity;
- (ii) Outlines how the Council will manage and invest its surplus cash;
- (iii) Includes additional guidance, namely the Welsh Government Investment Guidance and the MRP Policy.

Both these strategies are a requirement of CIPFA's Prudential Code (which has recently been updated), which ensures, within the frameworks which these documents set, and a suite of prudential indicators, that capital expenditure plans are:

- **Affordable** – total capital expenditure is to be within **sustainable** limits. Councils are required to consider their current and estimated future resources available, together with the totality of their capital expenditure and income forecasts in assessing affordability.

- **Prudent** – councils must ensure that its capital and investment plans are prudent and **sustainable**. Consideration as to overall financial **sustainability** is a key aspect to this. The operational borrowing limit should provide for the most likely level of borrowing, not the worse case, with the authorised limit providing sufficient headroom to enable day to day cash management. There should be alignment with the treasury management policy statement and practices and investing activities should strike an appropriate balance between security, liquidity and yield, in that order.
 - **Sustainable** – sustainability is a key theme when considering both affordability and prudence and is something that should be assessed in terms of the long term financial picture.
5. The Capital Strategy and Treasury Management Strategy are inherently linked and the main recommendations and observations arising from these are summarised in the following sections. In light of the requirement for full Council to ultimately provide approval of these strategies, the Governance & Committee was asked to review and provide comments on both strategies, and the limits and prudential indicators contained within them, as necessary, to enable Cabinet, and then Council, to appropriately consider and then approve each strategy as required.
6. The report was considered by Governance & Audit Committee on 27th January 2022. The comments and observations are outlined below and, where relevant, the response has been reflected in the report.
- The committee noted the existing challenges regarding delivery of the Capital Programme, partly caused by capacity issues, resulting in large amounts of slippage in the programme. The Chair suggested that capacity challenges should be highlighted in the outturn report, where levels of slippage would be reported.
 - The Chair observed that the approach towards determining borrowing limits tended to be reactive, rather than proactive, with the value of the Capital Programme itself being the driver of the borrowing limits. This is as opposed to determining the overall level of affordability in terms of borrowing, which then dictates the maximum value of the Capital Programme.
 - The Chair noted the paragraph which outlined the suggested new prudential indicator relating to the borrowing headroom. It was felt as though further clarity was required in terms of the purpose of this indicator.
7. In response to the above comments:
- The current Capital Programme is determined by an overall level of affordability and sustainability, as reflected by the inclusion of a level of borrowing headroom. This means that whilst there is scope for the value of schemes to be increased or new schemes to be added to the programme, there is an overall limit placed upon the amount of borrowing that can be undertaken in support of the current programme.
 - It is recognised that in developing the new programme, there will be a need to provide clarity regarding the overall level of unfunded capital expenditure that is deemed affordable. This has been provisionally modelled, as shown by the two scenarios outlined in the Long Term section of the Capital Strategy, however this will need to be developed further, and set out clearly, in next year's strategies and reports.
 - In addition, the existing capacity challenges will be a consideration as part of developing the new programme, ensuring that schemes are only included where there is clear capacity for delivery. As well as this, strengthened governance structures will be introduced as part of this.
 - The paragraph relating to the new prudential indicator has been rewritten to provide clarity.
 - Also, the liability benchmark modelling scenarios have been updated since the committee meeting.

Capital Strategy 2022/23 to 2032/33

Capital Programme to 2024/25

8. The Council's capital programme is scheduled to run until to 2024/25, which reflects the original capital 5-year programme to 2022/23, plus two additional years to incorporate only those projects whose completion spans beyond the current programme. It is a significant capital programme and includes the provision of the new leisure facility, the 21st Century Schools Band B Programme, and the Council's share of the accelerated investments being made by the Cardiff Capital Region City Deal. In addition, the programme includes an amount of uncommitted borrowing headroom, which now stands at £2.391m, compared to the original £4.5m that was allowed for. The total value of the programme, which is summarised in the table below, stands at £288.4m. This total includes a significant level of projected expenditure in the 2022/23 financial year, where in excess of £100m is forecast to be spent, which, given the level of spending in previous years, would seem overly optimistic and could result in a similar level of slippage to that experienced in recent years.

Table 1: Prudential Indicator: Estimates of Capital Expenditure and Capital Financing in £ millions

	ORIGINAL 5-YEAR CAPITAL PROGRAMME					ADDITIONAL 2 YRS		Total current programme £m
	2018/19 Actual £m	2019/20 Actual £m	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	
Approved Schemes	29.5	31.4	26.2	57.6	99.2	24.7	0.1	268.7
City Deal - cost of carry					1.8	10.0	5.5	17.3
Uncommitted borrowing*					2.4			2.4
TOTAL EXPENDITURE	29.5	31.4	26.2	57.6	103.4	34.7	5.6	288.4

9. The capital programme is financed through a variety of different funding streams, including external grants, use of reserves and external borrowing.
10. Capital Expenditure funded by debt increases the need to undertake external borrowing, unless it is possible to bridge this need via 'internal borrowing', which is the use of existing cash resources which are underpinned by the overall level of earmarked reserves. As the capacity to internally borrow reduces, as reserves are utilised, the need for external borrowing increases. This is particularly the case for this Council, which has had a high level of internal borrowing, which is now reducing over the medium-long term. Because of this, coupled with an increased level of unfunded capital expenditure, the Council is committed to be a net borrower for the long term. To ensure this borrowing is affordable and sustainable, Council is required to set an affordable borrowing limit.

Affordable borrowing limit

11. The Council is legally required to approve an affordable borrowing limit (also termed the 'Authorised Limit' for external debt) each year. The Authorised Limit is the absolute maximum amount of borrowing that can be undertaken, in order to manage the overall, day to day, cash requirements of the Council. It also allows for a level of borrowing in advance of need to be undertaken, where appropriate and affordable. In addition, the Council needs to set an 'Operational Boundary', which is the expected level of borrowing required to finance the current Capital Programme. Any increase required to the Operational Boundary needs to be approved by full Council.

Table 2: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	255	271	278	274
Authorised limit – PFI and leases	42	41	39	36
Authorised limit – total external debt	297	312	317	310
Operational boundary – borrowing	187	192	203	201
Operational boundary – PFI and leases	42	41	39	36
Operational boundary – total external debt	229	233	242	237

12. For the remaining three years of the current capital programme until 2024/25, the level of borrowing to facilitate the current capital programme is anticipated to be substantial with external borrowing increasing from an estimated £149m at the end of this financial year to £201m in 2024/25. It should be noted, however, that this is a reduced figure from that forecasted in the previous Capital Strategy, due to the short-term increase in the availability of internal borrowing.
13. It can be seen that there is a significant difference between the Authorised Limit and the Operational Boundary. This is because of the level of internal borrowing available, underpinned by the level of cash backed reserves, which increased significantly during the 2020/21 financial year. The level of reserves will reduce over the medium-long term, in particular the PFI reserves, and, therefore, it will become necessary to undertake external borrowing in lieu of this reducing capacity. This will have a revenue impact because of the interest costs that will be incurred as a result of the external borrowing, compared to the minimal cost of internal borrowing, which, in essence, is represented by interest income foregone.
14. It should be noted that the two limits described above only place a theoretical limit on borrowing that can be undertaken to fund new capital expenditure. This is particularly relevant where there is evidence of slippage occurring across the programme. As a consequence, in theory, additional borrowing could be undertaken over and above that budgeted in the existing Capital Programme, because the slippage means that the operational boundary, for example, would not be reached. This would present a risk that, ultimately, the cumulative level of borrowing could exceed that which is deemed affordable. Therefore, to ensure a measure of control on borrowing undertaken to fund new capital expenditure, a local indicator has been included, which is directly linked to the level of borrowing headroom within the Capital Programme. The limit amounts to £2.4m in 2022/23 and will only apply for the remainder of this programme, with a new limit to be decided for the new programme.
15. The commitment to increase external borrowing leads to increasing capital financing costs which are reflected in the Council’s Medium Term Financial Plan and outlined in Table 3 below. Costs will continue to increase into the medium to long term as the need to borrow increases. Compared to similar authorities, especially when comparing with councils with similar demographics, the percentage of the capital financing costs as a proportion of the Council’s total net revenue is high. This highlights the need to maintain a sustainable level of spending on capital expenditure funded by debt to ensure that these costs remain affordable. It should be noted that the reason for the decreasing percentages shown below is because of the positive revenue settlement the Council is set to receive for 2022/23 and indicatively beyond that year. There remains, however, uncertainty beyond 2024/25 in terms of revenue funding. Therefore, the need to manage the overall levels of capital expenditure funded via borrowing will remain, to ensure that there is no significant adverse impact on the medium to long term revenue budget position.

Table 3: Capital Financing Budgets

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
Provision for repayment of debt (MRP)*	10.3	10.3	10.7	10.9
Net interest cost	6.9	6.9	7.0	7.0
Total capital financing (exc PFI)	17.2	17.2	17.7	17.9
PFI	5.6	5.6	5.7	5.5
Total Financing costs* (£m)	22.8	22.8	23.4	23.4
Proportion of net revenue stream	7.2%	6.6%	6.6%	6.4%

*includes charges direct to service areas

Beyond the current capital programme (2023/24 onwards)

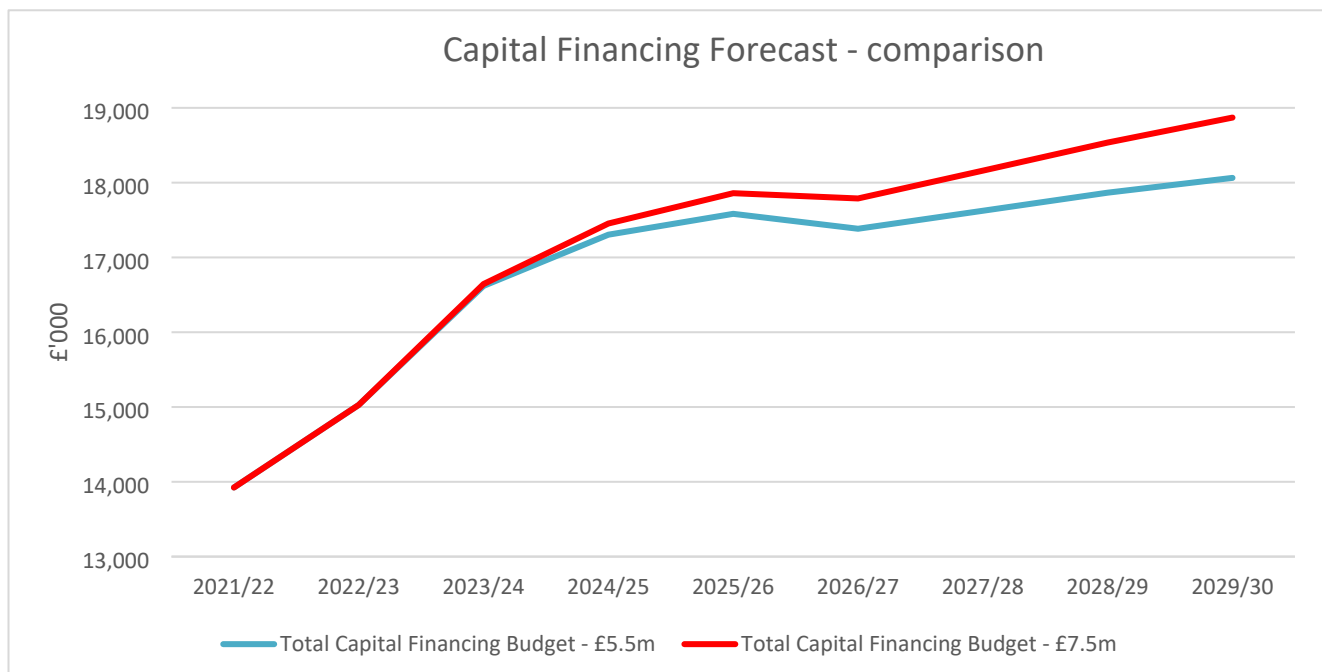
16. As well as considering the medium-term outlook, which coincides with the completion of the existing Capital Programme, and the additional two years added for specific projects, there is a need to look beyond this timeframe. This is particularly relevant when considering the need to develop the next programme, covering the period 2023/24 to 2027/28. When developing the new programme, the overriding objective will be to ensure that capital expenditure plans are affordable, prudent and sustainable, requiring a limit to be placed upon debt funded capital expenditure over that period. When looking beyond the current programme, the following points will need to be considered:

- the high level of forecast borrowing and corresponding higher level of capital financing cost at the end of the current Capital Programme
- the anticipated reduction in reserves and consequent capacity to be internally borrowed, requiring a continuing increase in external borrowing to replace it
- the Council's methodology for charging MRP, which realised a budget saving when changed 3-4 years ago but which increases the charge each year from that point and will continue to do so going forward

17. As a consequence of the points above, the development of the new programme will be set against an increasing need to borrow, before considering any new schemes that will add to that need to borrow, as well as the need to complete the existing programme. In addition, the wider funding context will also be a major factor in determining an appropriate borrowing limit. For example, whilst WG have provided an indicative settlement figure for the next three years, there is uncertainty beyond that period, particularly with the impact of recovering from the pandemic to contend with. This will influence the UK Government's provision of funding to WG which, in turn, will impact on the funding levels provided to local authorities. As well as this, the Council's Council Tax levels and the ability to set balanced budgets will play a significant role in determining sustainable borrowing limits.

18. To exemplify potential approaches to setting a sustainable borrowing limit, and the consequent impact upon capital financing budgets, Chart 1, below, shows two modelled scenarios from 2023/24, - (i) £5.5m debt funded expenditure per annum and (ii) £7.5m debt funded expenditure per annum. Both scenarios are based on debt funded capital expenditure in addition to schemes already approved.

Chart 1: Capital Financing Cost Forecast, excluding PFI



19. The above graph demonstrates the impact that the existing programme, with the significant borrowing requirement attached to it, has on the capital financing requirements, denoted by the sharp increase in costs over the short term. Beyond that, there is a slight levelling off before a more gradual increase in capital financing costs over the longer term. This increase is despite the fact that both modelled scenarios actually succeed in restricting the growth in the underlying need to borrow. However, as mentioned previously, the Council's chosen MRP methodology and the reduction in capacity for internal borrowing are responsible for driving up the cost of capital financing in those later years.
20. Whilst the costs of the current Capital Programme are already provided for within the revenue budget, the increasing capital financing costs from 2026/27, in particular, would place additional pressure upon the revenue budget. This would mean that the desire, or need, to undertake debt funded capital investment would have to be prioritised as part of the budget setting process and considered alongside other priorities for revenue funding.

Other Capital Strategy areas

21. The Capital Strategy includes a number of other areas to be considered, which are included in full in Appendix 2. The one area that has significantly changed, in light of the updated Prudential Code, is the Council's approach to commercialisation. As part of the 2019/20 Capital Strategy, the creation of a £50m investment fund was agreed. Examples of how this fund would be used included commercial property investment and investing in new services, such as energy provision. The intention would be to generate income to support the overall revenue budget. However, following the Public Works Loans Board's decision to stop lending to local authorities in situations where investment solely for the purpose of yield was intended, the new Code has implemented similar restrictions, with immediate effect. Therefore, it would no longer be appropriate for the Council to pursue its Commercialisation Strategy, as currently designed, and invest in the activities outlined above. It should be noted that the current programme does not reflect any such commercial activity, with the £50m having not been accessed, and there is no immediate impact upon the Council. On that basis, the element of the strategy has been withdrawn and will no longer feature going forward.

Treasury Management Strategy

22. The Council's detailed Treasury Management strategies for 2022/23 and beyond are included as Appendix 3, as are the various treasury management indicators. Key points of interest are summarised below.

Borrowing Strategy

23. As outlined in earlier sections of this report, the Council is committed to being a net borrower over the life of the existing Capital Programme and beyond. In particular, a significant increase in the need to borrow is being projected for the 2022/23 financial year. However, the Council's preferred strategy is to maximise the level of internal borrowing, aided by the recent increase in earmarked reserve levels. Therefore, whilst the overall Capital Financing Requirement is set to increase, the need to undertake new borrowing will be deferred for as long as possible.
24. However, the capacity to internally borrow is expected to reduce over the medium to long term. In addition, some existing loans are due to mature over the next few years. These two factors, will mean that some new borrowing will be required, before considering any overall increase in the CFR. As well as this, in light of the Council's position as a committed long term borrower, the decision could be taken to undertake borrowing in advance of need. This would only be done in consultation with the Council's treasury advisors and where it was felt to be appropriate, and affordable, in order to mitigate against future interest rate rises.
25. When the need to undertake borrowing arises, the Council will need to give consideration as to the time period over which to borrow. The guiding principle will be to achieve a low, but certain cost of finance. This will generally mean long term borrowing, as this can provide certainty for periods for more than 50 years, if desired. However, with long term borrowing interest rates currently much higher than short term borrowing interest rates, the Council could decide to undertake a degree of short term borrowing. This would achieve a more balanced borrowing portfolio, but also assist with mitigating the risk of locking into higher long-term borrowing rates. Again, individual borrowing decisions would only be taken in consultation with the Council's treasury advisors, but also whilst considering the maturity profile of the current borrowing portfolio, as well as overall affordability.

Investment Strategy

26. Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council'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. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
27. As outlined in the 2021/22 Capital Strategy, the Council intends to diversify its investment portfolio, given the increasing risk and very low returns from short-term unsecured bank investments. The uncertainty regarding the current economic climate has led to this change being put on hold, however it is intended to explore this further during 2022/23. The outcome is likely to be the Council investing all, or part, of the £10m that is available for long-term investment in higher yielding asset classes, such as pooled property funds. This would represent a move away from investing in low yielding bank deposits or with other local authorities. The detail regarding the approved counterparty list and limits is shown in Table 4 of Appendix 3.

Head of Finance Summary

28. The Council's Capital Strategy, and in particular the Capital Programme itself, are, from a financial perspective, decisions with long term implications and where decisions today 'lock-in' the impact on budgets once projects have progressed and borrowing taken out. As explained in the first part of this report, the core requirement for councils is to make decisions whilst taking into account:

- (i) affordability – what are the increasing costs of debt that may be required and whether they can be funded from within the overall revenue budget, taking account of other spending pressures, forecast future income and the impact of this expenditure compared with expenditure in other areas.
- (ii) prudence – appropriate limits and targets are set to manage and monitor affordable and sustainable borrowing and investments are made with a view to balancing security, liquidity and yield.
- (iii) sustainability – the impact of the debt and financing costs on the Council's budget long term and being able to withstand the impact of that on a recurring basis.

29. In terms of the Council's current Capital Programme to 2024/25:

Affordability

- There is a significant increase in the Council's projected level of external borrowing and the associated capital financing costs over the next three years. Due to the better than anticipated settlement the Council received for 2021/22, it was possible to fully fund the revenue costs of the entire current Capital Programme, to its conclusion. The current capital programme is therefore affordable, in totality, as a result of this. This is an important position to be in for the following reasons:
 - Whilst the Council currently has a broadly balanced MTFP over the next three years, following the positive draft settlement for 2022/23, there is a risk that unforeseen spending pressures will emerge or known pressures will increase in value, thus resulting in an unbalanced budget position emerging.
 - The revenue capital financing cost increase is very significant over a short period of time (as demonstrated in Chart 1).
 - Funding availability is uncertain, particularly beyond the medium term, and there remain significant cost pressures on the budget in relation to areas such as social care.

Prudence

- Prudent operational limits on the level of capital expenditure funded by borrowing have been recommended, which align with the current programme requirement and, therefore, the Council's priorities. These operational limits increase significantly over the course of the programme and will result in the Council taking on significantly more debt. Therefore, the Capital Programme needs to be strictly managed within those limits to ensure that the need to externally borrow does not increase and expose the Council to any further risk or interest costs.

Sustainability

- As outlined above, the revenue costs arising from the existing Capital Programme have been fully funded within the overall revenue budget. In addition, WG have provided indicative funding settlements for the next three financial years, which provides some assurance regarding future funding levels. Providing that the Council is able to balance its budget over the medium term, then the costs of borrowing are sustainable.

- However, there is a more significant challenge when considering the longer term sustainability of meeting the costs of debt funded capital expenditure. The Capital Strategy provides two scenarios, which exemplify the costs of limiting the annual level of debt funded capital expenditure to either £5.5m or £7.5m. Both of these scenarios would be successful in restricting the growth in the CFR longer term, however, due to the reducing capacity for internal borrowing and the MRP policy, the cost of capital financing still increases. Therefore, when developing the next Capital Programme, from a sustainability perspective, it will be important for the Council not to overcommit itself to additional borrowing, particularly with the uncertainty regarding future funding levels.

30. The development of the next Capital Programme will be challenging, as it will incorporate the tail end of the existing programme, there may be an amount of slippage to contend with and there will be a need to limit the overall increase in the need to externally borrow. It will be important that the Council has a clear framework for building up the next programme, ensuring that it is affordable, prudent and sustainable. A clear and accountable governance structure to oversee the development of the programme will be critical, as there will most likely be competing demands for new capital investment, coupled with a need to ensure sufficient funding for addressing the asset maintenance backlog. It will be vital that schemes are only added to the programme when there is confidence regarding cost estimates, ability to deliver them on time and clarity regarding funding source (i.e. a large proportion of the Council's capital expenditure tends to be funded via grant). This will go some way towards minimising the level of slippage and the risk of committing to borrow when not absolutely necessary.

31. The Cabinet are required to consider the Capital and Treasury Management Strategies, including the prudential indicators and limits contained within, and recommended to full Council for approval.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Increased need to borrow beyond currently assumed levels.	High*	Medium	Regular monitoring and reporting of available headroom should identify any issues at an early stage and keep Cabinet / Council updated. Potential for slippage in overall programme to negate need for additional borrowing.	Members, Senior Leadership Team, Heads of Service and Head of Finance.
Undertaking borrowing that is not ultimately required.	High	Low	Regular monitoring of schemes means that potential for slippage should be identified at an early level. Regular contact with WG regarding potential grant funding, which could negate the need to undertake borrowing.	Senior Leadership Team, Heads of Service and Head of Finance.
Investment counterparty not repaying investments.	High*	Low	The Council only invests with institutions with very high credit scores. It employs advisors to monitor money market movements and	Members, Head of Finance, Treasury staff, based

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
			changes to credit scores and acts immediately should things change adversely. The lower levels of funds/duration available for relatively higher risk investment as measured by 'credit ratings' will also alleviate the risk.	on advice from treasury advisors.
Interest Rates moving adversely against expectations.	Medium*	Medium	There is the potential that interest rates could increase as the economic recovery from the COVID-19 pandemic continues. The Treasury Strategy provides for a balance between short and long term borrowing as a means of managing this particular risk.	Head of Finance, Treasury staff, based on advice from treasury advisors.

* Impact is ultimately determined by the values involved, with the impact reducing as the values decrease.

Links to Council Policies and Priorities

The Capital Strategy sets out the Capital Programme over a long term context and demonstrates that the Capital Programme supports a number of the Council's aims and objectives.

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 Government that any investment decisions take account of security, liquidity and yield in that order.

Options Available and considered

To endorse both the Capital Strategy and the Treasury Management Strategy for 2022/23 and recommend to Council for approval, and approve the capital programme.

Preferred Option and Why

The Prudential Code places a requirement upon local authorities to determine a long term Capital Strategy. The Prudential Code and statute also require that, before the end of the financial year, reports on Treasury Management matters are presented to Cabinet/Council for approval. Therefore, Cabinet are required to endorse both the Capital Strategy and the Treasury Management Strategy to Council, and approve the capital programme.

Comments of Chief Financial Officer

This report, and the Capital and Treasury Management Strategies appended, both highlight the revenue implications from capital expenditure, and for the need for the capital plans of the authority to be affordable, prudent and sustainable.

The Capital Strategy highlights the anticipated significant increase in borrowing and the revenue costs

resulting from the current Capital Programme. Continuation of increasing borrowing at this level into the next programme is potentially unsustainable. Whilst the current Capital Programme is affordable, and the necessary capital financing budgets were frontloaded as part of the 2021/22 revenue budget, it is important that expenditure is kept within the financing limits within the programme. If further borrowing is required, this will need to be approved by Council.

Over the longer-term, beyond the current Capital Programme, a slow-down of debt funded capital expenditure would be required and, even by limiting borrowing as exemplified in the Capital Strategy, the capital financing costs continue to increase, therefore showing the importance of agreeing a prudent limit for the future programme.

This will be a key aspect of the development of the new programme, which will commence during this financial year, as will the need to address the significant level of slippage being reported against the current programme. This issue with slippage is evidenced in the forecasted level of expenditure in the 2022/23 financial year, which exceeds £100m. This is a level of expenditure far in excess of anything spent in previous financial years and suggests that achieving this level of spend, with the current level of project management capacity, will be a significant challenge.

Should similar levels of slippage continue to be reported, beyond 2022/23, this has the potential to significantly impact upon the capacity to deliver new schemes during the first two years of the new programme. Therefore, the Council will need to be very clear in its priorities for the new programme and balancing them against available funding sources, scope for new borrowing and project management capacity to deliver those schemes.

The Treasury Management Strategy highlights that whilst the capacity for internal borrowing did not decrease as much as was anticipated in the previous strategy, longer term that capacity is forecasted to diminish. Therefore, the need for the Council to undertake external borrowing remains and a view will need to be taken on whether this can be done early to mitigate the risks of interest rate rises and remain within current set budgets.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The Capital Strategy will provide a framework for future capital and investment decisions, having regard to principles of affordability, prudence, sustainability and risk/reward. The Treasury Management Strategy sets out the financial management principles that will underpin the Capital Strategy. As such, both strategies will form part of the Council's overall budget framework and they will need to be formally approved and adopted by full Council. Governance & Audit Committee have been asked to comment on the draft Capital Strategy and Treasury Management Strategy as part of its responsibility for reviewing and monitoring the effectiveness of the Council's system of internal controls and the proper administration of its financial affairs and their comments have been included in the report. Governance & Audit Committee were only concerned with the effectiveness of the strategies in terms of how capital and investment decisions are made, rather than the detail, as individual capital and investments decisions within the Capital Programme are matters for Cabinet.

Comments of Head of People and Business Change

There are no human resources implications arising from the report. As identified in the Fairness and Equality Impact Assessment that has been undertaken, an effective Capital Strategy will enable the Council to support long term planning in line with the sustainable development principle of the Wellbeing of Future Generations Act.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The Council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality. In relation to this strategy document, a Fairness and Equality Impact Assessment has been undertaken. The FEIA has been undertaken in light of this strategy being an overarching financial strategy, rather than a policy decision relating to one specific initiative or service. Therefore, there are elements to the assessment that don't lend themselves to this particular strategy. It should also be noted that there is a clear link between this strategy and the Council's revenue budget setting process, with the ultimate impact of capital expenditure being felt within the revenue budget. Therefore, any consultation required will have been undertaken as part of the revenue budget setting process. Also, specific schemes within the Capital Programme will have been subject to an FEIA, where relevant.

The main conclusions to be drawn from the FEIA undertaken is that there is a clear link between the long term nature of the Capital Strategy and the sustainable development principle of the Wellbeing of Future Generations Act. This is evidenced through the focus on ensuring affordability, prudence and, most relevantly, sustainability. Therefore, there is potentially a positive impact from the perspective of the younger age groups. In the case of the other protected characteristics, it is not felt that there is a specific impact, however this may not necessarily be the case for the individual schemes within the programme, which should have been subject to separate FEIAs. However, there are a variety of schemes within the programme that will, collectively, have had a positive impact upon groups with protected characteristics such as disability, language preference and socio-economic background.

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

Report on Treasury Management for the period to 30 September 2021
Capital Monitoring and Additions Report – January 2022

Dated:

Appendix 1 – Detailed breakdown of the current Capital Programme (£000)

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
<u>Education:</u>								
21st Century Schools - Band A	8,046	1,220	30	-	-	-	-	9,296
21st Century Schools - Band B	675	1,711	3,421	10,275	45,702	13,424	165	75,373
Welsh Medium Primary School	-	150	44	1,228	2,078	2,300	-	5,800
Jubilee Park - Fixtures, Furniture & Equipment	13	-	-	-	-	-	-	13
Blaeny-pant Bungalow (Educational Use)	52	-	14	-	-	-	-	66
St Mary's Toilet Refurbishment.	-	42	-	-	-	-	-	42
Somerton Primary - ICT Equipment	11	-	-	-	-	-	-	11
Feminine hygiene hardware & toilet facilities.	34	-	-	-	-	-	-	34
Gaer Annexe Education Use	-	416	95	-	-	-	-	511
Lliswerry High (S106 Funds)	110	80	1	7	-	-	-	198
Lliswerry IT Replacements	53	-	-	-	-	-	-	53
Maesglas Reducing classroom size	-	64	109	398	-	-	-	571
Llanmartin Primary ICT	10	-	-	-	-	-	-	10
Maesglas Park Primary	11	-	-	-	-	-	-	11
Reducing Classroom size bids	-	61	647	(0)	-	-	-	708
Bassaleg Demountables	-	116	102	-	-	-	-	218
ICT Equipment Lease (Clytha Primary)	-	20	-	-	-	-	-	20
ICT Equipment Lease (St Mary's)	-	11	-	-	-	-	-	11
Bassaleg ICT	-	69	-	-	-	-	-	69
Ringland Perimeter Fence	-	-	85	-	-	-	-	85
St Patricks ICT	-	12	-	-	-	-	-	12
Bassaleg Demountables - year 7	-	-	765	14	-	-	-	779
EdTech Grant	-	-	202	160	-	-	-	362
Charles Williams Renovations	-	-	104	56	1,460	-	-	1,620
Lliswerry Safeguarding	-	-	51	-	-	-	-	51
Maindee Toilets	-	-	177	-	-	-	-	177
ICT Equip Lease Ysgol Gymraeg Ifor Hael	-	10	-	-	-	-	-	10
Pentrepoeth - site accessibility	-	-	-	144	550	-	-	694
St Andrews	-	-	-	635	365	-	-	1,000
St Mary's Urgent Capital repairs grant	-	-	-	-	2,640	-	-	2,640
Education Maintenance Grant 2018/19	-	1,470	574	49	-	-	-	2,093

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Education Maintenance Grant 2019/20	-	-	732	947	76	-	-	1,755
Education Maintenance Grant 2020/21	-	-	-	351	2,185	-	-	2,537
Education Maintenance Grant 2021/22	-	-	-	817	1,861	-	-	2,678
Education Accessibility Studies	-	-	2	97	198	-	-	298
Education Asset Improvements - balance to be drawn down	1,055	200	1	-	-	-	-	1,256
Education Accessibility Studies - Phase 2	-	-	-	-	632	-	-	632
Milton IT replacement	-	-	25	-	-	-	-	25
St Michaels IT	-	-	16	-	-	-	-	16
Prior Year Scheme - Various	(38)	(39)	(3)	-	-	-	-	(80)
Education Total	10,032	5,614	7,194	15,180	57,748	15,725	166	111,657
<u>Regeneration, Investment & Housing:</u>								
Asset Management Programme	1,066	1,245	1,801	1,973	1,864	-	-	7,949
Gypsy/Traveller Site Development	2,993	78	10	55	-	-	-	3,136
Indoor Newport Market	-	-	1,086	4,414	-	-	-	5,500
HLF Market Arcade Townscape Heritage Scheme	39	266	1,043	1,429	-	-	-	2,777
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	-	196	-	7,998	-	-	9,402
Cardiff City Region Deal - Cost of Carry	-	-	-	-	1,850	9,987	5,482	17,319
Mill Street Development Loan	-	2,341	1,184	475	-	-	-	4,000
Neighbourhood Hubs	915	1,344	-	-	-	-	-	2,259
Arva Investment Loan	385	333	-	32	-	-	-	750
Disabled Facilities	898	1,092	784	1,046	1,122	-	-	4,942
Disabled Facilities ICF Funding	-	-	-	76	-	-	-	76
Safety at Home	364	375	243	398	378	-	-	1,758
ENABLE Adaptations Grant	197	197	197	197	-	-	-	788
Homelessness Prevention Grant	98	-	-	-	-	-	-	98
FS Maintenance 1819 / 1920	31	38	-	-	-	-	-	69
FS Shaftsbury Community Centre	183	-	-	-	-	-	-	183
Childcare - Flying Start	-	546	256	1,101	195	-	-	2,098

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
FS City Wide Maintenance & Repair of Premises	-	-	59	74	-	-	-	133
Castle Kids Refurbishment Works	-	-	17	-	-	-	-	17
Improvements to Flying Start Facilities	-	-	116	-	-	-	-	116
Flying Start Capital Grant	-	-	-	300	-	-	-	300
FS Settings City Wide Equipment Replacement	-	-	-	110	-	-	-	110
FS East Hub ROSPA Inspection	-	-	-	25	-	-	-	25
FS Hubs City Wide Redecoration & Repair	-	-	-	90	-	-	-	90
Childcare Offer IT	-	-	-	60	-	-	-	60
Childcare Offer Capital COVID	-	-	-	100	-	-	-	100
All Wales Play Opportunities	-	-	144	266	-	-	-	410
Central Library - Structural Works	72	17	30	18	526	-	-	663
Transporter Bridge	72	913	80	400	7,000	3,716	-	12,180
Chartist Tower	-	1,344	(1)	256	-	-	-	1,599
POBL Empty Properties Phase One	-	-	-	15	-	-	-	15
PAC System	-	57	-	-	-	-	-	57
Medieval Ship	-	-	-	8	4	-	-	12
Information Station	-	-	141	385	1,224	-	-	1,750
Renewable Energy Investment	-	2	-	150	1,577	-	-	1,729
Trent Thematic Funding	-	-	49	758	272	-	-	1,078
Real Estate	-	-	-	90	1,310	600	-	2,000
Placemaking capital projects	-	-	-	-	1,650	-	-	1,650
Clarence House	-	-	-	750	-	-	-	750
Priority Year Scheme - Various	(7)	(18)	(9)	-	-	-	-	(34)
Regeneration, Investment and Housing Total	9,787	10,914	7,424	15,080	26,969	14,302	5,482	89,960
<u>People & Business Change:</u>								
IT Replacement Schemes	94	9	-	500	315	-	-	918
Corporate EDMS Rollout	-	13	-	-	-	-	-	13
CRM	250	276	246	200	-	-	-	971
I Trent Development	-	91	164	-	-	-	-	255
Print 2010- Managed Printer Service	131	-	50	199	-	-	-	380
People and Business Change Total	475	389	460	899	315	-	-	2,537

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
<u>Adult & Community Services:</u>								
Telecare Service Equipment	97	12	35	30	30	-	-	204
Equipment for Disabled Grant (GWICES)	165	165	165	165	165	-	-	825
Home Care System	32	-	-	-	-	-	-	32
Centrica Lodge	(6)	(3)	-	-	-	-	-	(9)
SMAPF	320	305	296	512	-	-	-	1,433
Adult Call up System	-	-	76	-	-	-	-	76
Adults and Community Services Total	608	479	572	707	195	-	-	2,561
<u>Children's & Families Services:</u>								
3 New Homes	701	792	588	-	-	-	-	2,081
Oaklands Respite Home	505	102	-	-	-	-	-	607
Windmill Feasibility Study	41	110	25	1,355	10	-	-	1,541
Rose Cottage Sewerage Tank	-	-	0	23	-	-	-	23
Rosedale Annexes	-	-	-	500	-	-	-	500
Disbursed accommodation and Covid-19 equipment	-	-	331	346	-	-	-	677
Children's and Families Services Total	1,247	1,004	945	2,224	10	-	-	5,430
<u>City Services:</u>								
Fleet Replacement Programme	797	1,912	2,039	2,200	1,249	-	-	8,197
Bus station - Friars Walk Development	29	93	-	-	-	-	-	122
Flood Risk Regulation Grant	24	34	27	-	-	-	-	85
Cemetery Infrastructure Improvements	16	30	30	46	-	-	-	122
Peterstone Sewage Scheme	1	28	(13)	444	152	-	-	612
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	655	8,878	-	-	-	9,924
Decriminalised Parking	232	874	21	-	-	-	-	1,127

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
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	716	-	-	-	2,556
Street Lighting LEDs	564	2,202	152	-	-	-	-	2,918
Park Square Lights	-	-	71	-	-	-	-	71
Velodrome Lights	-	173	128	36	-	-	-	337
Local Transport Fund - Active Travel Northern 2018/19	290	196	102	-	-	-	-	588
Tredegar Park Car Park	-	-	12	-	-	-	-	12
Tredegar Park – Cycle improvements	-	3	62	55	35	-	-	155
Llswerry Road (81)	-	9	-	-	-	-	-	9
28-30 Stow Hill (11/0269)	-	7	-	-	-	-	-	7
Forbisher Road (15/0720)	-	9	-	-	-	-	-	9
Festive lighting	-	109	-	-	-	-	-	109
Local Transport Fund - Active Travel Design 2018/19	240	-	-	-	-	-	-	240
Bus Stop Enhancements	-	24	375	-	-	-	-	399
Core AFT Allocation	-	340	-	-	-	-	-	340
Inner City Links	-	684	249	-	-	-	-	933
LTF - ECO Stars	42	41	-	-	-	-	-	83
Safe Routes - St Davids RC Primary	84	145	37	20	-	-	-	286
Gwastad Mawr Flood Attenuation Improvement Works	2	-	25	31	-	-	-	58
1800 Collection Collaborative Change Programme	1,175	-	-	-	-	-	-	1,175
LTF Monkey Island Bridge Llswerry Pill	29	121	587	225	-	-	-	962
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	-	-	35	169	-	-	-	204
Highways Annual Sums	455	322	125	705	463	-	-	2,070
Llswerry Recreation Ground Changing Rooms	4	339	-	-	-	-	-	343
Safe Routes - St Davids RC Primary Year 2	-	-	21	-	-	-	-	21
Sustainable Transport Improvements Year 2	-	-	208	86	-	-	-	294

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Upgrading and Replacement of Bus Stops	-	-	128	-	-	-	-	128
Road Safety Capital A48 Llandevaud	-	-	74	-	-	-	-	74
Resilient Roads	-	-	65	-	-	-	-	65
Carnegie Court Emergency River Works	-	-	1,096	-	167	-	-	1,263
Western Corridor-Inner City Links	-	-	536	1,144	-	-	-	1,680
Core Allocation Yr 2	-	-	69	21	-	-	-	90
Parry Drive Play Area Improvements	-	-	19	-	-	-	-	19
Brecon Road Play Area Improvements	-	-	3	-	-	-	-	3
Improvements to Throwing Facilities at Newport Athletics Stadium	-	-	156	-	-	-	-	156
Sorrell Drive Repairs	-	-	26	-	-	-	-	26
Improvements to Marshfield Village Sports Pitches	-	-	14	13	-	-	-	27
Local sustainable transport measures in response to Covid	-	-	499	14	-	-	-	514
Ultra Low Emission Grants	-	-	205	615	-	-	-	820
Kingsway car park operation	-	-	343	-	-	-	-	343
Increased Recycling - Bag Sorting at Household Waste Recycling Centre	-	-	-	25	-	-	-	25
Creation of a Reuse+Repair Hub	-	-	456	57	-	-	-	513
Repair & Reuse Newport Makerspace	-	-	69	-	-	-	-	69
Green Recovery (Ash Die Back)	-	-	190	-	-	-	-	190
Leisure centre New build	-	-	-	1,468	13,580	4,673	-	19,721
Bus Stop Enhancements - Yr 2	-	-	-	760	-	-	-	760
A467 Improvements Resilient roads	-	-	-	600	-	-	-	600
EV Development and Infrastructure	-	-	-	690	-	-	-	690
Bettws and Maplas Canal Link	-	-	-	1,207	-	-	-	1,207
Core Allocation Yr 3	-	-	-	751	-	-	-	751
Upgrade of Facilities NISV	-	-	-	234	-	-	-	234
Eastern Links	-	-	-	61	-	-	-	61
Road Safety Traffic Enforcement Cameras	-	-	-	140	-	-	-	140
Newport Fflesci Demand Responsive Bus Pilot Scheme	-	-	-	968	-	-	-	968
SRIC & Road Safety Grant	-	-	-	203	-	-	-	203
Somerton Park	-	-	-	8	-	-	-	8
Underwood Play Area	-	-	-	12	-	-	-	12
Local Places for Nature Grant	-	-	-	109	-	-	-	109
Allotment Grant	-	-	-	35	-	-	-	35
Depot Infrastructure Charging	-	-	-	300	-	-	-	300

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Pentonville Development (Sorrell Hill, Barack Hill and Allt-yr-yn)	-	-	-	24	26	-	-	50
Nature Networks - Monkey Island	-	-	-	67	21	-	-	88
Nature Networks - Shaftsbury Allotments	-	-	-	27	27	-	-	53
Nature Networks - Old Tredegar Golf Course	-	-	-	6	67	-	-	73
Jubilee Gardens grant				8				8
Active Travel grant - City centre				211				211
Active Travel grant - Community Cycle Hub				52				52
Prior Year Scheme - Various	(11)	-	-	-	-	-	-	(11)
City Services Total	7,316	12,958	9,614	23,439	15,786	4,673	-	73,787
Total Capital Programme	29,466	31,358	26,210	57,530	101,022	34,699	5,647	285,932

	Outturn 18/19	Outturn 19/20	Outturn 20/21	Forecast 21/22	Budget 22/23	Budget 23/24	Budget 24/25	Total
Financed By:								
General Capital Grant	4,754	3,858	4,107	4,083	4,060	1,173	37	22,072
Supported Borrowing	4,058	4,077	4,097	4,072	4,000	-	-	20,304
Unsupported Borrowing	2,126	5,787	1,771	8,913	32,475	17,038	5,519	73,629
Prudential Borrowing	84	123	-	-	-	-	-	207
External Grants	12,911	13,053	15,174	34,986	49,255	15,061	91	140,531
S106	868	523	410	1,293	3,051	1,412	-	7,557
Other Conts	242	268	75	46	639	15	-	1,285
Capital Receipts	3,136	820	25	1,584	2,754	-	-	8,319
Revenue Conts	75	68	38	522	755	-	-	1,458
Reserve	1,081	2,777	464	1,832	4,034	-	-	10,189
Finance Lease	131	-	50	199	-	-	-	380
Total Capital Programme Financing	29,466	31,358	26,210	57,530	101,022	34,699	5,647	285,932

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EXECUTIVE SUMMARY

This Capital Strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The report highlights that expenditure on capital needs to remain within affordable, prudent and sustainable limits. Demand for capital resources remains high and therefore, inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners are required to address this.

The strategy highlights the key risks and recommendations:

- The Council's current capital programme has a substantial amount of borrowing to 2024/25, and whilst this is affordable, due to the revenue budget requirement being forward funded in the 2021/22 budget, it would be unsustainable to continue increasing borrowing thereafter, at the current rate.
- The Council's Medium Term Financial Plan includes the revenue costs for the financing of the current capital programme to 2024/25, which includes a level of uncommitted borrowing headroom limited at £4.5m but excludes any borrowing for schemes which are self-financing.
- As per the agreed framework (detailed in the report), the current programme needs to be maintained within the agreed limits and not result in an increase in the Capital Financing Requirement or the level of new capital expenditure to be funded via borrowing, therefore not putting additional pressure on the capital financing budgets contained within the overall revenue budget. Any required increase in the level of capital expenditure to be specifically funded by borrowing would need approval by full Council.
- Within the context of significant demands for capital resources and limited availability, there is the need to develop the various strategic plans across the organisation which are driving the need for capital expenditure. This will include clearer visibility and assessment of demand for maintenance of assets such as schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years+). With the MRP budget increasing over the long-term, the Council will need to make some difficult decisions going into the next programme to ensure the capital plans remain affordable and sustainable. A clear governance structure around the development of the new programme will also be required.
- The Head of Finance recommends Council agree a limit to debt funded capital expenditure in the future programme. The impact of a limit of £5.5m and £7.5m per annum is exemplified within this strategy, with the actual limit to be determined as part of developing the new programme.
- The prudential indicators, including borrowing limits, are in line with the MTFP approved by Cabinet.

The strategy will be reviewed and updated on an annual basis alongside the Treasury Management Strategy.

OVERVIEW OF THE STRATEGY

1.1. INTRODUCTION

Capital expenditure can be defined as expenditure on assets, such as property or vehicles, that will be used for more than one year. In local government, this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to acquire assets. It is the Council's policy not to treat any expenditure under £10,000 as capital, and therefore anything under this value will be charged as revenue in the year of expenditure.

The Prudential Code for Capital Finance in Local Authorities (2017) placed a requirement on local authorities to determine a Capital Strategy in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives, and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance readers' understanding of these, sometimes, technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and a local policy framework, summarised in this report.

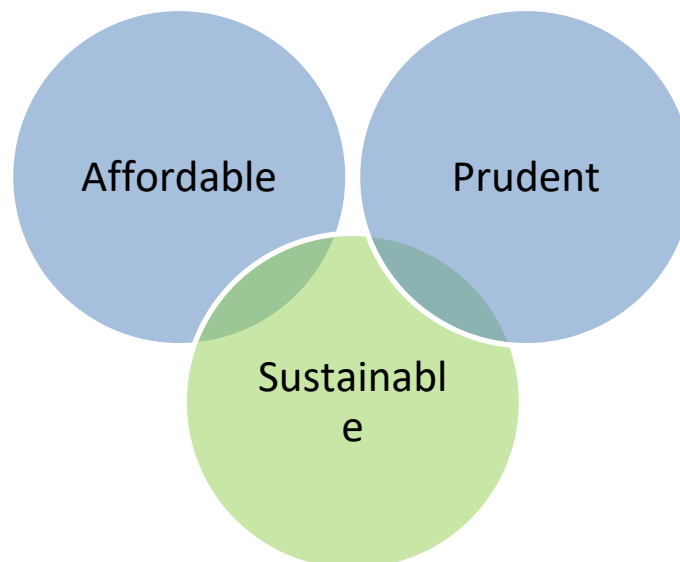
The report sets out:

- The key objectives outlined in the Prudential Code and the governance arrangements for the Capital Strategy and programme (Section 2)
- The current approved capital programme to 2022/23 (+ 2 additional years for schemes that extend beyond the final year of the existing programme) and its financing, and the revenue implications arising from demands on capital expenditure (Section 3)
- The long-term (10 year) projection for the capital financing costs of the Council and where future demands arise from the various strategic plans across the Council for further capital resources. (Section 4)
- Links between the Capital Strategy and Treasury Management strategy, and treasury decision making. (Section 5)
- A look at the commercial activity of the Council and the strategy going forward. (Section 5)
- Overview of other long-term liabilities the Council has, which members need to be aware of when looking at the Capital Strategy. (Section 6)
- Summary of the skills and knowledge the Council holds in order for it to carry out its duties for capital and treasury matters. (Section 7)

2. PRUDENTIAL CODE & GOVERNANCE

2.1. PRUDENTIAL CODE – KEY OBJECTIVES

The objective of the Prudential Code is to ensure, within a clear framework, that the Council's capital expenditure are affordable and prudent. In terms of both affordability and prudence, it is important that sustainability is considered and can be demonstrated;



AFFORDABLE

It is important that the Council's capital investment remains within **sustainable** limits. The Code requires authorities to consider the resources currently available to them and those estimated to be available in the future, together with the totality of the capital plans and income and expenditure forecasts. As well as capital expenditure plans, authorities should consider the cost of past borrowing, maintenance requirements, planned asset disposals and the MRP policy, which all impact upon affordability.

PRUDENT

The Council must ensure that its capital and investment plans are prudent and **sustainable**. As required by the Code, consideration should be given to the arrangements for the repayment of debt and the risk and impact on overall financial **sustainability**. The operational boundary for external debt should align with capital expenditure plans and provide for the most likely, not worse case, scenario. The authorised limit should provide sufficient borrowing headroom to enable day to day cash management. It is important that there is alignment with the treasury management policy statement and practices, and that risk management and analysis is taken into account. Borrowing in advance of need should only be undertaken where appropriate and affordable, and treasury management activities should find a balance between security, liquidity and yield reflecting the Council's risk appetite, but not prioritising yield over security and liquidity.

SUSTAINABLE

As highlighted above, the Council has to ensure sustainability when considering both affordability and prudence. In line with the long-term impact of decisions made in relation to capital investment plans, sustainability is considered over a minimum 10-year period.

In addition, the Council ensures that treasury management decisions are taken in accordance with good professional practice and with the full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

CIPFA consulted upon various amendments to the Prudential Code and Treasury Management Code during the autumn of 2021. Following the consultation, the proposed amendments were agreed and will form part of an update to both codes. In the case of the Prudential Code, these include the following (with the changes to the Treasury Management Code being outlined later in this report):

- Local authorities being precluded from borrowing for investment where the primary aim is to generate a commercial return.
- Sale of commercial investments as an alternative to new borrowing for service purposes.
- Risk associated with commercial investment to be proportionate to the financial capacity to bear losses.
- Investments to be split into treasury, service and commercial categories.
- Prudential indicators to be monitored and reported at least quarterly.
- Introduction of a new prudential indicator regarding the income from commercial and service investments to net revenue stream.
- Removal of investment income from the financing costs indicator.

Of the changes outlined above, the first change, which is the most significant of the changes, is not anticipated to present any issues. This is because the Council does not have any such investments and is not planning any such investments. However, as outlined in the Commercialisation section of this report, the Council's Commercial Strategy contains provision to engage in such activity. Therefore, it will be necessary for this element of the Commercial Strategy to be withdrawn. In the case of the changes to prudential indicators and subsequent reporting of those indicators, the Council will ensure compliance as part of its budgeting and reporting processes. It should be noted that, whilst the new Code takes immediate effect, CIPFA have stated that authorities can defer the implementation until 2023/24, with the exception of the change relating to investment primarily for yield, which takes effect immediately.

2.2. GOVERNANCE FOR APPROVAL AND MONITORING OF CAPITAL EXPENDITURE

Member responsibility for assets rests with the Cabinet Member for Economic Growth and Investment, currently the Leader of the Council. The main governance and approval process for capital expenditure is summarised as follows:

- Council approves the overall revenue and capital budgets following recommendations from the Cabinet. They also approve the external borrowing limits, which place a cap on the level of borrowing the Council can undertake during the year. These limits are driven by the level of unfunded capital expenditure, including uncommitted expenditure, within the capital programme. The limits will not include expenditure on any schemes where borrowing is required, but which finance themselves through the savings generated. These limits are a key performance indicator for treasury management and ensure that capital expenditure is limited and borrowing remains affordable. Any changes required to the borrowing limits must be approved by full Council.
- Council approves the Treasury Management and Investment strategies, which are intrinsically linked to capital expenditure and the Capital Strategy. Further details of these are provided in sections 5.1 and 5.3.
- The detailed capital programme, contained within the overall budget, is approved by Cabinet following individual project appraisals by officers, which include the views of the Head of Finance.
- Items of capital nature are discussed at the Capital Strategy Asset Management Group (CSAMG), which is made up of senior officers from all service areas and the Council's property advisors, Newport Norse. Discussions centre on the asset management agenda and include asset disposals and prioritisation of capital expenditure requirements. Other boards with capital considerations, such as the People Services Capital Board, will feed into CSAMG.
- Operational decisions on capital expenditure will be made by the Executive Board, following a review of the project appraisal and advice from CSAMG.
- Cabinet approves any new capital expenditure to be added to the capital programme.
- Monitoring of Capital Expenditure is reported to Cabinet, including updates on capital receipts and the impact on the revenue budget of decisions made.

Affordability and sustainability are key considerations when approving capital expenditure, and therefore the agreed framework detailed in section 3.1 is used. Included within Appendix 2a is the process map used for the approval of capital expenditure.

Decisions on the approval of capital expenditure will be made in liaison with the Capital Accountancy Team and an understanding of the long-term revenue implications of the expenditure is assessed before it is added to the programme. Cabinet approves additions to and deletions from the Capital Programme, as well as slippage, when approving the regular monitoring reports.

3. CAPITAL EXPENDITURE AND FINANCING

3.1. CURRENT CAPITAL PROGRAMME

The current capital programme originally covered the five-year period between 2018/19 and 2022/23. However, as approved by Cabinet in January 2020, an additional two years were added to the programme to incorporate those schemes, such as the 21st Century Schools Band B Programme, where completion was projected to extend beyond the original five-year timeframe. Given the current financial constraints facing the Council, Cabinet and Council established a framework for managing the existing programme, aimed at maximising capital expenditure but keeping new borrowing at a level that could be afforded within a sustainable revenue budget. This framework is as follows:

- a. Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and maximising capital receipts;
- b. Any change and efficiency schemes requiring capital expenditure, and generating savings as a consequence, would be funded by offsetting the capital financing costs against the savings achieved;
- c. Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

This framework ensures that the capital programme can be maximised but those schemes which cannot fund any resulting borrowing costs can be afforded and maximised within the headroom available. This available headroom is made up of identified uncommitted capital reserves and capital receipts, an estimated level of borrowing which can be afforded from within the Minimum Revenue Provision (MRP) budget and a prudent estimate of future capital receipts.

The latest capital programme is summarised in the table below. For 2022/23, the programme contains approved capital schemes of £103.4m, and the overall programme to 2024/25, including uncommitted borrowing, is £288.4m. This total figure includes £17.3m for the cost of carry of undertaking borrowing for Cardiff Capital Region City Deal schemes, prior to the funding from HM Treasury being received, and £2.4m of uncommitted borrowing headroom.

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	ORIGINAL 5-YEAR CAPITAL PROGRAMME					ADDITIONAL 2 YRS		Total current programme £m
	2018/19 Actual £m	2019/20 Actual £m	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	
Approved Schemes	29.5	31.4	26.2	57.6	99.2	24.7	0.1	268.7

City Deal - cost of carry					1.8	10.0	5.5	17.3
Uncommitted borrowing*					2.4			2.4
TOTAL EXPENDITURE	29.5	31.4	26.2	57.6	103.4	34.7	5.6	288.4

* *Uncommitted borrowing headroom to be invested in Council assets or regeneration.*

The current approved capital programme is substantial and leads to a considerable increase in the Capital Financing Requirement (CFR) over the medium term. Table 1 provides an overview of the total programme, comprising existing schemes, the Cardiff Capital Region City Deal cost of carry and the residual level of uncommitted borrowing for potential additional capital schemes. It should be noted that a limit of £4.5m was placed on any additional borrowing, referred to as capital headroom, to fund new capital expenditure for the period between 2020/21 and 2022/23. As outlined in the table above, a total of £2.109m has been committed against that original amount of borrowing headroom to date, with a balance of £2.391m remaining available for the remainder of the existing programme.

Over the course of the current capital programme, there is a significant increase in borrowing to fund the projects contained within it and a consequential increase in capital financing costs. As part of the overall 2021/22 Council budget, a £2.1m investment in the capital financing budget was made in order to provide for the revenue costs arising from the full capital programme. By committing these resources in advance, it means that no additional investment is required in the revenue budget for 2022/23. Due to the level of slippage projected into 2023/24, it means that there is likely to be an in-year underspend against this budget during 2022/23, which could be utilised on a one-off basis for other priorities.

Section 3.2 illustrates the revenue impact of the capital programme. The framework outlines that, over the current term, the **capital programme would be set at a level that minimises revenue pressure on the Medium Term Financial Plan (MTFP)**. Therefore, it is vitally important to maintain capital expenditure at a level that is affordable over the medium term. The limit of uncommitted borrowing that is available allows for additional capital expenditure without increasing the pressure on the revenue budget.

The WG General Fund Capital Grant in 2022/23 has reduced significantly when compared to 2021/22. The award in 2022/23 is £2.827m, compared with £4.083m in 2021/22. Beyond 2022/23, the indicative settlement figures suggest that the grant will return to previous levels. Therefore, the position for 2022/23 would appear to be a one-off and, as a consequence, an amount of £4m has been assumed for 2023/24 and beyond. This grant funding is used to cover annual sums. To maintain the same level of annual expenditure, it has been assumed that earmarked reserves will be used to bridge the gap and this is reflected in the figures contained within this report.

The overall programme, which is now entering its final year, contains a number of key capital schemes, some of which will continue beyond the 2022/23 financial year. These include:

- 21st Century Schools Programme
- The HLF grant funded Transport Bridge scheme
- Cardiff Capital Region City Deal (CCRCDC)
- New Leisure Centre

There may be other requirements for capital funding for schemes that are not yet contained within the overall programme. Any new schemes that arise during the year will either need to be funded via specific sources or will represent a call upon the residual headroom available. It is important that capital expenditure remains at an affordable level within the framework agreed and, therefore, prioritisation of capital expenditure is essential and needs to be affordable and sustainable in the long-term.

3.2. MEDIUM-TERM REVENUE IMPLICATIONS OF CAPITAL (CAPITAL FINANCING)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). All debt has to be repaid and this includes both the actual debt principal plus interest costs on the debt. The planned financing of the expenditure shown in Table 1 is as follows:

Table 2: Capital financing in £ millions

	7-YEAR CAPITAL PROGRAMME					ADDITIONAL 2 YRS		Total current programme £m
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	
	£m	£m	£m	£m	£m	£m	£m	
TOTAL EXPENDITURE	29.5	31.4	26.2	57.6	103.4	34.7	5.6	288.4
Financed by:								
Committed Grants and contributions	19.2	17.7	19.8	40.7	55.7	17.7	0.1	170.9
Committed Reserves, capital receipts, revenue	4.3	3.7	0.5	4.4	9.3	0.5		22.7
Committed new borrowing	6.0	10	5.9	12.5	34.2	6.5		75.1
Committed new borrowing for City Deal Cost of Carry					1.8	10.0	5.5	17.3
TOTAL COMMITTED (Appendix 1)	29.5	31.4	26.2	57.6	101.0	34.7	5.6	286.0
Uncommitted borrowing					2.4			2.4
TOTAL UNCOMMITTED					2.4			2.4
TOTAL FINANCING	29.5	31.4	26.2	57.6	103.4	34.7	5.6	288.4

Due to the better WG settlement the Council received in 2021/22, Cabinet front loaded the required medium term capital financing requirement into 2021/22, to then be carried forward into future years. This means that the current capital programme and a level of borrowing headroom, limited to £4.5m, was

funded within the MTFP. Any underspends available within the short term, as evidenced as part of the revenue budget monitoring position in 2021/22, will be able to be used for voluntary revenue payments (VRP), one-off expenditure or moved to reserves.

The forecast borrowing for 2021/22 to 2024/25 is £60.4m. Should there be any need to increase this total, it would need approval by Council.

When capital expenditure is initially financed by debt/borrowing, the Council is essentially locked into a long-term revenue commitment to finance that expenditure over time. This financing is done via a mechanism known as the Minimum Revenue Provision (MRP). Budgeted MRP payments over the medium term (excluding PFI and leases) are as follows:

Table 3: Replacement of debt finance (MRP) in £ millions

	2018/19 actual	2019/20 actual	2020/21 actual	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
MRP budget	7.8	7.9	8.7	10.3	10.3	10.7	10.9

The table above shows the budgeted amount of MRP that is included within the MTFP, that the amount significantly increased in 2021/22 and will gradually increase over the longer term. This increasing pressure on the MTFP should be seen in the context of continuing funding constraints, which emphasises the importance of maintaining capital expenditure within the headroom available in order to minimise the additional pressure on the revenue budget.

- The Council's full Minimum Revenue Provision statement and policy is available within the Treasury Strategy, which will be approved alongside this Capital Strategy.

Although capital expenditure is not charged directly to the revenue budget, as discussed above, interest payable on loans and MRP are charged to revenue - the net annual charge is known as 'financing costs'. The table below shows the financing costs as a percentage of the Council's net budget, which is one of the required prudential indicators.

Table 4: Prudential Indicator: Proportion of financing costs to net revenue stream

	2021/22 budget	2022/23 budget	2023/24 budget	2024/25 budget
Financing costs* (£m)	22.8	22.8	23.4	23.4
Proportion of net revenue stream	7.2%	6.6%	6.6%	6.4%

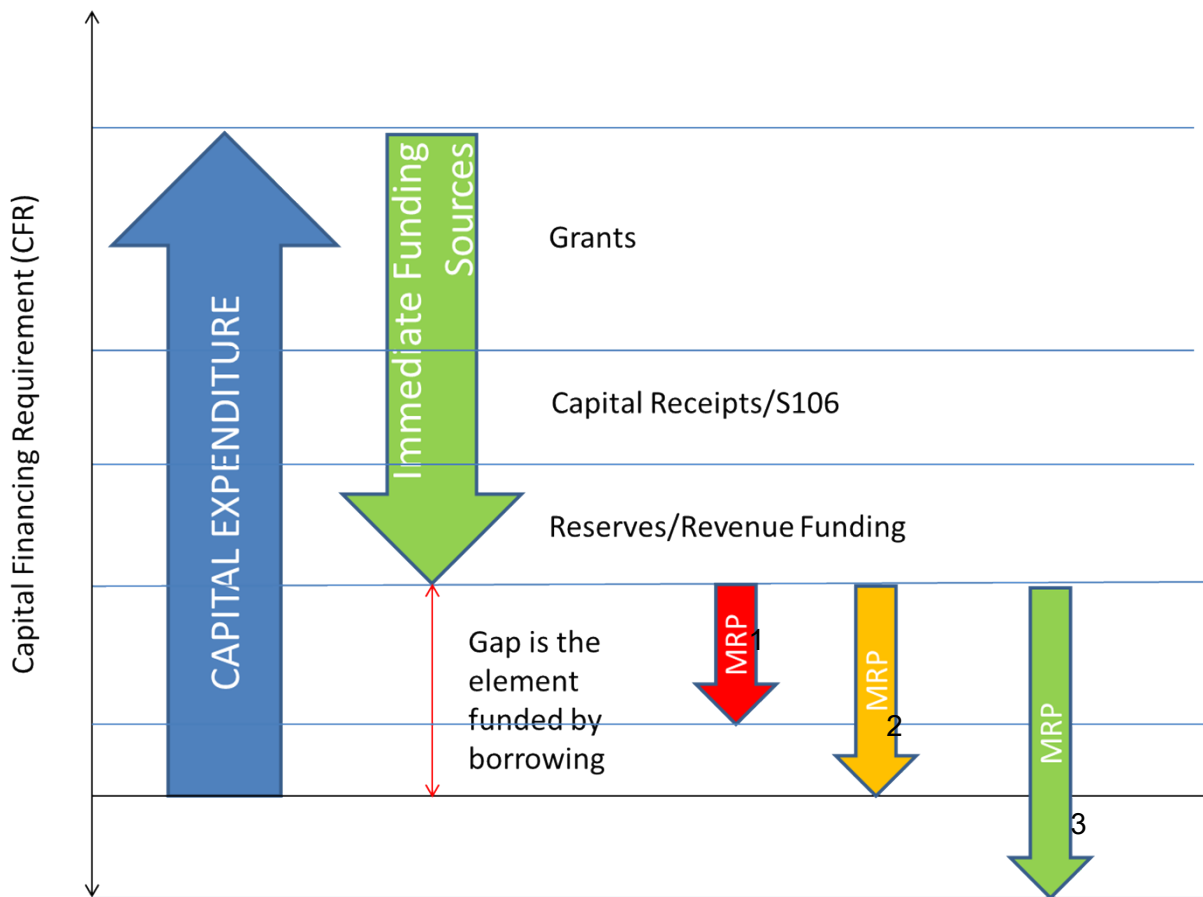
*includes capital financing costs of PFIs

From the table above it is evident that the proportion of the budget set aside to finance capital expenditure is set to decrease over the medium-term, with a more significant decrease in 2022/23, before easing off over the remainder of the period. This reduction is a reflection of the fact that the capital financing budget was frontloaded in 2021/22, coupled with the significant increase in core funding in 2022/23. The levels shown throughout the medium term are still significant and highlight the pressure that capital expenditure initially funded from debt can place upon the revenue budget.

- Information on the revenue implications of capital expenditure is also included in the 2022/23 revenue budget report.

Capital Financing Requirement (the underlying need to borrow)

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The diagram below shows the impact of capital expenditure, financing and the MRP on the CFR:



The diagram above shows the following:

- CFR **increases** when capital expenditure is incurred.
- CFR **decreases** when capital expenditure is immediately financed - i.e., through grants, capital receipts, revenue funding, reserves, S106 income.
- If the MRP charge is **less than** the capital expenditure funded by borrowing in any given year (Red [1]) the net CFR increases
- If the MRP charge is **equal to** the capital expenditure funded by borrowing in any given year (Amber [2]) the net CFR stays the same
- If the MRP charge is **more than** the capital expenditure funded by borrowing in any given year (Green [3]) the net CFR decreases

This is an important concept, as it demonstrates how decisions on the level of capital expenditure and MRP budget impact upon the Council's long-term borrowing requirements and consequent capital financing implications. However, it is important to note that the CFR is only an indicator as to the need to undertake borrowing, with the actual need to borrow ultimately being driven by the overall short and long term cashflow requirements of the organisation.

The table below provides the medium-term outlook for the Council's CFR, inclusive of the impact of PFI arrangements. This is based on the existing programme only and does not reflect the potential for additional borrowing beyond 2022/23. As can be seen, the CFR is expected to increase by £28.2m during 2022/23, which is a significant increase on the estimated CFR as at 31st March 2022. This increase represents a stepped change in position, when compared with previous years, where the figure has generally stayed at around £280m.

This significant increase in capital expenditure, including that funded via other sources, will be a challenge to achieve, evidenced by the significant levels of slippage incurred during the 2021/22 financial year. Therefore, it is important to recognise the likelihood that the actual CFR may turn out lower by the end of the 2022/23 financial year, in turn reducing the actual need to undertake external borrowing. This is a significant challenge for the Council, as it is important that ambitions for capital expenditure are not unrealistic, as this can result in unnecessarily increasing the capital financing budget, which may result in other budget priorities not being able to be pursued.

Table 5: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31/03/19 actual	31/03/20 actual	31/03/21 actual	31/03/22 forecast	31/03/23 estimate	31/03/24 estimate	31/03/25 estimate
TOTAL CFR	278.8	280.2	276.3	280.9	309.1	314.4	307.9

With the upcoming introduction of the accounting requirements of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase, due to the change in the way that finance leases for lessees are treated. CIPFA/LASAAC took the decision to defer the implementation of IFRS 16 Leases until the 2022/23 financial year in response to pressures on Council finance teams, as a result of the COVID-19 pandemic. Work is ongoing to gather the relevant information and fully understand the impact upon the Council. The output of this work will be finalised during this calendar year and will form part of the 2023/24 Capital Strategy.

The greater the CFR, the larger the impact will be on the revenue budget, with that impact being exacerbated by an ongoing reduction in the availability of internal borrowing (defined as using available cash, underpinned by the overall level of earmarked reserves, in lieu of external borrowing). Therefore, in the long-term, there will be a need to keep annual capital expenditure funded by borrowing at a level below the annual MRP budget in order to maintain the capital financing revenue budget at a broadly sustainable level.

4. LONG-TERM VIEW OF CAPITAL EXPENDITURE

Expenditure on capital assets/projects are often for assets which have a long-term life i.e. buildings may have an asset life in excess of 40 years. The financing of these assets could also be over a long-term period. Therefore, it is important to take a long-term view of capital expenditure plans and the impact that may have on the affordability and sustainability of capital expenditure. Once a decision has been made to initially fund capital expenditure from borrowing, the Council is locked into the revenue implications arising from that decision (i.e. the annual cost of MRP) for a long-term period.

Due to the financial constraints that the Council continues to face, it is anticipated that revenue to fund capital financing will remain restricted over the long term. The capacity to use internal borrowing is also reducing, which means that the authority will face a challenge in developing its next capital programme, due to take effect from 2023/24, particularly if there is a need or desire to incur a certain level of capital expenditure funded via borrowing. Therefore, it is important that the Council stabilises the increasing level of its CFR, and actual need to externally borrow, to minimise the increase in associated capital financing costs and ensure that they remain affordable and sustainable. This is particularly relevant when considering the position outlined in the Medium Term Financial Plan and the competing financial pressures facing the Council.

Ideally, capital expenditure funded by borrowing should be less than the annual MRP budget, as this will reduce the overall level of the CFR on a year-to-year basis. However, it is recognised that this may be difficult to achieve and that a degree of capital expenditure funded by borrowing will be required as part of the next capital programme and thereafter.

To assist with exemplifying the potential impact over the medium to long term, two scenarios have been modelled. The first scenario assumes additional (i.e. in addition to already approved schemes) unfunded capital expenditure of £5.5m per annum, beyond the current capital programme window, with the second scenario assuming £7.5m per annum. Chart 1, below, demonstrates the impact that these scenarios could potentially have upon the overall level of the CFR and the actual requirement to undertake external borrowing.

Chart 1 – Liability Benchmark

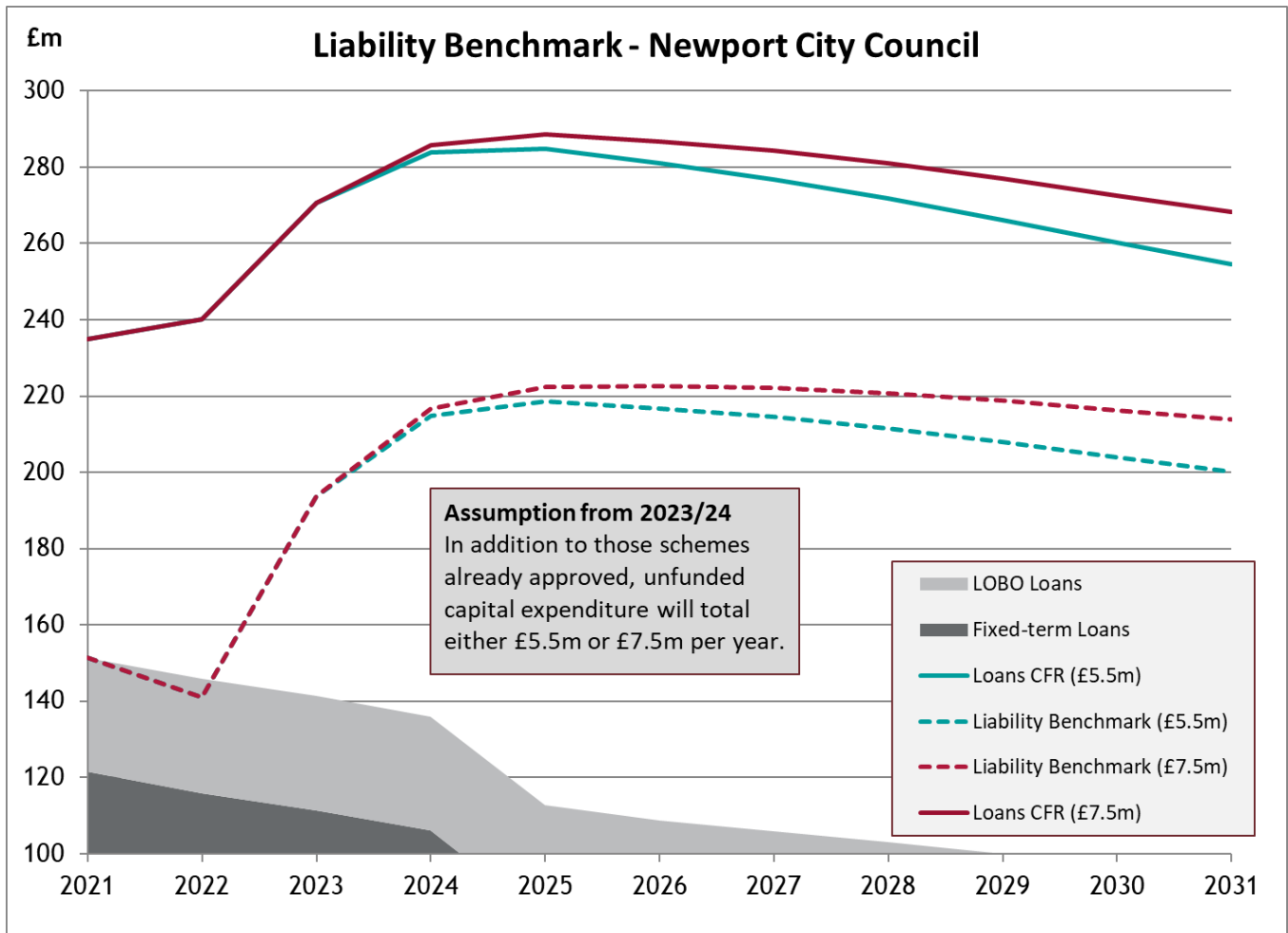


Chart 1, known as the Liability Benchmark, demonstrates the following, in terms of the impact of the current capital programme and the two modelled scenarios:

- The impact the current capital programme has in terms of the increasing CFR and consequent need for external borrowing, denoted by the steepness of the solid and dashed red curves over the first few years.
- A longer-term stabilisation, and then reduction, in the overall level of CFR, as shown by the trajectory of the solid red and blue lines.
- A longer-term stabilisation of the need to undertake actual external borrowing, followed by a gradual reduction, as shown by the trajectory of the dashed red and blue lines.
- The impact of the reducing capacity for internal borrowing, demonstrated by the convergence of the two set of lines over the first few years and thereafter.
- The fact that a level of existing borrowing is scheduled for repayment (denoted by the shaded grey area) over the medium to long term, although the underlying need to borrow actually grows during that time, meaning that the repaid borrowing will need to be replenished.

The two modelled scenarios demonstrate that it would be possible to stabilise, and slightly reduce, both the CFR and actual need to borrow over the medium to long term. This is critical if the increase in consequent capital financing costs is to be minimised and remain at a level which is prudent, affordable and sustainable over the medium term. However, as the following paragraphs and Chart 2 demonstrate, there are other factors which also impact upon the overall level of capital financing costs incurred.

Chart 2 – Capital Financing Cost Forecast

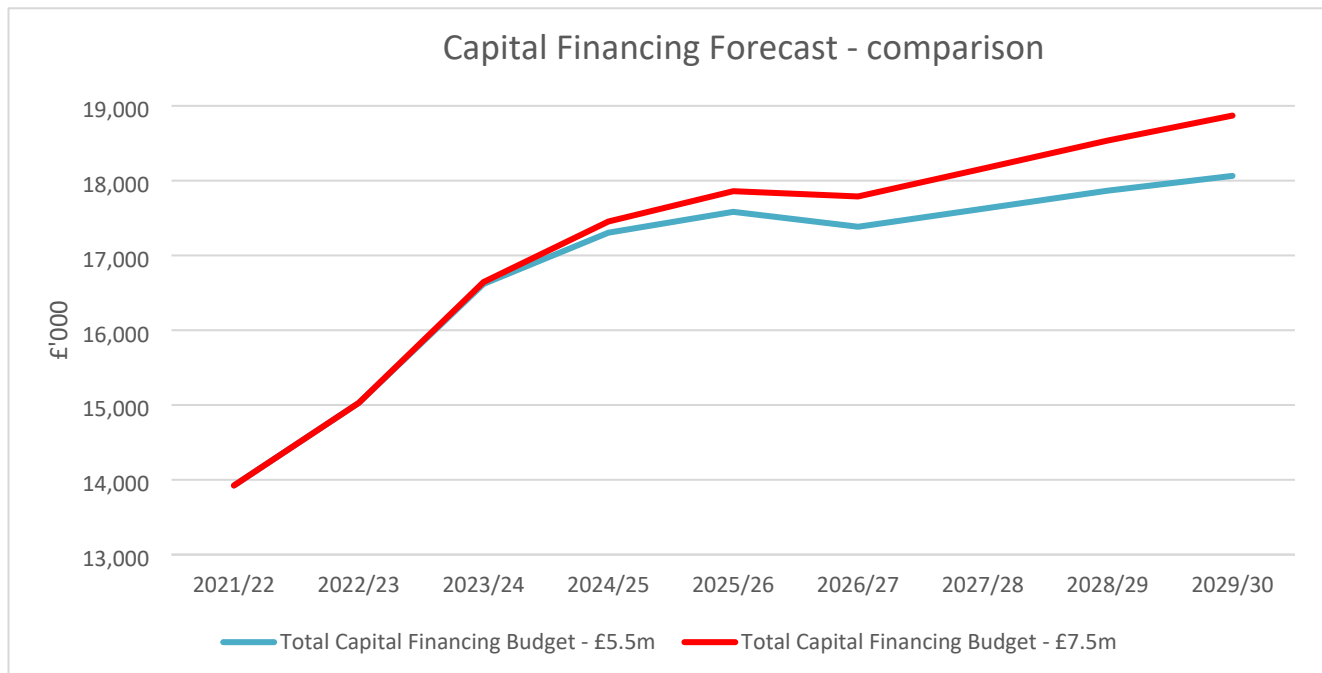


Chart 2 shows the increasing capital financing costs over the next 10 years with a limit of £5.5m or £7.5m of unfunded capital expenditure per annum after the current programme. This is initially driven by the ambitious capital programme that is currently in place, resulting in a significant spike in capital financing costs to 2023/24, but continues beyond that year. This is despite the modelled reductions in the CFR, as outlined in Chart 1. Although the revenue costs arising from the current capital programme have been fully funded, this chart highlights the fact that there will be a continued capital financing budget pressure during the new programme window as well. Due to slippage experienced in delivering the new programme, it should be noted that the actual costs of capital financing are lagging behind the existing budget provision, resulting in an underspend against the revenue budget.

The reason for the continued increase in capital financing costs, despite the levelling off of borrowing requirements, is primarily because of the change in MRP methodology, but also, in the earlier years, due to the reduced capacity for internal borrowing. What this means, in effect, is that additional external borrowing will need to be undertaken to replace the internal borrowing, just to maintain the status quo. The impact of this is that additional interest costs will be incurred and these will be borne by the capital financing budget. In the case of MRP, the change to the annuity methodology for unsupported borrowing means that MRP charges are lower in earlier years and increase as assets move through their useful life. Therefore, there will be an annual increase in MRP charges, and consequent impact upon the revenue budget, even if no additional unfunded capital expenditure is undertaken.

It should be noted that the scenarios above are for modelling purposes only, with assumptions included on the deliverability of the programme. In saying that, it is a good representation of the financial impact on Council finances given the two levels of capital spend funded from borrowing.

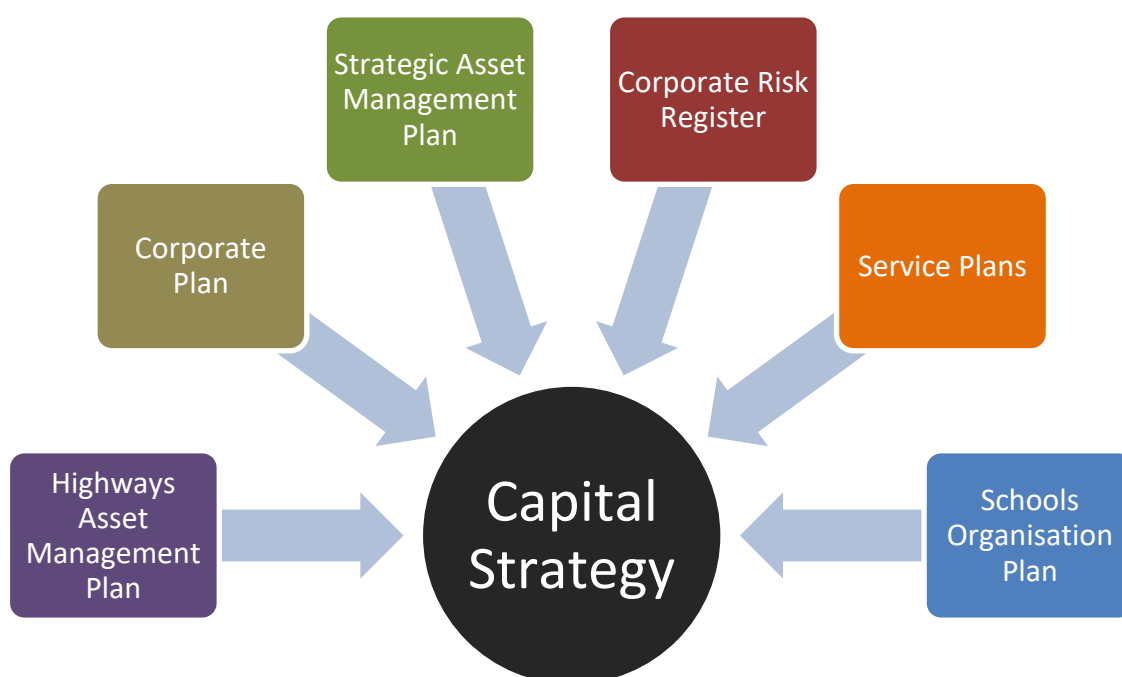
The actual position will of course be impacted by a number of factors that will ultimately determine the level of borrowing and associated capital financing costs. These factors include:

- (i) availability of capital grant funding from Welsh Government and other bodies, (i.e. will there be the capacity or need to include those levels of capital expenditure funded by borrowing?)
- (ii) the delivery of capital receipts (i.e. as above)
- (iii) the utilisation and overall level of earmarked reserves (i.e. as above)
- (iv) the general level of slippage within the capital programme (i.e. will the Council spend at the rates modelled even if included in budgets and programmes)

Sustainability and New Capital Programme Development

As already outlined, the long-term nature of the impacts arising from short to medium term capital expenditure and financing need to be understood in terms of its prudence, affordability and sustainability. The Head of Finance is satisfied that the current programme meets this key requirement, evidenced by the fact that the revenue implications are already fully funded. However, the key challenge facing the Council, in relation to capital, is the impending development of the new programme, which will run from 2023/24 to 2027/28. This challenge should be seen in the context of a Medium Term Financial Plan which, although broadly balanced at present, could worsen should new service pressures emerge. Therefore, any increase in capital financing costs would only add to that challenge. Therefore, should the new programme result in a further need to increase capital financing budgets, it will be necessary for those pressures to be prioritised by members and senior management against other competing pressures in order to ensure a balanced revenue budget.

In light of this challenge, it is important that the authority understands the key drivers and risks associated with delivering the new programme. These drivers are captured through various plans across the authority and are outlined in the diagram that follows. These plans will be subject to ongoing revision and it will be necessary for the authority to develop its understanding of the cost of key priorities arising from each plan, to inform what will potentially be a constrained programme in terms of the overall financial envelope.



There will be a range of priorities originating from these plans, particularly the Corporate Plan, which will be refreshed following the local elections taking place in May 2022 and will likely reflect a number of the new administration’s manifesto commitments. As well as the priorities contained within the Corporate Plan, there will a requirement to maintain the current asset base. This is something that has been severely impacted by constrained funding levels in previous years and has resulted in a maintenance backlog developing, which gives rise to the potential for major asset failures to occur where issues have developed over time. There is a particular risk surrounding highways and school buildings, although there are other asset bases that hold maintenance backlogs as well.

Therefore, whilst annual allocations are provided for asset maintenance, in building the new programme, it will be necessary to review the level of those allocations, as well as the approach to their use. The growing backlog would suggest that the annual sums are not sufficient, although there is also a need to ensure that the best value for money and outcomes are being achieved with their use. The annual sums should, however, ensure that the highest priority backlog issues are addressed, first and foremost. In addition to the annual sums, other approaches need to be pursued in order to reduce the maintenance backlog. This should include a review of the asset base more generally, and consideration to rationalising the number of assets. This rationalisation could be achieved in a number of ways, such as closure or disposal of assets, asset transfers or schemes to refurbish/redevelop existing assets (e.g. neighbourhood hubs, Chartist Tower and the Newport Market development). Furthermore, it will be

necessary to target external grant funding, such as 21st Century Schools funding, which will enable wholesale upgrade or replacement of existing assets, including those with significant maintenance backlogs.

Therefore, when developing the new programme, it will be necessary for decision-makers to ensure that the ongoing maintenance of existing assets is sufficiently addressed. However, there will be other priorities to be included within the programme, such as the need to address the climate emergency via a pursuit of carbon neutral assets, a response to the need for a new way of working, the next phase of WG's 21st Century Schools Programme and further regeneration schemes for the city. In addition, there will be an inevitable degree of slippage from the existing programme, which will effectively represent a first call on available resources. Should the level of slippage be significant, it may be appropriate to defer any new priorities until the middle and later years of the programme, to provide the bandwidth for existing schemes to be completed.

Although members will ultimately decide upon both the overall size of the new programme, and the schemes contained within it, it will be important that there is appropriate governance surrounding the development of the programme. This governance will be required to ensure that schemes are only added to the programme where sufficient planning, financial and non-financial, has been undertaken and that there is a clear corporate need or priority for including schemes within the programme. This may take the form of an internal Capital Board, led by the Senior Leadership Team, who will act as a gateway for schemes and ensure that members can take confidence in the recommendations being made to them. It should also ensure that there is enhanced oversight and management of the programme on an ongoing basis and reduce the likelihood of slippage or grant funding being foregone in future years. As an outcome, a more realistic, deliverable and achievable programme should result.

5. TREASURY MANAGEMENT

The Treasury Management Strategy (detailed in Appendix 3) and Capital Strategy are inextricably linked, with both strategies being considered for approval by Council as part of the same meeting. The figures within the Treasury Management Strategy align with the level of borrowing resulting from this Capital Strategy. The Council will need to approve both the prudential indicators detailed below and the borrowing limits recommended.

5.1. TREASURY MANAGEMENT

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, whilst managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council limits the need to take out actual borrowing by using positive cashflow, largely underpinned by earmarked reserve balances, to fund capital expenditure funded by borrowing, known as internal borrowing.

As a result of decisions taken in the past, the Council as at 31st December 2021, has £144m borrowing at a weighted average interest rate of 3.6% and £40m treasury investments at a weighted average rate of 0.19%.

As outlined earlier, CIPFA have recently consulted on changes to the Treasury Management Code and have recently confirmed the changes that will be implemented. CIPFA have not been prescriptive regarding an implementation date and, therefore, based on the advice of our treasury advisers, the changes will be reflected in the 2023/24 strategy document.

The main changes include the requirement to incorporate the liability benchmark as part of the Treasury Management Strategy, which the Council already does. Other changes will see a need for the introduction of investment management practices (IMPs) and detail around the Council's policy and practices relating to environmental, social and governance (ESG) investment considerations. There are now clearer definitions regarding categorisations of investments, which require local authorities to distinguish between treasury, service and commercial investments, with a number of additional requirements relating to the latter two categories. The final major change relates to knowledge and skills and the need for councils to disclose information regarding areas such as competencies, knowledge and skills schedules, monitoring and review.

5.2. BORROWING STRATEGY

Whilst the current outlook is for the Council to have significant long-term borrowing requirements, the current strategy is to fund capital expenditure through reducing investments rather than undertaking new borrowing. To clarify, this means deferring new long-term borrowing and funding capital expenditure from

day-to-day positive cashflows for as long as possible. By using this strategy, the Council can also minimise cash holding at a time when counterparty risk remains high. 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 a primary reason for the current 'internally borrowed' strategy.

Whilst investment counterparty risk is minimised through this strategy, the risk of interest rate exposure is increased, as the current low longer term borrowing rates may rise in the future. However, long-term borrowing interest rates are currently significantly higher than short-term borrowing interest rates.

Therefore, should there be a need to undertake borrowing at short notice, the current differential in interest rates mitigates the risk to some extent and also ensures cost avoidance in the short term. The market position is being constantly monitored in order to manage this risk.

The Council's overall main objective when borrowing is to achieve a low but certain cost of finance, whilst retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between lower cost short-term loans (currently available at around 0.1% to 0.3%) and long-term fixed rate loans where the future cost is known but higher (currently around 1.5% to 2.0%). The current availability of positive cashflow has meant that the Council has not been required to undertake much in the way of short-term borrowing recently, although this can change at relatively short notice.

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the CFR (which has been detailed in earlier sections). It should be noted that the estimated projected debt is broadly in line with the Operational Boundary, which acts as a borrowing limit for delivering the Capital Programme, as highlighted in the paragraphs that follow.

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Debt (incl. PFI & leases)	178	190	231	240	235
Capital Financing Requirement	276	281	309	314	308

As outlined earlier, the forthcoming introduction of IFRS 16 Leases will likely result in the CFR and debt identified as relating to leases increasing in future years. Work continues to assess the relevant leases that exist across the Council and their potential impact upon both the CFR and overall debt levels.

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this in the medium term.

Operational Boundary: The Council is obliged to approve an operational borrowing limit. This boundary has been set in line with the expected borrowing required to finance the current Capital Programme until 2024/25, taking account of likely levels of internal borrowing. A small additional allowance has also been made for the timing of PFI debt repayments. If any increase to the operational boundary is required, including to borrow for investment/income generation schemes or regeneration investment (loans) this will need to be brought to Council for approval.

Authorised Limit: The Council is legally obliged to approve an affordable borrowing limit for external debt each year. This is the absolute limit for external borrowing and is set in line with the CFR, again with a small allowance made for the timing of PFI debt repayments. The authorised limit is greater than the Operational Boundary and provides a buffer for managing day to day cash requirements and undertaking borrowing in advance of need, where appropriate and affordable.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	255	271	278	274
Authorised limit – PFI and leases	42	41	39	36
Authorised limit – total external debt	297	312	317	310
Operational boundary – borrowing	187	192	203	201

Operational boundary – PFI and leases	42	41	39	36
Operational boundary – total external debt	229	233	242	237

Whilst the above indicators place a theoretical limit upon the level of borrowing that a council can undertake, they do not, for example, make an allowance for any amount of slippage that may be incurred whilst delivering the Capital Programme. This is relevant in the case of the Council's Capital Programme where, in relation to 2022/23 in particular, there is a significant level of forecasted unfunded expenditure and a high probability of slippage occurring. Therefore, to ensure that the level of expenditure to be funded via borrowing is controlled, a local indicator has been introduced which restricts any unfunded expenditure being added to the existing Capital Programme over and above the headroom that is already in place. This indicator is in line with Table 1 of this report and, for 2022/23 only, limits additional borrowing for new capital expenditure to £2.4m. Should borrowing above this limit be required, it will need to be approved by full Council. A new indicator will be developed as part of producing the new Capital Programme over the next 12 months.

Table 8: Local Prudential Indicator: New capital expenditure to be funded via borrowing (£m)

	2022/23 limit	2023/24 limit*	2024/25 limit*
Borrowing headroom	2.4	0	0

* The limit is currently £0m, in line with the existing Capital Programme, but the £2.4m effectively applies across the three years shown, and these years will form part of the new programme, at which point a new indicator will be introduced.

5.3. INVESTMENT STRATEGY

Treasury investments arise from receiving, and then holding, cash before there is a need to pay it out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy. In the case of certain funds, the Council may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2021 actual	31.3.2022 forecast	31.3.2023 budget	31.3.2024 budget	31.3.2025 budget
Near-term investments	24.8	0	0	0	0
Longer-term investments	0	10	10	10	10
TOTAL	24.8	10	10	10	10

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and relevant staff, who must act in line with the Treasury Management Strategy approved by Council. Half-year and end of year reports on treasury management activity are presented Council, although the frequency of these reports will change to quarterly from 2022/23, in line with the recent changes to the Treasury Management Code. The Governance & Audit Committee is responsible for scrutinising treasury management decisions.

Loans to other organisations

The Council can and does make investments to assist local public services, including making loans to businesses to promote economic growth. The Council will assess these opportunities and will only plan that such investments at least break even after all costs. Loans to such organisations will be approved following a due diligence process and formal governance arrangements.

The Council will also use other methods of assisting businesses to promote economic regeneration by providing grants or by allowing rent free periods where the Council is the owner of the freehold, such as the case with Chartist Tower.

Decisions on service investments are made by the relevant service manager in consultation with the Head of Finance and Monitoring Officer and must meet the criteria and limits laid down in the investment strategy.

6. COMMERCIALISATION

The 2019/20 Capital Strategy contained details of the Council's Commercialisation Strategy, which was agreed by Council during 2019. A feature of this commercial approach was to explore three areas of activity, all aimed at increasing income generation and contributing towards addressing the medium-term budget gap faced by the Council. The three areas of activity were:

- 1) Current services that could be provided on a more commercial basis - e.g. trade waste
- 2) New services that could be provided - e.g. energy services
- 3) Property investment – commercial and residential

To enable the third area of activity to be pursued, it was agreed that a £50m investment fund would be created, via an increase in the borrowing limit of an equivalent amount. This would enable the Council, via an investment board, to react to opportunities to acquire property, both within and outside of the authority boundary. Whilst acquisitions within Newport would be prioritised, with a particular focus on social value, a key aim was to generate an income stream that could support the delivery of core services. In effect, this would represent investment primarily for the purpose of yield.

As outlined in last year's report, the Commercialisation Strategy has been paused. This decision was taken in light of the ongoing pressures, risks and challenges resulting from the COVID-19 pandemic. The concerns regarding the longer-term impact of the pandemic on the commercial property market remain, however, in addition, there have been two key changes which mean that this particular element of the commercial approach can no longer be pursued. The first of these changes is that the Public Works Loans Board will no longer lend to local authorities for activity such as this. Secondly, CIPFA have recently introduced changes to the Prudential Code, with one of those changes seeking to prevent investment funded by borrowing solely for the purpose of yield. Therefore, it would no longer be appropriate for the Council to pursue a strategy of investing in property acquisitions solely for the purpose of financial return and, therefore, this element of the strategy should be ceased going forward.

7. OTHER LONG-TERM LIABILITIES

In addition to debt of £144m outlined above, the Council has a number of other long-term liabilities, which represent potential future calls on Council resources, as follows:

Private Finance Initiative (PFI)

The Council has two PFI arrangements. These are for the provision of the Southern Distributor Road (22 years remaining) and for Glan Usk Primary School (12 years remaining). As at 31st March 2021, the combined value of the liabilities was £41.3m. The Council holds specific earmarked reserves to cover the future costs of the PFIs.

Pension Liability

The Council is committed to making future payments to cover its pension fund deficit (valued at £475.1m) as at 31st March 2021.

Provisions

The Council has set aside long-term provisions for risks in relation to landfill capping and aftercare, and guaranteed subsidies in relation to Friars Walk.

Contingent Liabilities

The Council also has a number of contingent liabilities, which may or may not ultimately materialise as a call on Council resources. These liabilities are detailed in the annual Statement of Accounts and include potential insurance claims and risks attached to loans extended to external developers. As well as this, the Council has also entered into a number of financial guarantees to act as a guarantor, in particular for the safeguarding of former employee pension rights when their employment is transferred to third party organisations.

8. KNOWLEDGE AND SKILLS

In-house expertise

The overall Capital Programme, Capital Strategy and Treasury Management Strategy are overviewed by the Head of Finance and Assistant Head of Finance, who are both professionally qualified accountants with extensive Local Government finance experience between them. There is a Capital Accounting team consisting of experienced qualified and part-qualified accountants who maintain Continuous Professional Development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and obtain relevant skills. In addition, there is a Treasury Management team who manage the day-to-day cash-flow activities and banking arrangements of the authority. Members of this team, again, attend the necessary courses and training and have an extensive amount of experience.

External expertise

All of the Council's main capital projects are overseen by project teams comprising the relevant professional disciplines from across the Council. When required, external professional advice is taken, primarily from the Council's property advisors, Newport Norse. The Council also engages with external treasury advisers for advice in relation to treasury management matters.

Members

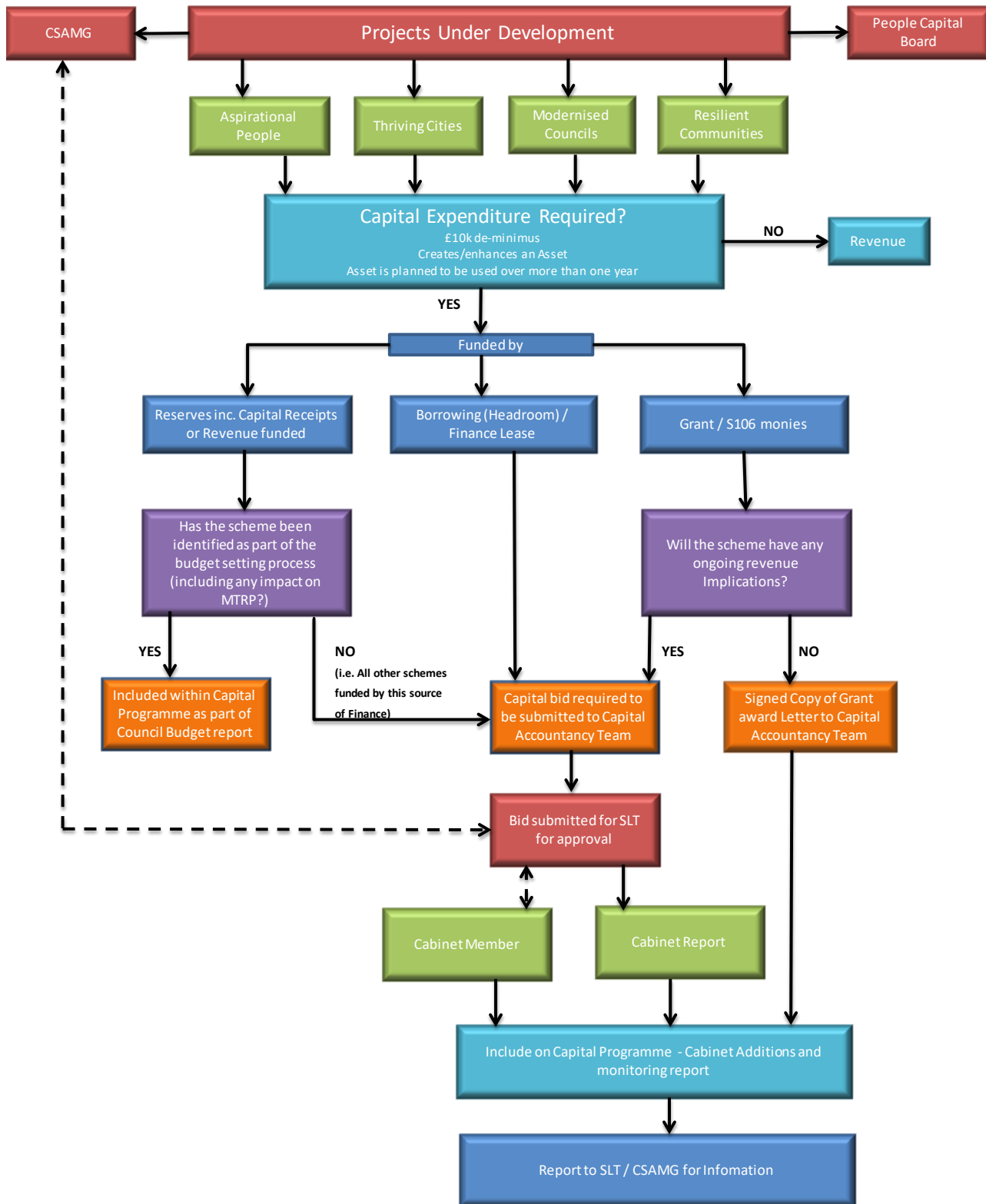
Training is offered to members to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance. The Council also involves members at a very early stage of a project's life cycle.

9. SUMMARY

- Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
- The MTFP includes the estimated revenue costs for the entire current capital programme, which includes a level of headroom for additional capital projects to be added without impacting further on the MRP budget, as per the agreed framework.
- There are a number of demands on the capital programme and there is the need to link the capital strategy with a number of strategic plans across the organisation. This is to ensure that the pressures on the capital programme are known and the risks are assessed and prioritised within an affordable framework. This will include clear visibility and assessment of demand for schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years +). With the capital financing budget increasing over the long-term, as shown in Chart 2, the Council will need to make some difficult decisions when developing the next Capital Programme, which is now imminent, to ensure the capital plans remain affordable, prudent and sustainable.
- The Treasury Management Strategy, detailed in Appendix 3, highlights the Council's approach to managing its borrowing and investments. The proposed strategy for 2022/23 is in line with previous years and is based upon a low risk approach to both investments and borrowing. This means that investments held are generally low in value and the approach to borrowing is to look for security of costs, resulting in a generally high proportion of long term borrowing compared to short term borrowing.

APPENDIX 2a – Capital Additions Process Map

NO CABINET MEMBER/CABINET REPORT SHOULD BE SUBMITTED UNTIL THIS PROCESS IS COMPLETE



Treasury Management Strategy Statement 2022/23

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested 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 financial risk are therefore central to the Authority's prudent financial management.

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. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.

Revised strategy: In accordance with the WG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process.

External Context

Economic background: The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

Credit outlook: Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast: The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 3a.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3%, and that new long-term loans will be borrowed at an average rate of 2.5%.

Local Context

On 31st December 2021, the Authority held £143.8m of borrowing and £40m of treasury investments. This is set out in further detail at **Appendix 3b**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
General Fund CFR	276.3	280.9	309.1	314.4	307.9

Less: Other debt liabilities *	(41.3)	(40.7)	(38.4)	(36.1)	(33.9)
Loans CFR	235.0	240.2	270.7	278.3	274.0
Less: External borrowing **	(151.4)	(145.7)	(141.4)	(136.0)	(112.7)
Less: Usable reserves	(108.3)	(99.2)	(86.7)	(83.3)	(81.3)
Less: Working capital	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Preferred Investment position		10.0	10.0	10.0	10.0
Treasury Investments or (New borrowing)	26.3	(3.7)	(51.0)	(67.4)	(88.4)

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

** shows only loans to which the Authority is committed and excludes optional refinancing.

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. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authority has a significantly increasing CFR due to the current capital programme, but minimal investments and will therefore be required to borrow up to £88.4m over the forecast period. This is broken down into £38.7m refinancing of maturing existing borrowing and £49.7m additional (£151.4m to £201.1m) external borrowing, while internal borrowing and investments are forecast to reduce by £29.0m and £8.2m respectively as shown in table 2 below.

Table 2: Year on year change in internal and external borrowing

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
Loans CFR (as per table 1)	235.0	240.2	270.7	278.3	274.0
- Cumulative Internal Borrowing	109.9	100.8	88.3	84.9	82.9
- Investments	(26.3)	(10.0)	(10.0)	(10.0)	(10.0)
- Cumulative External Borrowing	151.4	149.4	192.4	203.4	201.1
Increase in External Borrowing		(2.0)	43.0	11.0	(2.3)
<i>Represented by:</i>					
Change in loan CFR (Cap Exp funded by debt less MRP)		5.2	30.5	7.6	(4.3)
Reduction in reserves		9.1	12.5	3.4	2.0
Reduction in investments		(16.3)	0	0	0
Increase in External Borrowing		(2.0)	43	11.0	(2.3)

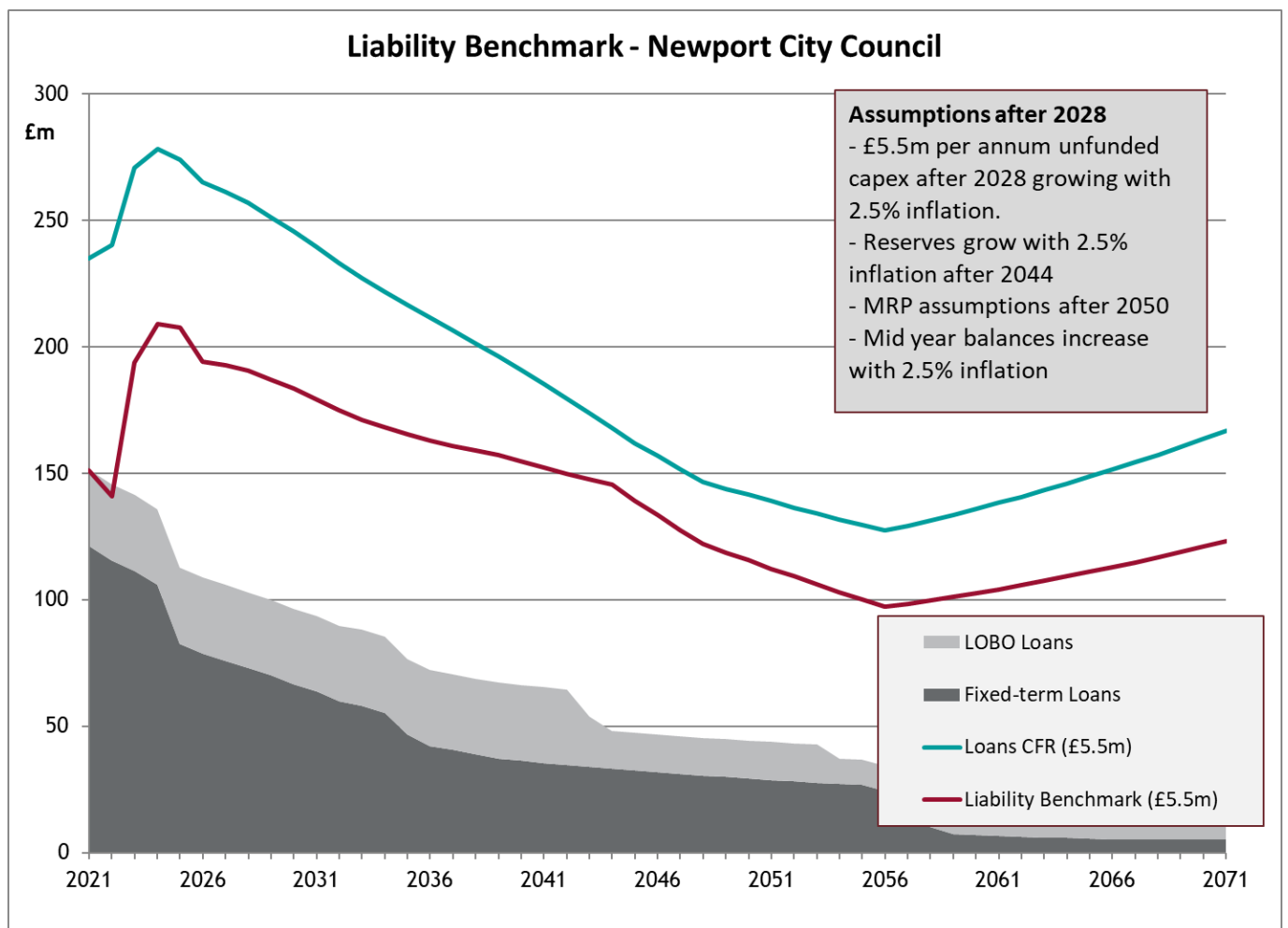
CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2021/22.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, which are based on the existing Capital Programme, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 3: Liability benchmark

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
Loans CFR	235.0	240.2	270.7	278.3	274.0
Less: Usable reserves	(108.3)	(107.7)	(85.3)	(77.5)	(74.7)
Less: Working capital	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Plus: Minimum investments	26.3	14.8	10.0	10.0	10.0
Liability Benchmark	151.4	140.9	193.8	209.2	207.7

From the table above and chart below it is evident to see the steep increase in the liability benchmark, flagging the need to slow down borrowing beyond the current programme. The long-term liability benchmark beyond the current programme shows a model based on a prudent level of capital expenditure to reduce the long-term liability benchmark. This is shown in the chart below (detail of alternative modelled scenarios for the period of the next 10 years are included in Section 4 of the Capital Strategy):



The chart above shows actual borrowing maturing over time (grey area reducing), however the need to borrow (the blue CFR line) is increasing significantly over the short term due to the extensive capital programme. Over the long-term, to ensure a sustainable position, the CFR needs to come down in order for the liability benchmark to stabilise and reduce to current levels (note, even with a steep reduction in CFR the liability benchmark doesn't reduce to current levels until circa 2047. Therefore, the chart is demonstrating the following important points/assumptions:

- To be sustainable, the CFR cannot continue increasing at the rate it is currently, and a prudent limit should be placed on the future capital programme to reduce the CFR over the long-term (set out further in the Capital Strategy)
- The ability to use further internal borrowing will diminish, with internal borrowing reducing over time as reserves are utilised.
- As existing borrowing matures (grey area reducing) there will be the need to refinance this debt over the long-term.
- The liability benchmark is increasing significantly in the short term, meaning that the Council will be required to undertake new borrowing over time, therefore putting pressure on the revenue budget through increased interest payments.
- The only way to reduce this need to borrow is to reduce the level of capital expenditure funded by borrowing.

Borrowing Strategy

The authority currently holds £143.8 million of loans, a decrease of £5.4 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that the authority expects to borrow up to £192.4 million in 2022/23. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £271 million.

Objectives: The authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The authority has previously raised the majority of its long-term borrowing from PWLB but will consider long-term loans from other sources including, banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)

- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Greater Gwent Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- Sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The authority holds £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOs have options during 2022/23, and although the authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £30m.

Short-term and variable rate loans: These loans leave the authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the authority's treasury investment balance has ranged between £17.9 million and £62.2 million, with levels of c. £10 million to £20 million expected in the forthcoming year.

Loans to organisations providing local public services i.e. regeneration and purchases of investment property are not normally considered to be treasury investments, and these are therefore covered separately in Appendix C.

Objectives: Both the CIPFA Code and the WG Guidance require the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest 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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the authority aims to diversify into more secure and/or higher yielding asset classes during 2022/23. This is especially the case for the estimated £10 million that is available for longer-term investment. The majority of the authority's surplus cash is currently invested in short-term unsecured bank deposits and local authorities, although an amount is also now invested in money market funds. This diversification will represent a continuation of the strategy that commenced during 2021/22.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the authority's "business model" for managing them. The authority aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 4 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 4: Approved investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£20m	Unlimited
Secured investments *	20 years	£10m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£25m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£10m	£25m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£5m

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 5 years	£10m 20 years	£10m 50 years	£5m 20 years	£5m 20 years
AA+	£5m 5 years	£10m 10 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£5m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£5m 3 years	£10m 4 years	£10m 10 years	£5m 4 years	£5m 10 years
A+	£5m 2 years	£10m 3 years	£5m 5 years	£5m 3 years	£5m 5 years
A	£5m 13 months	£10m 2 years	£5m 5 years	£5m 2 years	£5m 5 years
A-	£5m 6 months	£5m 13 months	£5m 5 years	£5m 13 months	£5m 5 years
None	£1m 6 months	n/a	£10m 25 years	Not Applicable	£5m 5 years

Pooled funds and real estate investment trusts	£10m per fund or trust
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This table must be read in conjunction with the notes below

***Minimum Credit rating:** Treasury investment limits in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £20m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1 million per bank (in exceptional circumstances i.e. late receipt of significant sums this may be higher for a short-period of time). The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority’s treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment levels to fall but will protect the principal sum invested.

Investment limits: The Authority’s revenue reserves available to cover investment losses are forecast to be £107.7 million on 31st March 2022. In order that no more than 15% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Limits will also be placed on fund managers, investments in brokers’ nominee accounts and foreign countries and as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional Investment limits

	Cash limit
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Foreign countries	£10m per country

Liquidity management: The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least two providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential 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-limit on the one-year revenue impact of a 1% rise or fall of interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of 1% <u>rise</u> in interest rates	£200,000
Upper limit on one-year revenue impact of 1% <u>fall</u> in interest rates	£100,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

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 borrowing will be:

Refinancing rate risk indicator	Upper	Lower
Under 12 months	60%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	30%	0%
20 years and within 30 years	20%	0%
30 years and within 40 years	20%	0%
40 years and within 50 years	20%	0%
50 years and above	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 will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£10m	£10m	£10m

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial Derivatives: In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Head of Finance believes this to be the most appropriate status.

Government Guidance: Further matters required by the WG Guidance are included in Appendix 3c
Financial Implications

The budget for investment income in 2022/23 is £0.3 million, based on an average investment portfolio of £10 million at an interest rate of 3%. The budget for debt interest paid in 2022/23 is £6.9 million, based on a debt portfolio with a weighted average interest rate of 3.6%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The WG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix 3a – Arlingclose Economic & Interest Rate Forecast – December 2021

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month money market rate													
Upside risk	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
Downside risk	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
5yr gilt yield													
Upside risk	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
Arlingclose Central Case	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
Downside risk	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
10yr gilt yield													
Upside risk	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
Arlingclose Central Case	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
Downside risk	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
20yr gilt yield													
Upside risk	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
50yr gilt yield													
Upside risk	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Arlingclose Central Case	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
Downside risk	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix 3b – Existing Investment & Debt Portfolio Position

	31/12/2021 Actual Portfolio £m	31/12/2021 Average Rate %
External borrowing:		
Public Works Loan Board	98.7	3.7
Local authorities	0.0	
LOBO loans from banks	30.0	3.7
Other loans	15.1	1.3
Total external borrowing	143.8	3.6
Other long-term liabilities:		
Private Finance Initiative	41.3	
Finance Leases	0.1	
Total other long-term liabilities	41.4	
Total gross external debt	185.2	
Treasury investments:		
Banks (unsecured)	10.0	0.13
Local authorities	20.0	0.23
Money Market Funds	10.0	0.15
Total treasury investments	40.0	0.19
Net debt	145.2	

Appendix 3c – Additional requirements of Welsh Government Guidance

The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local authorities that are not integral to this authority's treasury management processes. The guidance also covers investments that are not part of treasury management, for example investment property and loans to local organisations.

Contribution: The Authority's investments contribute to its service delivery objectives and/or to promote wellbeing as follows:

- treasury management investments support effective treasury management activities,
- loans to local organisations provide financial support to those organisations to enable them to deliver local public services that would otherwise be provided directly by the authority, and
- investment property provides a net financial surplus that is reinvested into local public services.

Climate change: The Authority's investment decisions consider long-term climate risks to support a low carbon economy to the extent that the Council have invested in, as part of the overall capital programme, a number of energy efficiency related schemes, including LED projects and Solar PV, as well as ultra-low emission vehicles.

Specified investments: The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement unless the counterparty is a local authority,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Loans: The WG Guidance defines a loan as a written or oral agreement where the authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority.

The Authority will provide loans where there has been appropriate due diligence undertaken and where possible ensure there is appropriate security i.e. charges on assets. In addition, the authority will fund the loan at the point of drawdown through an appropriate charge i.e. Minimum Revenue Provision charge or funded directly via earmarked reserves.

The Authority uses an allowed 'expected credit loss' model for loans and receivables as set out in *International Financial Reporting Standard 9 Financial Instruments* as adopted by proper practices to measure the credit risk of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Authority has appropriate credit control arrangements to recover overdue repayments in place.

Non-specified investments: Any financial investment not meeting the definition of a specified investment or a loan is classed as non-specified. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies. Limits on non-specified investments are shown in table C2; the Authority confirms that its current non-specified investments remain within these limits.

Table C2: Non-specified investment limits

	Cash limit
Units in pooled funds without credit ratings or rated below [A-]	£10m
Shares in real estate investment trusts	£10m
Total non-specified investments	£10m

Non-financial investments: This category covers non-financial assets held primarily or partially to generate a return, primarily investment property. The Council holds investment properties to the fair value of £9.9m, not including the Council's share of investment properties held by the Cardiff Capital Region City Deal. During 2020/21, there was a net revenue cost of holding these properties of £66,000.

Investment advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and Newport Norse as property investment advisers. The quality of these services is controlled by regular review of the services provided by both advisers and regular strategy meetings with them.

Capacity and skills: The authority ensures that members and statutory officers involved in investment decisions have the appropriate skills, capacity and information to take informed decisions, assess individual investments in the context of strategic objectives and risk profile, and how the quantum of decisions impact upon the overall risk exposure of the authority. Steps taken include relevant training for elected members and a minimum level of qualification for statutory officers, as well as ensuring continuing professional development, via attendance at relevant training courses.

Appendix 3d – Minimum Revenue Provision Policy

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Welsh Government's *Guidance on Minimum Revenue Provision* (the WG Guidance) most recently issued in 2018.

The broad aim of the WG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Welsh Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The WG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the guidance.

For supported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments. This is currently deemed to be an average of 40 years.

For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in on an annuity basis with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.

For capital expenditure loans to third parties that are repaid over a short time period (less than 12 months) or frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. The only other scenario whereby MRP would not be charged is where there is unencumbered first charge security, held against separate assets, upon which the loan is secured. For all other capital expenditure loans to third parties, MRP will be charged in accordance with the MRP policy for the assets funded by the loan.

The MRP policy and charges in relation to the Cardiff City Capital Region 'City Deal' will reflect those within the Joint Working Agreement.

Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

Based on the authority's latest estimate of its Capital Financing Requirement as at 31st March 2022, the budget for MRP has been set as follows:

	31.03.2022 Estimated CFR £m	2022/2023 Estimated MRP £m
Supported capital expenditure	161	4
Unsupported capital expenditure	77	4
Finance leases* and Private Finance Initiative	41	2
Total General Fund	279	10

* Where former operating leases will be brought onto the balance sheet on 1st April 2022, due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

Report

Cabinet



Part 1

Date: 18 February 2022

Subject 2022/23 Budget and Medium Term Financial Plan (MTFP)

Purpose To present to Cabinet the consultation results from the draft budget set out in their January 2022 meeting. Cabinet are requested to agree their final budget proposals and recommend the associated Council Tax level required for agreement at Full Council in their meeting on 1 March 2022.

Author Head of Finance

Ward General

Summary The draft budget proposals for 2022/23 agreed in the January Cabinet meeting have been subject to detailed consultation, and the results have been set out within this report and its appendices.

Whilst the draft funding settlement was reported to Cabinet back in January; at the time of writing and making public this report, the Council is not yet in receipt of the final funding settlement from Welsh Government; which is due on 1 March. Apart from any late transfers of specific grants into/ out of the final settlement, which would be neutral in their impact, no other changes are anticipated. Therefore, Cabinet are finalising their 2022/23 budget based on a funding position made up of the draft Aggregated External Finance (more commonly referred to as the "Revenue Support Grant – RSG"), the confirmed increase in the Council's tax-base and Council Tax income at the rate that will be recommended at this meeting.

The draft settlement confirmed that Newport received a 10.2% uplift which was the fourth greatest increase of the overall 9.4% net funding increase for Local Government across Wales, and much higher than that included within planning assumptions. A 'balance in hand' was reported to January Cabinet and this report summarises the investments that are being proposed to support the key priorities along with detailed feedback on the consultation. Cabinet will consider the results of the consultation, along with other key contextual matters, before setting out the position on the 2022/23 budget. The final proposals will be announced at the meeting.

Section:

- 1 Financial summary
- 2 Finalising the budget
- 3 Financial planning assumptions
- 4 Public consultation
- 5 Medium term financial plan (MTFP)
- 6 Risk, reserves, financial resilience, and performance
- 7 2022/23 proposed council tax

Appendix:

- Appendix 1 Minutes from the Employee Partnership Forum
- Appendix 2 Extracts from Scrutiny Committees
- Appendix 3 Extracts from Schools Forum minutes
- Appendix 4 Public budget consultation responses and feedback
- Appendix 4a Fairness Commission review
- Appendix 4b Specific responses to budget proposals
- Appendix 5 Budget investments
- Appendix 6 Budget savings
- Appendix 7 Medium term financial plan (MTFP)
- Appendix 8 Reconciliation of movements since budget consultation
- Appendix 9 Fairness and Equalities Impact Assessment (FEIA)
- Appendix 10 Financial resilience snapshot, earmarked reserves & invest to save
- Appendix 10a Projected earmarked reserves
- Appendix 10b Summary of invest to save spend and forecast
- Appendix 11 Fees and charges

Proposal Cabinet is asked:

Budget proposals and medium term plan (section 3-5)

1. To note the formal consultation on the budget as outlined in section 4 and the feedback received, shown in appendices 1 to 4.
2. To note the Fairness and Equalities Impact Assessment (FEIA) on the budget proposals, shown in appendix 9.
3. To review and confirm budget proposals (appendix 5 - 6), as currently summarised within the medium term financial plan (appendix 7) and allocate the financial flexibility shown in table 4.
4. In doing so, to provide a minimum of £500k from the current financial flexibility for on-going Covid / no Hardship Fund risk and agree to temporarily re-classify the budgets outlined in para. 6.8 and the reserves for the same, noting that the risk will need on-going monitoring as the year progresses.
5. To agree the 2022/23 fees and charges of the council shown in appendix 11.
6. To note the budget investment in schools of up to £8,003k is based on an assumed teachers/ NJC pay increase of 4% from September 2022 in addition to the cost of new/ expanding school provision as noted in paragraph 3.8 – 3.13.

7. Cabinet are asked to approve that the pay provision is retained in 'contingency' within the overall ISB and distributed to individual school budgets from there once the agreed pay award is known, with the intention of fully funding the agreed pay award up to the budget provision available.

Overall revenue budget and resulting council tax 22/23 (section 6 and 7)

8. To note the Head of Finance's recommendations that minimum General Fund balances be maintained at a level of at least £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, and the adequacy of the general reserves in the context of other earmarked reserves and a revenue budget contingency of £1.4million.
9. To note the current level of council tax for Newport City Council and the monetary value of various percentage increases and how this compares to levels of council tax at other councils as shown in table 5.
10. To recommend an overall net budget and resulting council tax to full Council, noting that a formal resolution including the Police and Crime Commissioner for Gwent and Community Councils' precepts will be presented to Council on 1 March.
11. To approve expenditure and use of reserves in line with the summary shown in appendix 10b, noting they are based on detailed proposals reviewed by Cabinet in their January 2022 meeting.

Action by Head of Finance - finalise council tax calculations for Council's March meeting and subsequent billing

Heads of Service – implement previously agreed saving proposals with immediate effect and apply new fees and charges

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Strategic Directors
- Head of Finance
- Head of Law and Regulation
- Head of People and Business Change

Signed

1 Financial summary

- 1.1 The draft settlement received on 21 December 2021 confirmed the funding position for 2022/23 and included a multi-year funding settlement which brings a reasonable level of certainty, helping to improve long term planning. The announcement confirmed that funding would increase by 10.2% for 2022/23 (after transfers into the settlement), which is a welcomed uplift as it has enabled the Council to support a growing population, support major cost and demand pressures that the Council continues to face during a challenging economic period and assist in reducing the budget gap over the medium term. Subsequently, the identification of new savings was not required to balance the budget for 2022/23 at the draft budget stage.
- 1.2 The budget process has continued since Cabinet agreed the detailed budget proposals for consultation in January 2022. The table below sets out the changes that have arisen during this time; with the revised 'balance in hand' being the current available funds to allocate to meet spending priorities and respond to budget consultation, as needed.

Table 1: Key changes to pressures/ investments since January

	2022/23 £'000
January 2022 MTFP balance	(4,818)
Proposed new investments - January Cabinet	1,549
Balance in hand as at January Cabinet	(3,269)
Reprofile of the new Household Waste Recycling centre (HWRC) in line with likely timescales	(125)
Revised homelessness pressure following confirmation of WG grant funding	(378)
Reprofile investment for new posts - assume new posts filled from June 22	(120)
Revised balance in hand	(3,892)

A full reconciliation of movements since January Cabinet can be found in appendix 8.

- 1.3 The balance in hand is a product of the better than anticipated draft settlement from WG. Given the reliance that the council has on the Revenue Support Grant, what happens to this grant at the final settlement stage and over the medium term is critical; RSG contributes 76% to Newport's net budget funding, with council tax making up the balance.
- 1.4 The Council's final RSG settlement will be announced on 1 March 2022. Apart from late transfers of specific grants into/ out of the final settlement, which are 'neutral' in their impact, no other changes are anticipated. Cabinet will, therefore, agree final budget proposals and recommend a council tax level to Council based on the draft settlement. This does introduce a potential risk to the final budget as any change will require a verbal update at the Council meeting on 1 March.

2 Finalising the budget

- 2.1 Within the context of the financial summary above, Cabinet have considered their final budget decisions. In doing this, key contextual and relevant considerations include:

- (i) key assumptions and budget proposals included within the draft budget – section 3;
- (ii) results of the public consultation – section 4;
- (iii) the medium-term context within which Cabinet are making this decision – section 5;
- (iv) financial risks and reserves – section 6;

3 Financial planning assumptions

3.1 It is important to remind Cabinet of the key assumptions that have been included within the medium term financial plan (MTFP), the 2022/23 draft budget and the quantum of investments.

3.2 The table below illustrates the key assumptions and their financial consequence before the 2022/23 budget requirement is considered.

Table 2: Financial implication of key assumptions

MTFP Summary	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
RSG increase +10.31% in 22/23, +3.5% and +2.4% in line with WG multi-year settlement figures included within RSG	(24,816)	(9,296)	(6,598)
Increased share of the total Revenue Support Grant due to data changes showing increased relative spending need	0	(750)	(750)
Council tax increase +3.7% in 22/23 and 4% pa thereafter	(2,729)	(2,508)	(2,609)
Pay award and increments - NJC staff (inc. schools non teaching staff and other pay) +4% in 22/23 and 2.5% thereafter	4,134	2,679	2,724
Pay award - teachers +4% in 22/23 and 2.5% thereafter	2,927	2,588	2,177
Contract inflation - 0% to 8.2% over the life of the MTFP	3,542	3,608	3,743
Other investments (inc. social care demand and other demand)	3,485	1,065	528
New and growing schools	2,978	2,803	2,457
Savings - previously agreed	(812)	0	0

Pay assumption

3.3 Assumptions around pay awards include an uplift in 2022/23 of 4% for teachers and all other staff.

Thereafter, the MTFP assumptions for pay are 2.5% per annum for all staff groups.

Contracts assumption

3.4 Contract inflation is applied to budgets only where the Council has a contractual commitment for increased costs or where costs unavoidably increase outside of the Council's direct control, e.g., energy prices. These ensure budgets are set at a realistic level.

3.5 The planned 6.6% increase to the National Living Wage from April 2022 has also increased staff costs in many of the Council's contracts. The draft budget proposals confirmed that social care providers will be funded to pay staff the Real Living Wage

from April 2022 and therefore this will cause additional cost pressures continuing into next year and in following years.

Investments

3.6 Appendix 5 sets out the budget investments over and above inflation. These are investments required to create capacity across the authority, to support outstanding priorities set out within the corporate plan, other investments to deal with some of the impacts coming out of the Coronavirus pandemic and to ensure budgets are realistic to deal with the demands being faced within key areas. In particular, schools' investment is a key area of significant investment in 2022/23.

3.7 With regard to investments, the Cabinet have considered and prioritised the following areas:

Schools and early intervention and Prevention services

- School budgets – being mindful of the pressure on school budgets, teaching staff, the specific needs of pupils and the role that schools play in early intervention and prevention.
- Education services – investment in roles that focus on supporting challenging pupil behaviours, additional support requirements and advice to schools.
- Social Care - investment in the 'Safeguarding Hub' as a key contributor to early intervention, prevention services and capacity.
- Other targeted investments could impact on support given to vulnerable families and individuals, in particular as we continue to manage the impact of the pandemic.

City Centre

- Investments which will impact on the city centre and the businesses within it. In particular, the promotion of the city, marketing, inward investment, co-ordination of activities and events, tourism, and the general environment in and around the city centre, such as cleansing.

3.8 Cabinet considered the schools' funding position during their January meeting which included a cash increase of up to £8,003k for the overall school budget, representing 7.3% growth in the school's budget. This is based on an assumed level of inflationary pay award increase as noted above plus the additional costs of new/ expanding schools at a level which maintains the current 'funding per pupil'. In this respect, it represents an investment in schools' budget over and above the cost increases predicted in schools. Cabinet are recommended to include all the budget increase provision to the 'Individual School Budget' except for the allowance for the 2022 pay award increase, which is to be held within schools' contingency and will be considered by Cabinet when a final figure is known/ agreed, up to the value of the budget provision made. In doing so, the intention of fully funding cost increases in the school budget sector remains and reflects what is being proposed to Cabinet within this report.

3.9 Assessed budget pressures in school budgets over the life of the MTFP amount to £20m, based on current assumptions on teachers' pay and new/ expanding schools' costs. These will, like other MTFP assumptions, need to be reviewed regularly and any actual proposed funding increases confirmed through the budget process.

3.10 The key elements of schools funding are set out within the table below.

Table 3: Proposed schools funding 2022/23 to 2024/25

	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
Teaching staff - pay award - 2.75% Sept 2021, 4% in 2022 and 2.5% thereafter	3,248	2,588	2,177
Non Teaching school staff - pay award - 2% in 22/23 (+additional 2% in contingency) and 2.5% thereafter	662	875	899
Contract & Income Inflation	189	197	204
New and growing Schools	1,045	1,082	1,397
Secondary School Transitions	706	479	25
Other School investment	2,153	1,242	1,035
	8,003	6,463	5,737

- 3.11 The agreed funding increase for schools related to the pay award from September 2022 will be earmarked for schools ISB but will not be allocated and distributed to individual schools until the actual pay award is known.
- 3.12 The context for this proposed funding is the challenging financial management position within schools. The position within schools has seen significant improvement over the last 2-3 years with only one school expected to request a licenced deficit at the end of this year. However, in saying this, the situation in all schools especially those coming out of deficit is still challenging and Cabinet therefore chose to invest in school budgets as part of the budget setting process. It should also be noted that the overall school's position has improved due to other WG grants, and this will have to be carefully reviewed to ensure we maintain the gains made in this area over the last few years.
- 3.13 Final allocations of specific grant are yet to be determined across the Education Achievement Service (EAS) region. Officers will assess these allocations once confirmation has been received.
- 3.14 Further final detailed investments will be agreed at the meeting and will consider feedback from consultation. In addition, as well as the recurring investment in the revenue budget which the final budget will confirm, the Cabinet will also identify one off investment in these and other key areas, funded from the current years underspend and current reserves.

Savings

- 3.15 The identification of new savings was not included in the draft budget. The budget for 2022/23 does include previously agreed savings of £812k, the detail of which can be found within Appendix 6.
- 3.16 The savings already agreed in the February 2021 MTFP are either in progress of implementation or due to be implemented in 2022/23.

Funding – RSG and Council Tax

- 3.17 As table 2 above confirms, the budget gap and the resulting savings requirement for the council are significantly affected by funding assumptions – the WG grant and council tax increases.
- 3.18 In addition to RSG and council tax funding; specific grants are a key element of the Council's funding which often assists in supporting core service delivery. A

significant level of specific grant funding is received from WG each year and at this time; we still await the finer details of funding levels for 2022/23. It is likely that a small number of grants will see decreases in funding during 2022/23 and it is proposed, in line with the Council's current working policy, that service areas deal with these matters with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to resolve them. This may involve reducing/ stopping services that WG specific grants no longer fund. These grants will be included within service areas budgets once the value and conditions are known.

4 Public consultation

4.1 The budget proposals agreed by Cabinet in January have been consulted on through a range of stakeholder groups and formats, which are as follows:

- With Trade Unions via the Employee Partnership Forum on 10 February 2022, (minutes included within appendix 1);
- With all Scrutiny Committees in their January 2022 meetings where Members discussed the detailed investments plus the MTFP. Their reports and conclusions are included in appendix 2;
- With the Schools' Forum on 20 January 2022. Responses are included in appendix 3;
- With the public from 14 January 2022 to 11 February 2022. An analysis of responses is included at appendix 4;
- Newport Fairness Commission has reviewed the proposals in terms of their parameters of fairness – their response is included in appendix 4a.

4.2 During the 2022/23 budget consultation over 983 members of the public were engaged. This is a significant increase over the previous year, which was greatly affected by the restrictions surrounding the Covid-19 pandemic. In this year's consultation we were able to make wider use of Bus Wi-Fi Consultation technology as passenger numbers had increased again. The availability of bus Wi-Fi consultation also enabled us to undertake pre-budget engagement on the prioritisation of council services. As no new savings have been proposed for 2022/23, we have probably seen a lower response rate than for the pre-Covid period, however achieving almost 1,000 responses during a challenging period for public engagement is encouraging and reflects the work in recent years to broaden engagement channels, as set out below.

4.3 During the budget consultation we have carried out several engagement exercises with the public, which included:

- A pre-budget public survey to identify the services that matter most to people, as a means of informing medium term budget planning and the investments set out in the draft budget. This survey forms part of an approach to make engagement on the budget and service planning on an on-going process throughout the year;
- Carrying out an online survey via the public Wi-Fi on Newport buses that received 886 responses;
- An in-depth online survey, which received 97 responses;
- Promotion via the media to all households using Newport Matters, Council Facebook & Twitter, and Council Website;
- Requesting partner networks to circulate details of the consultation e.g. One Newport contacts, Newport Youth Council, 50+ Forum and the Partnership Engagement Group;

- Engagement with Newport Fairness Commission – their response is included in appendix 4a;
- Engagement with Newport Youth Council so that young people’s voices are included in the consultation.

4.4 In addition to completed surveys, the following representations have been received from organisations and have been considered by Cabinet Members and Officers as part of the budget consultation:

- Response from the National Association of Head Teachers

The above representations can be found in appendix 4b.

5 Medium Term Financial Plan (MTFP)

5.1 The Council’s financial planning is underpinned by the Council’s Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of ‘Improving Peoples lives’. This provides a focus for decisions around spending and directs activity across the council. The new Corporate Plan for the Council’s new administration after the May 2022 local elections may also include specific areas of investment which have a financial impact. These, therefore, require careful management over this period.

5.2 The medium term financial plan included in appendix 7 includes funding for the key outstanding priorities and promises set out in the current corporate plan, as needed.

5.3 The MTFP is the articulation of the financial challenges and includes the investments proposed over the next three years. It also includes those savings, which have previously been approved over the life of this plan in February 2021 Cabinet. Whilst the Council is required to set a balanced budget each year, this is against the backdrop of sustaining over £30m of savings over the last five years. The HoF will continue to work with the Corporate Management Team and Cabinet to develop the budget strategy over the medium term to ensure the following issues and uncertainties are accounted for as appropriate:

- the progress of the pandemic, the ongoing impact on lives and on public services (magnified by the Omicron variant);
- economic challenges, in the context of major cost and demand pressures and the extent to which the pandemic and the UK’s exit from the European Union has done lasting damage to the economy. The cost of living and the increase in National Living Wage has a significant impact on current levels of inflation;
- increasing demand within service areas over and above provision already made within the MTFP;
- increasing costs of funding the Council’s levels of planned debt, linked to its substantial capital programme and the reduction in its ‘internal borrowing’ capacity;
- ongoing financial issues on school budgets;
- Brexit.

5.4 Cabinet is asked to take a strategic medium-term view and following this consultation period, recommended to agree the implementation of the MTFP including all budget proposals (appendix 5 - 6), as summarised within appendix 7.

6 Risk, reserves, financial resilience, and performance

- 6.1 A key driver in our budget strategy and MTFP framework is the need to manage the Council's general and financial risks, its financial resilience and performance. This next section looks at these issues and identifies how they are dealt with, whilst considering how they influence the Council's 2022/23 budget and medium-term projections.

Risk

- 6.2 The Council maintains a corporate risk register, which is regularly reviewed by the corporate management team and Cabinet, as well as the Governance & Audit Committee from a procedural / risk management framework viewpoint. The Council's budget strategy and MTFP framework needs to reflect risks and incorporate appropriate financial mitigation, where required.
- 6.3 The quarter 2 corporate risk register reported to December Cabinet identified 18 risks that are considered to have a significant impact on the Council's objectives and legal obligations. 11 of these risks are severe and linked to the issues set out within the economic context of the January budget report. In some cases, it is increasingly difficult for the Council to effectively prepare and quantify the financial impact of some of these risks until outcomes are known. There are several risks identified in the risk register that to fully mitigate would be unaffordable. In these cases, the risk is identified, and the Council needs to consider and assess how best to mitigate and continue lobbying WG to provide more funding in these areas, as these risks are not unique to Newport. These areas do, however, continue to be monitored closely to ensure that where information is available these risks are considered and where appropriate factored into the Council's financial planning.
- 6.4 Two current risks with significant uncertainty are the Covid-19 pandemic and the stability of social services providers:

Covid-19 Pandemic Outbreak / Stability of Social Services providers

- 6.5 During 2021/22, external support from WG in the form of the Hardship Fund has seen loss of income and additional costs relating directly to the pandemic being reimbursed. To date in the current financial year, we have claimed £13m in additional expenditure and lost income and forecast the total for the year to be in the region of £17m. The Council has been notified that the Hardship Fund will not continue into 2022/23 to support the ongoing pressures and subsequent recovery of income.
- 6.6 Whilst a large proportion of the above relates to specific WG policy initiatives such as free school meals and certain support payments to social care providers; and will cease as those initiatives are stopped, there will remain some potentially significant ongoing risks to the Council's budget.
- 6.7 In managing the above risks, there is an inherent uncertainty involved given that the "direction of travel" of the pandemic and the impact of it on-going can't be known with any certainty. A reasonably robust set of mitigation is therefore prudent, required and is a significant part of the HoF independent assessment of the robustness and adequacy of the budget, reserves, and Council Tax. To this end, there are three aspects to managing this risk:

- providing appropriate additional funding in those key service areas most impacted by the pandemic.
- providing both temporary and more permanent revenue budget provision / contingency over and above the current base budget level for 2022/23. These would need on-going review and could likely be reduced in due course when there is more certainty on the risk and its actual impact. There will likely be a need for permanent adjustments to budgets going forward thereafter as usage of Council services change permanently with societal behaviours and norms changing, for example, the impact of home /hybrid working on car parking income.
- reserve provision for any impact over and above the above in 2022/23.

6.8 In line with the above and in preserving as much as the current 'in hand' budget provision in 2022/23 for new budget priorities, the HoF recommends the following:

Revenue budget provision

- existing contingency budget for normal financial risks and Covid/ Hardship Fund risks - £1,300k
- existing headroom in capital financing budget in 2022/23 temporarily re-classified for Covid/ Hardship Fund risks - £2,000k
- existing headroom in city centre investment budget in 2022/23 temporarily re-classified for Covid/ Hardship Fund risks - £980k
- Cabinet are recommended to provide a minimum of £500k from the 'in hand' budget provision for 2022/23 for potentially more permanent budget adjustments into the future as well as providing risk mitigation with the above in 2022/23.

Reserves

Whilst the majority of reserves are earmarked, there is an emerging large underspend in the current year which will be available for allocating to reserves at the year-end, and as already said, all reserves provide the ultimate mitigation in the last resort; there are currently a small number of existing unallocated amounts, and it is recommended these are temporarily earmarked for Covid/ Hardship Fund risks in 2022/23. These in total are c£2m and as above, can be re-prioritised if not needed when there is more certainty on the risks and actual impact. These are:

- £1,185k uncommitted funds within the 'MTFP reserve'
- £497k uncommitted funds within the 'investment reserve'
- £138k cumulative total of smaller residual reserve balances
- £64k uncommitted funds within the 'general investment risk reserve'

The emerging underspend in the current year will then be available for earmarking to other specific new priorities and any other issues, in due course.

Reserves

6.9 An analysis of projected earmarked reserves can be found in appendix 10a and will be considered in the next section of the report as a key element in assessing the financial resilience and health of the Council.

Financial Resilience

- 6.10 A robust view is taken in managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and Appendix 10 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council currently. Key headlines include:
- 6.11 *Earmarked Reserves*: The Council maintains a good level of earmarked reserves. By their very nature, the vast majority are earmarked for specific purposes (including a high proportion held in relation to the ongoing costs of PFI schemes) and many committed/ in drawdown. In that respect, and as regularly pointed out, they provide a good level of financial mitigation as a last resort but use of them means that the original purpose would be affected and/ or would result in a budget pressure to build those reserves up again.
- 6.12 *Revenue Contingency budget – General Reserves*: The contingency base budget and other specific risk reserves held by the Council are taken into consideration when assessing the level of the general reserve and help to mitigate the risk to the Council. The general reserve is increasingly becoming too low, as the Council's net budget increases each year but can be maintained at that level at this point due to the overall level of reserves which, in the last resort, provide more than adequate financial mitigation, albeit with resulting impacts as noted above.
- 6.13 *School budgets- Reserves*: The decline in school reserves over the last few years has been a concern and although current projections look much healthier than in previous years, this is potentially a temporary improvement due to significant one-off grants being awarded at the end of last financial year. The same pattern seems to be occurring this financial year with significant additional funding being confirmed from WG. As a result, the forecast overspend will see reserve balances only reduce by £405k to £9,153k at the end of this financial year. Work with specific schools to review their deficit recovery plans continue to improve matters but unless schools continue to manage within their available budget in future this has the potential to impact on the financial resilience of the overall Council in due course.
- 6.14 *Current budget savings-managing the revenue budget – demands on the revenue budget*: The Council has identified and continues to monitor budget reductions of £3.4m in 2021/22 and whilst understandable delays in delivery is evident, Heads of Service have confirmed they can and will be implemented. This is alongside delivering outturns within and under budget over recent years, despite the delivery of £30m savings over the last 5 years. This needs to be viewed within the context of continued significant demands which are faced by service areas, namely children's social care and schools, which have been highlighted throughout the year as part of the budget monitoring process. Whilst the historical pattern of increased demand in our 'people services' have been significantly affected over the last 2 years, the underlying trend is still evident and could increase post-pandemic. Increasingly, we are seeing issues emerge in our 'place services', resulting from historical under-investment in our infrastructure, resource levels and the growing importance of community-based services during these recent times.
- 6.15 The Council is developing a strategic transformation/ change programme and has its 'invest to save' reserve to fund the one-off cost of change. The programme is integral to developing ongoing financial sustainability whilst also ensuring key services can be delivered.
- 6.16 *On-going and new risks*: These are discussed and noted in the risk section above. There are specific risks coming out of the Covid pandemic which will continue beyond this financial year and WG have been clear in saying that councils will need to manage the financial impacts of those from that point. These require an

assessment and mitigation. In addition, there are other non-Covid risks, some which are mitigated in current earmarked reserves, and which also require the normal review and assessment. Inadequate provisions will impact on the Council's plans and finances. The available options to manage are listed above in the risk section and these should be prioritised in the first place when considering budget issues going into 2022/23.

- 6.17 Overall, whilst there are some underlying issues and challenges, the Council's financial resilience remains strong, and it has financial capacity to develop and change services in response to continuing pressure on funding and increased demand for services.

Fairness and Equality Impact Assessments (FEIAs)

- 6.18 As there are no new savings proposals in the 2022/23 draft budget and over the medium term there are no individual fairness and equality impact assessments. However, an over-arching assessment of the impact of the budget has been undertaken, to be informed by the budget consultation and included with Appendix 9. Given that the administration has been able to avoid making cost savings the overall impact of the budget is expected to be positive in terms of equalities and the socio-economic duty.

7 2022/23 proposed council tax

- 7.1 The draft budget includes a council tax increase of 3.7%, which is less than the 4% base assumption in future years.
- 7.2 Given that the draft settlement included an improved RSG grant this has given a credit balance of £3,892k. Cabinet will decide on how this credit budget is to be utilised to give a balanced position.

Table 4: 2022/23 available and required budget

The table below shows the available and required budget funding with a 3.7% increase in council tax. Cabinet will be aware that beyond 2022/23 there has been a further 4% increase implicit in our MTFP planning parameters. In setting council tax, the Council needs to be aware of the need to set a balanced budget.	
Council Tax at Band D at 3.7%	£1,288.16
Budget requirement	£000
Base budget 2021/22	315,930
Inflation & increments	10,436
Transfer from reserves	(563)
DRAFT BASE BUDGET 2022/23 (before investments/savings)	325,803
Budget investments – (£14,592k (inc. £254k of transfers in from RSG) shown in list of pressures plus increase of £520k required in council tax benefit based on 3.7% council tax increase)	15,112
Budget savings	(812)

DRAFT BASE BUDGET 2022/23	340,103
Draft funding available	
Draft WG settlement	265,612
Current council tax at new tax base	75,134
Increased council tax @ 3.7%	3,249
Total	343,995
Balance available 'in hand'	(3,892)

7.3 Before Cabinet can recommend a budget to Council; decisions are required based on the figures shown in the above table. Options include:

- delete previously agreed savings
- providing additional capacity within services
- fund new initiatives and policies
- fund additional pressures not anticipated at January Cabinet
- consider the level of council tax increase required to balance the budget. A 0.1% change in council tax equates to £63k. The current MTFP and draft 2022/23 budget assumes an increase of 3.7%.

7.4 For contextual purposes, the table below shows the weekly increases in council tax based on a number of scenarios and current values at other Welsh Councils. Given the low starting point on Newport council's tax, it will still be lower than most (if not all) of the council's shown, even at a 3.7% increase and the actual monetary increases in tax are low in themselves. Newport City Council proposed tax increase is likely to maintain its position as one of the lowest in Wales.

Table 5: Scenarios illustrating weekly council tax increases

Weekly Increase	£0.24	£0.48	£0.72	£0.96
Increase per annum	£12.42	£24.84	£37.27	£49.69
Newport Band D tax 2022/23	£1,254.62 (1%)	£1,267.04 (2%)	£1,279.47 (3%)	£1,291.89 (4%)
Comparison with existing Band D council tax (rounded)				
Current year (2021/22) before any increase:				
Caerphilly	£1,231			
Newport	£1,242			
Cardiff	£1,310			
Wrexham	£1,319			
Torfaen	£1,421			
Monmouthshire	£1,434			
Swansea	£1,448			

Risks

Detailed financial risks are included in the various sections of the report and appendices where applicable

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?
Previously agreed budget savings not delivered	L	L	(i) robust budget proposal process (ii) robust budget monitoring (iii) programme governance (iv) service planning (v) retention of reserves and budget contingency	Head of Finance/ Heads of Service
Budget savings not delivered on time leading to in year overspending	L	M	(i) robust budget monitoring (ii) programme governance (iii) retention of reserves and budget contingency	Heads of Service Head of Finance
Unforeseen Pressures	H	H	(i) retention of reserves and budget contingency (ii) robust budget review	Head of Finance/ Heads of Service

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The overall aim of the budget and MTFP is to ensure resource allocation is based on priorities, supports the delivery of the Council's change programme, and protects the financial health of the Council.

Options Available and considered

Taking a strategic medium term view Cabinet should approve the three-year plan as summarised in the MTFP, though they could approve 2022/23 proposals only. For 2022/23 Cabinet must agree a revenue budget and then the resulting council tax for Council. Cabinet has various options open to them on the detailed proposals contained within this report.

Preferred Option and Why

That Cabinet are asked to approve a three-year MTFP.

Cabinet must set a balanced revenue budget and recommend the related council tax amount required for this level of spending to Council.

Comments of Chief Financial Officer

Key financial information is contained within the main report.

At the draft budget stage, the Cabinet had not fully allocated available resources and further refinement of existing budget pressures and notification of specific grants which can contribute to existing pressures has meant the 'in hand balance' has increased.

In dealing with this, it is essential the Cabinet agrees a balanced budget, taking into account the final agreed Council Tax level and the resources that generates.

A key issue is how the on-going financial risks related to any impact of the pandemic and no WG Hardship Fund is addressed. There is an inherent risk here as we can't know the extent and impact of this with any certainty. In saying that, services continue even now to incur significant costs and suffer lower income levels and we can reasonably expect for this to continue into at least the early and mid-periods of the 2022/23 financial year and for some budget areas, some permanent impacts too. Services such as social care are also under significant pressure. A prudent and robust approach and provision is therefore recommended, and this can be reviewed on-going as the year progresses. The recommendations made in section 6 provides for just under c£5m of revenue budget contingency, inclusive of the base budget contingency budget and c£2m of currently unallocated reserves. The provision here requires Cabinet to allocate at least £500k of the current 'in hand' provision for this purpose and the HoF strongly recommends this, and the overall package outlined.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to consider the budget consultation responses and agree the final budget and investment proposals and proposed fees and charges in order to deliver a balanced budget for 22/23.

The investment priorities and the setting of fees and charges are executive decisions for the Cabinet but the overall base budget and council tax rate for 22/23 is a matter for full Council as these are non-executive reserved matters under the Constitution. Therefore, Cabinet will need to recommend the final budget and the proposed Council tax increase to full Council for

approval in accordance with the Local Government Finance Act. As there are no additional savings proposals or reductions in services this year, then no individual fairness and equality impact assessments are required. However, the Council is still required to have regard to its public sector equality duty and also its socio-economic duty under the Equality Act when taking decisions about investments and the allocation of resources. Therefore, an over-arching fairness and equality impact assessment has been undertaken, informed by the budget consultation process. The overall impact of the budget proposals is considered to be positive in terms of equalities and social disadvantage, given the additional investments in key services.

Comments of Head of People and Business Change

The 2022/23 Budget and Medium Term Financial plan gives Cabinet the opportunity to consider the implications and opportunities in the deployment of resources across a range of functions and services over the next three years. This is set against a backdrop of unprecedented challenges to public services due to the Covid19 public health crisis, on top of ongoing financial pressures, however this situation has been mitigated to some extent by a relatively favourable draft funding settlement from Welsh Government and the agreements that have been in place to provide the Council with financial support to cover costs related to Covid19. This has for the first time in a decade enabled the Administration to avoid making new cost savings whilst still making significant investments in key Council services and maintaining Council Tax at one of the lowest levels in Wales.

As part of the consultation process opportunities have been made available for the public to express their views and again these are included in the report for the consideration of Cabinet. Views have been gathered via email, on-line consultation pages, through bus Wi-Fi surveys and in sessions with Newport Fairness Commission, Trade Unions, and school representatives.

The Local Authority is required to ensure it considers the impact of decisions made today on future generations and protected equalities groups. This has been done through the use of an overarching Fairness and Equality Impact Assessment, which is appended to this report.

There are no staffing implications as a direct result of this report, however it should be noted that if savings proposals are required from staffing budgets in any service, these will be subject to consultation with any affected staff and their trade union representatives.

Scrutiny Committees

Comments from Scrutiny Committees are included in appendix 2 of the report.

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The Fairness and Equalities Impact Assessment (FEIA) is included in appendix 9 of the report.

The Wellbeing of Future Generations Act 2015, which came into force in April 2016 provides a framework for embedding sustainable development principles within the activities of Council and has implications for the long-term planning of finances and service provision. The business cases used to develop savings proposals include specific linkage with Future Generation Act requirements of the “five ways of working”.

Long term - The medium-term approach that is in place for financial planning within the Council is intended to bridge the gap between longer-term strategic aspirations and sustainable development concerns with the more immediate pressures of setting a balanced budget each year.

Prevention – Taken as a whole the proposed investments are geared towards sustaining preventative type services and focussing on some of the most vulnerable groups which should have the greatest impact over the longer term and will help to prevent negative outcomes getting worse.

Integration – The budget and medium term financial plan has the overall aim of balancing resource allocation across services to support the range of strategic priorities and the delivery of the Council’s change programme whilst ensuring financial sustainability.

Involvement – The budget is informed by insight gained from public engagement work, including previous budget consultations. Pre-budget public engagement on the relative prioritisation of Council services has informed the proposed budget investments. Newport Fairness Commission along with other stakeholders will be engaged as part of the consultation.

Collaboration – Whilst the budget and medium term financial plan is a Council owned document it recognises that services are increasingly delivered in a collaborative public sector landscape with a greater emphasis on regional working e.g., through Corporate Joint Committees, Gwent-wide and South East Wales based partnerships.

The Well-being of Future Generations Act has involvement as one of the five ways of working under the sustainable development principle. Involvement in the development of this budget has included a four-week period of public consultation and consultation with Trade

Unions via the Employee Partnership Forum, with all Overview and Scrutiny Committees, with the Schools' Forum and with the Council's Fairness Commission.

Consultation

Consultation on the budget has been undertaken, as outlined in section 4 of the report and within the appendices.

Background Papers

January 2022 Cabinet report - 2022/23 Budget and Medium Term Financial Plan

Dated: 14 February 2022

Minutes

Employee Partnership Forum

Date: 10th February 2022

Time: 10am

Venue: Microsoft Teams Meeting

Present: Councillor David Mayer, Sarah Morgan (Chief Education Officer), Jade Davies (Health and Safety Manager), Howard Mason (Senior HR and OD Business Partner), Rachael Davies (HR and OD Manager), Kevin Howells (Senior HR and OD Business Partner), Craig Jenkins (NASUWT), John Griffiths (NEU), Peter Garland (UNISON), Richard Hughes (NAHT), Samantha Schanzer (Governance Support Officer), Steve Belcher (UNISON), Kirsty Plant (Senior HR and OD), Rowena Hayward (SW)

Apologies: Councillor Deborah Davies, Rhys Cornwall, Andy McDowall, Simon Linton, Mark Rowland, Debbie Scott

Non-attendance: Greig Churcher Joanne Gauden, Simon Lock

6. 2022 Budget Proposals

Taken first due to timing constraints.

The Assistant Head of Finance informed the forum that they were still dealing with the effects of the pandemic and the uncertainty of the future and economic recovery. The Assistant Head of Finance highlighted that the organisation was going through significant changes which had bearing on the capacity to deliver budget requirements. The Assistant Head of Finance highlighted that savings in the budget proposal were not as substantial as in previous years. The Assistant Head of Finance informed the forum that the provisional local government settlement had been received late in December but was a multi-year settlement. The Assistant Head of Finance confirmed that the Welsh Government would be ending the Hardship Fund which covered costs associated with the pandemic and losses of income, though these costs would not necessarily end with the Fund which presented a challenge when budgeting.

The Assistant Head of Finance noted that the Welsh Government's provisional settlement was a result of a better funding settlement from the UK Government. The Assistant Head of Finance noted there had been positive funding settlements across Welsh councils, and Newport had received the 4th highest funding settlement in Wales. The Assistant Head of Finance highlighted that a number of expectations were outlined in the accompanying letter from Welsh Government that the settlement

Appendix 1 – Minutes from Employee Partnership Forum

would have to cover NI increases, Real Living Wage increases for care workers, pay deals and provision for Covid-19 costs. The Assistant Head of Finance informed the forum that council tax only made up 24% of Newport City Council's budget and its proposed increase was 3.7%.

The Assistant Head of Finance showed the forum the budgets as were sent out for consultation. The Assistant Head of Finance highlighted that there was a balance in hand when the consultation had begun, and Cabinet had debated this balance and would be considering consultation feedback. The Assistant Head of Finance informed the forum that over the next 2 years, there would be a balance in hand for 2023-4 and a small budget gap in 2024-5, but there were no new proposals sought for 2023-4 at this time.

The Assistant Head of Finance highlighted the main financial pressures to include pay and pension, inflationary pressures, increasing demand on schools and ALN, social care and a fast-growing population. The Assistant Head of Finance noted that the settlement would enable them to cover unavoidable pressures and provide budgetary scope and provision for early intervention posts, Real Living Wage and ALN funding, which are under discussion.

The Assistant Head of Finance informed the forum that the public consultation ended on the 11th of February 2022 and would go to Cabinet on the 18th of February 2022.

The Assistant Head of Finance informed the forum that the final settlement was due to be received on the 1st of March 2022 and would hopefully be approved at Full Council the same day. The Assistant Head of Finance was confident that there would be no material changes between the provisional and final budget.

Questions –

The Unison representative noted that this was an encouraging financial report and asked what work was being done on revenue raising.

- The Assistant Head of Finance informed the forum that they made general assumptions regarding inflation, but Cabinet would review individual fee and charge proposals. The Assistant Head of Finance offered to provide specific proposals if required outside of the meeting.

The NAHT representative welcomed the good settlement from Welsh Government and its reflection in the proposals. The NAHT expressed gratitude for the settlement and for the ALN investment but was concerned whether the funding would be sufficient to cover the funding for that as it was a significant cost to schools. The NAHT representative asked whether it would be worth exploring further allocation of funds for ALN.

- The Assistant Head of Finance noted that there had been occasions where Welsh Government had provided in-year grant allocation to cover the difference between the average assumption and the actual pay award teachers received but that they would not be doing that this year. The Assistant Head of Finance highlighted that the letter from the Minister referenced rewarding staff with suitable pay and therefore they should expect a higher pay award than in previous years; they were currently working from the basis of 4% from September 2022-3. The Assistant Head of Finance highlighted that if higher than 4%, the council would have to look at how to bridge the difference. The Assistant Head of Finance noted that this was the

Appendix 1 – Minutes from Employee Partnership Forum

same with non-teachers' pay. The Assistant Head of Finance informed the forum that there had been no confirmation of the 2021-22 pay award yet.

- The Assistant Head of Finance informed the forum that the intention of the settlement was to try and bridge the gap between historical funding for pupils with statements to bring it to a suitable level. The Assistant Head of Finance noted that this would cover roughly 80% of costs, which would then release some budget within schools that could be used in other areas. The Assistant Head of Finance reminded the forum that the ALN reforms were ongoing and would be moving to different funding basis.

The GMB representative asked whether services outsourced by Newport would have any increase to the commissioning process.

- The Assistant Head of Finance confirmed that where known about, it would've been as they generally took a view on increased cost of services by third parties. The Assistant Head of Finance noted that they were considered on an ongoing basis and that there were a number of negotiations to be had. The Assistant Head of Finance informed the forum that they were trying to decide an average provision for increase, and that at the moment, this was reflected by the cost for the Real Living Wage plus 3% general increase to cover costs of supplies etc. The Assistant Head of Finance noted that the average provision may be updated in the final Cabinet proposal but ultimately had to be agreed individually with providers, and that there were some regional aspects where alignment was required with other authorities in terms of uplift.

Date of Next Meeting:

10am on the 9th of June 2022

Mae'r dudalen hon yn wag yn



Minutes

Performance Scrutiny Committee - Place and Corporate

Date: 24 January 2022

Time: 3.00 pm

Present: Councillors M Al-Nuaimi, Y Forsey, M Kellaway and J Richards

In Attendance: Meirion Rushworth (Head of Finance), Robert Green (Assistant Head of Finance), Rhys Cornwall (Strategic Director - Transformation and Corporate Centre), Paul Jones (Strategic Director - Environment and Sustainability), Gareth Price (Head of Law & Regulation), Tracey Brooks (Head of Regeneration, Investment and Housing), Amie Garwood-Pask (Service Manager Accountancy - Finance Business Partnering), Alastair Hopkins (Senior Finance Business Partner (Place & Corporate)), Neil Barnett (Scrutiny Adviser) and Louise Thomas (Governance Officer)

1 Apologies

Councillors Graham Berry, Malcolm Linton, Ibrahim Hayat and Mark Whitcutt. Cllr John Richards was nominated as the Chair for the meeting.

2 Declaration of Interest

None.

3 Minutes of the previous meeting held on 29 November 2021

The minutes of the meetings held on 29th November 2021 were approved as a true and accurate record.

It was noted that information requested on tree planting throughout the City was still awaited. The Scrutiny Adviser will chase up with the Service Manager – Environment and Leisure.

- 2022-23 Budget and Medium Term Financial Projections

Invitees:

- Meirion Rushworth – Head of Finance
- Robert Green – Assistant Head of Finance
- Paul Jones – Strategic Director – Environment and Sustainability
- Rhys Cornwall – Strategic Director – Transformation and Corporate Centre

APPENDIX 2 - Extracts from Scrutiny Committees

- **Gareth Price – Head of Law and Regulation**
- **Tracey Brooks – Head of Regeneration Investment and Housing**
- **Amie Garwood-Pask – Service Manager Accountancy – Finance Business Partnering**
- **Alistair Hopkins – Senior Finance Business Partner – Place and Corporate**

The Head of Finance gave a brief overview of the report and said that it had been a different budget process this year. Having received a relatively generous settlement this year the proposed budget was more optimistic to that of previous years, with no need to find significant savings. A more bullish approach had been taken and the medium term financial plan had been worked through and it had been reasonably prudent to assume that there would be no need to identify significant budget savings. Total funding for the following year was due to be increased by a little over £27 million, however, the Minister had highlighted a number of areas to be dealt with which included paying care providers an amount in order for them to pay their staff the living wage as opposed to the minimum wage. National Insurance would also be rising for employers, together with some pension scheme increases.

There would be no new budget proposals to scrutinise in this report but the Committee were tasked rather with focussing on proposed budget investments, proposed Council Tax increase, and proposed fees and charges. The key priorities for investment were highlighted as being:

- School's funding
- Early Intervention and Prevention activities / services
- The City Centre

Members made the following comments and asked the following questions:-

- It was pleasing to Members that this year they were not having to discuss any necessary cut backs to services. Clarity was sought on the accelerated contributions made towards the Cardiff City Regional deal and the reference to advanced manufacturing capability throughout the region.

The Head of Finance stated that we contributed just under 10 % the City Deal's costs alongside the other Councils and the treasury. The City Growth Deal was an ambitious one both in terms of investment and economic growth. The business plan in place meant that the Cabinet accelerated its investments and so all the councils had to increase their contributions in order to cover the short term cash flow and were therefore funding the projects until the treasury money was received. As part of the settlement for Wales there was also increased funding for the City Deal.

In relation to the advanced manufacturing capability, this went above and beyond the Semi- Conductor facility in the region. The Head of Regeneration Investment and Housing explained that this was one of the drivers for general growth in the region. Alongside some of the established businesses currently in Newport and the rest of the region, it was very much a target market to be investing in to create jobs and spur economic growth. Currently it was more of an aspirational investment growth plan rather than a list of specific investments.

APPENDIX 2 - Extracts from Scrutiny Committees

A member asked to note that it would be helpful for members to be kept updated on developments in this area.

- Members commented on the Fees and Charges schedule and that it was pleasing to see many were remaining at the same level as last year. However, the increase to parking permits, while modest, was queried, the member stating that it was a charge that appeared to increase every year.

The Head of Finance said that there was a general overall assumption that in the medium term financial plan all of our significant fees and charges that we controlled would rise by 4% each year, roughly in line with inflation. The Strategic Director – Environment and Economy confirmed that car parking permits had increased last year as well and was one of the fees that rose every year by 4% or thereabouts. It was necessary to support the cost base of providing the service and to meet the element of inflation in terms of our back office costs. This was a discretionary service, not available to the general taxpayer and if it didn't keep up with inflation, then the general taxpayer would be picking up the costs. There was also the sustainability element to consider, the Council's objectives being to encourage people to live a more sustainable lifestyle and money could be spent on improving active travel and public transport, rather than subsidising car parking for the benefit of a particular group of residents only.

- Members welcomed the investment in the School budget but asked how much of the increase would be taken up by inflation and also what was the situation with the budget to support rough sleepers?

The Head of Finance explained that in relation to schools, this was where budget planning was important. Whilst the inflation figure may be 4%, the actual pay award finally agreed for next year could be a different figure and this was where we needed to be in terms of budget planning. We had made allowances in the draft budgets of 4% for full pay rises and increased our inflation figures for our social care contracts because of the need to fund providers to pay the real living wage.

In regards to the rough sleeper's budget, we had increased provision during the pandemic and were now looking at the updated cost pressures to maintain this provision. Allowances had been made for this but Welsh Government would be making specific grants available to local Councils to fund these costs and we would be looking into this to see if we could benefit from this grant.

- Members asked for further information on the early intervention and prevention activities.

The Head of Finance explained that this aspect would fall more within the Scrutiny People Committee's remit but to answer the question, it related to social care hubs and the work the social care teams did with families, joining this up with the Housing Department to prevent families getting into crisis. It also linked in to Education and Social Services, aiming to assist the more challenged families by taking a more holistic view across these services in order to try and prevent deterioration at the earliest opportunity.

- A member asked about the impact on the closure of the asbestos cell.

The Strategic Director explained that the asbestos cell was in a small designated area of the current landfill site and had originally opened as a method of raising

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income. Landfill space had a finite length of time and this particular area was now reaching its end of life and would shortly be full. As asbestos has been banned for some time, the ongoing need for space to dispose of it would drop off and there was no current intention to seek further landfill space for this provision.

- A member commented that it seemed unfair that some residents had to pay management fees to developers for services such as grass cutting and general maintenance on their housing estates and yet still had to pay Council Tax for providing the same services.

The Head of Finance explained that Council Tax was a property linked tax and being a general tax based on properties, it was not therefore linked directly to the services that people received. The Strategic Director confirmed that it was a legitimate way for any new development to discharge its duties when a large-scale application came into the planning process. Developers would confer with the Council in terms of adoption, which was the Council's preferred option, taking on responsibility and maintaining upkeep of the roads. This meant building to certain standards and paying appropriate inspection fees, and so some developers preferred to pass on these charges to residents.

The Head of Regeneration Investment and Housing confirmed that all new developments at the planning stage were offered the choice of full adoption and in Wales the developers were allowed to choose the management company route, and some chose to use this route and passed those extra costs onto the residents. Welsh Government were aware that this arrangement was not ideal in all cases and this was currently under review.

- A member asked about the living wage and what would the costs be if we were to ensure this for everyone.

The Head of Finance commented that was currently just under £10 per hour and generally related to the social care sector at present. We were currently using the hardship fund but the Real Living Wage would apply to registered workers in care homes and domiciliary care, in both adults and children's services with Welsh Government providing Local authorities and Health Boards with £43 million so they could implement the Real living Wage from April.

- A member asked how the figure of the proposed rise in Council Tax of 3.7% was arrived at and queried if Newport ever reached the level of its standard spending assessment (SSA).

The Head of Finance commented that the final figure would be agreed by Cabinet in their February meeting following consultation and feedback from the public and scrutiny committees. Although we had had generous settlements, there remained cost pressures to take into consideration when determining the final figure. Council Tax in Wales was generally low and in Newport we had the second lowest council tax across Wales, generating 24% of our income. This council's current year

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budget was well below its standard spending Assessment (SSA) by £11.1m, which was almost entirely due to our low level of council tax funding. Given the low starting point on Newport council's tax, it would still be lower than most of the neighbouring authorities, even if they had a lower level of increase. The financial advice given had always been to maintain a steady increase in council tax and although this was a burden, it was important to find a balance that worked for the best. At a proposed 3.7%, Newport City Council's proposed Council Tax increase would still maintain its position as one of the lowest in Wales.

- Members commented on the statement in the report that the Council provided services for over 158,000 thousand people in 69,000 households, and this put the budget planning process into perspective for our City, which was still continuing to expand.

The Head of Finance agreed that Council services had had to adapt and change during the past two years and that now we were looking to progress not only the day to day business of the Council but also supporting and developing all of our other projects and aspirations.

- Members asked how Covid had impacted on revenue from room hire and car parks.

The Head of Finance and Strategic Director both agreed that income streams such as these, together with leisure services, had inevitably been impacted during the pandemic but that we were able to claim for these from the WG Hardship Fund, claiming the difference between budget and actual levels of income. This would be coming to an end on 1st April 2022 and the budget will then need to absorb this shortfall. Proposals were not to increase these fees so there would be some budget shortfall we would need to cover. People's habits had changed over the last 2 years and it was unknown if and when these income areas would revert to normal use and this was an area of work to be investigated over the coming year in readiness for future budgets.

The Chair thanked the Officers for their contribution and responses to Member's questions.

The Committee wished to make the following comments to the Cabinet:

- The Committee thanked the officers for attending. Members welcomed the investment proposals presented to them and were pleased to see no savings proposals within this year's Draft Budget. Members also noted the points made with keeping pace with inflation and the importance of not falling behind.
- Members welcomed the proposal to increase the salaries of care and domestic workers to the living wage. Members queried whether the Council can ensure that social care providers follow through with the proposed increases for their staff.
- Members were pleased to hear about the accelerated funding for the Cardiff City Region Deal to fast-track support, including for advanced manufacturing capability in the region. It was asked whether officers could organise an All Member seminar or briefing to discuss the Cardiff City Region Deal in further detail, such as the

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involvement Newport have and what we are getting in return. Members also requested if the officers could provide the Committee with a list of projects upcoming.

- Members requested if officers are able to provide a list of housing developments that have a management fee in place.
- Members requested if in any way a more speedier approach to facilitate and help rough sleepers to get into appropriate accommodation and support.

5. Scrutiny Adviser Reports

Invitee:

- Neil Barnett – Scrutiny Adviser

a)Forward Work Programme Update

The Scrutiny Adviser presented the Forward Work Programme, and informed the Committee of the topics due to be discussed at the next committee meeting:

Monday 13th November 2021 at 4pm, the agenda items; -

- Economic Growth Strategy and Economic Recovery Plan – Recommendations Monitoring
- Carbon Management Plan – Progress Monitoring

b)Actions Sheet

The Scrutiny Adviser told the Committee that the comments and recommendations made at the previous meeting held on 29th November 2021 were forwarded onto Heads of Service and Cabinet on 30th November 2021.

The meeting terminated at 4:28pm



Minutes

Performance Scrutiny Committee - People

Date: 25 January 2022

Time: 10.00 am

Present: Councillors J Cleverly, Y Forsey, L Lacey, S Marshall, J Richards, T Suller, H Thomas, C Townsend and T Watkins

Connor Hall (Scrutiny Adviser)

In Attendance: Robert Green (Assistant Head of Finance), Amie Garwood-Pask (Service Manager Accountancy), Sally Ann-Jenkins (Strategic Director – Social Services)

Apologies: Councillor William Routley and Meirion Rushworth (Head of Finance)

2 Apologies

Cllr William Routley, Meirion Rushworth

3 Declarations of Interest

None.

4 Minutes of Previous Meeting

A committee member asked for feedback regarding active travel in schools.

The minutes of the previous meeting held 30th November 2021 were **accepted as a true and accurate record**.

- 2022-23 Budget and Medium Term Financial Projections

1. 2022-23 Budget and Medium Term Financial Projections

Invitees:

Meirion Rushworth – Head of Finance
Sally-Ann Jenkins – Strategic Director of Social Services

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Sarah Morgan – Head of Education

Robert Green – Assistant Head of Finance

The Assistant Head of Finance introduced the report and gave an overview.

Questions:

What are the long term effects of the report?

- The Assistant Head of Finance informed committee that Welsh Government gave an indicative funding settlement figure for 2023-24 and 2024-25, which was not as high as the current year. The Assistant Head of Finance noted that this does mean that there is a broadly balanced medium term plan, and while it is based on assumptions, to be in this position was a market improvement.

Whether the balance in hand referenced in the report was the reserve?

- The Assistant Head of Finance clarified that balance in hand referred to budget yet to be allocated. The Assistant Head of Finance informed committee that they knew what core funding would be available and were making assumptions based on this.

A committee member highlighted the importance of indicative funding settlement figures.

- The Assistant Head of Finance agreed and informed committee that it was something that had been asked for as it enables long term planning and better decision making. The Assistant Head of Finance also noted that changes to data collection would be beneficial to Newport in the near future.

What consultations have taken place on the budget and how can we learn from them?

- The Assistant Head of Finance felt it was best for colleagues from specific service areas to comment on this but informed committee that the main consultation was currently underway, with draft budget conversations taking place with Leader and Cabinet. The Assistant Head of Finance noted that they would further engage with Scrutiny, Schools Budget Forum, Employee Partnership Forum and other mediums as well as the public on this matter.

How would free school meals for students outside of term time affect the budget?

- The Assistant Head of Finance informed committee that Welsh Government include a tab on grants to be issued throughout the year in their budget settlement information, which showed a new grant stream that would be put towards that initiative. The Assistant Head of Finance informed committee that they had been allocated £40m but were waiting for more details. The Assistant Head of Finance informed committee that this would only cover part

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of the year as it was not due to begin until September and would be phased in. Welsh Government had been clear that funding would only cover the gap between meals currently being provided and they were waiting for clarity on whether it would also cover holidays. The Assistant Head of Finance noted that if Welsh Government decide to continue provision through summer holidays and beyond, there would be an expectation for grant funding to do this.

What would happen if funding was not made available by Welsh Government for this?

- The Assistant Head of Finance noted that the authority would have to decide to continue to provide beyond Welsh Government's expectations.

What risks were involved with financing and funding the National Care Service?

- The Assistant Head of Finance informed committee that no information was contained in the settlement specifically around the National Care Service. The Assistant Head of Finance explained that this was a longer term policy ambition and that there was no further clarity at the moment, and would have to continue on the basis they currently have.

Whether there were any further differences to the budget because of new changes?

- The Assistant Head of Finance noted the increase to National Insurance, which was a UK Government initiative and would be collected through the increase of employer's rate of national insurance. The Assistant Head of Finance highlighted that the Welsh Government had seen a generous settlement from the UK core block funding, including the share of anticipated funding this would create. The Assistant Head of Finance noted there was reference in the letter that came with it from Welsh Government that this would be used to pay staff what they merited, specifically in social care and in providing real living wage that had been factored into these budgets.

It was commented that there didn't seem to be a policy of cost-cutting.

- The Assistant Head of Finance informed committee that no new savings were being sought as the Local Authority had a balance in hand. The Assistant Head of Finance encouraged service areas to continue to look for value for money and efficiency despite this.

EDUCATION

What support were Newport City Council giving schools in the implementation of the new curriculum.

- The Head of Education informed committee that schools were supported on a bespoke and universal level. The Head of Education noted that specific

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professional learning courses were being provided for all staff but were also to support professional learning lead within school. The Head of Education noted that it was the responsibility of schools to determine what the curriculum would look like. The Head of Education acknowledged the difficulty staff face regarding attending meetings and allowing alternative work to be done by teachers during the pandemic for a number of reasons but assured committee that the Local Authority and Partner Challenge Advisors met with Headteachers on a rotation basis to see progress, advise on next steps and establish what support would be required. The Head of Education noted that feedback was given to the Welsh Government regarding these.

Did Newport City Council have the ability to assist if schools were having difficulties

- The Head of Education noted that they had decided against auditing schools to alleviate some pressure schools face but continued with meetings to discuss support required.

Whether there was a need for more school places?

- The Head of Education informed committee that in the planning of school places, predictions are made using the numbers of pupils coming through in the medium to long term that dictate whether bubble classes are required, which in this instance they are for the medium term. The Head of Education noted that these predictions can change regularly due to many factors but were focusing on projections through the groups to organise any changes going forward.
- The committee member asked whether predictions had under-predicted regarding the Jubilee Park School as the need seemed to be greater than the provision.
- The Head of Education informed committee that that school had been based on developer lead predictions.

A committee member asked whether there was a potential for similar issues to occur.

- The Head of Education noted additional spaces had been factored into the development of the Whitehead school and the Pillgwenlly school would be changed to Welsh provision.
- The Head of Education noted that the authority could not afford to build schools where there was no evidence for their need. The Head of Education informed committee that Welsh Government monitor surplus places and therefore the authority shouldn't have too many.

Was Jubilee Park a lesson learned or likely to have a duplicate situation in future?

- The Head of Education assured committee that they were always reflective, but couldn't call it a lesson learned as they would have to do a total review.

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Would ALN programme changes be in all schools and how could parents arranged for children to be assessed?

- The Head of Education informed committee that the expectation was a focus on early intervention work with parents to ensure children's needs are met without needing a statement. The Head of Education felt there were better ways to distribute funding to schools for them to put in place better universal and targeted provision.
- The Head of Education noted that schools would work together through a cluster lead.

Had there been money allocated for training staff for ALN?

- The Head of Education confirmed that a variety of funding and support had been made available over the years, and networks of groups had been set up to ensure that they are prepared and supported, and this is replicated with head teachers.

What measures and finance were being put in place for supporting children with mental health issues?

- The Head of Education informed committee that there were a number of support mechanisms, including additional funding for school-based counselling which they could self-refer to. The Head of Education noted the distinct funding for whole school approach to mental and emotional wellbeing.

Were there any figures for children in all schools that had disabilities and mental health issues?

- The Head of Education informed committee that they recorded children who are ALN and the types of ALN they have and monitored trends.
- The Head of Education informed committee that data was kept for numbers of children referred to school based counselling to monitor usage and demand.

A committee member asked whether teachers were trained in ALN and mental health issues before being allowed to teach.

- The Head of Education confirmed that ALN and mental and emotional issues were covered in university courses for teachers and that there were induction programmes across the region managed by EAS which focus on emotional wellbeing that is completed within their first teaching year.

How healthy were school budgets?

- The Head of Education noted that there were 8-10 schools in previous years that were in deficit, which had reduced to 4 schools in March 2021, and now only 3 schools were in deficit at present with the potential to reduce to 1.

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- The Head of Education noted that Welsh Government passed on significant grants into school budgets that factor into school total surplus but are only a temporary position.

Were there any further areas of risk to be budgeted in?

- The Head of Education highlighted the hardship funding ending which could jeopardise cover for maternity leave but they were waiting for clarity. The Head of Education noted that there were additional and enhanced cleaning costs that would be covered by the grant.

Would PPE be a problem for the Education budget?

- The Head of Education confirmed that they had spoken to schools and asked for their plans for their surplus, many schools had described an unstable position as the budget might have be used for PPE costs.

Would teacher's pay rises would be dealt with by individual schools or the authority as a whole?

- The Head of Education informed committee that they would not be dealt with immediately as they are not determined until September. The Head of Education noted that they could honour pay increases for teachers but that it wouldn't get passed on until September. The Head of Education informed committee that when schools were forecasting spending for the next year, they could factor in no additional cost for teachers pay rises.
- The Head of Education highlighted that cost pressures of schools being met as well as Cabinet proposing that new demands for schools will be met. The Head of Education noted that there was £888,000 put into Education Services budget to support free school meals take up, that proposals discussed £1.2m of new funding for supporting ALN learner's needs and an investment into Educational Officers to support schools directly.

Was funding was put into breakfast clubs?

- The Head of Education informed committee that Welsh Government originally provided the Local Authority with grant funding because there is an entitlement for primary school age children to receive free breakfast, but that fell under the Revenue Support Grant, so was difficult to determine whether it was covered by that grant or was council budgeted.

SOCIAL SERVICES

The Strategic Director for Social Services informed committee that it had been the first year in her experience that the service area was not struggling to find money. The Strategic Director highlighted that there had been some additional funding for children in care with ALN. The Strategic Director highlighted the welcome development of the safeguarding hub, which there would be a consistent daily education presence in the hub for referrals from schools. The Strategic Director noted the large rise in referrals seen come through the safeguarding hub. The

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Strategic Director welcomed the real living wage and the translation of this into the contracts they have with providers was important. The Strategic Director felt that it did not address all issues faced by the industry, but was at least some recognition for staff. The Strategic Director felt that they were in a good position but had some challenges going forward in addressing some consequences of the pandemic. The Strategic Director highlighted the significant underspend in both areas, which presented as such due to the grant funding distorting actual figures, as well as through vacancies freeing up funds and care packages being unable to be offered. The Strategic Director informed committee that they were looking at how to work through given that grants will end, but the needs that they have in terms of hardship will continue.

What progress could be made regarding vacancies?

- The Strategic Director noted that retention and recruitment of staff in all areas of Social Services were a concern and that sickness had had a real impact in service delivery. The Strategic Director highlighted that there was work being done with colleagues to address this as well as having a good social media presence with vacancies which has driven results. The Strategic Director highlighted the social work assistance training to be offered, as well as the work being done with the health board to recruit occupational therapists and assured committee that these were all not Newport only issues but were a concern nationally. The Strategic Director informed committee that they would be looking at the terms and conditions and salary for posts to make a real attempt to entice people into a career in care.
- The Strategic Director highlighted that there were systemic issues in this regard, and while they were not affected as badly as some, there was a need to constantly address issues arising.

An update was requested on adult services.

- The Strategic Director noted that there had been almost 2 years of real issues within Newport and out of authority placements and would be an ongoing issue. The Strategic Director noted that they still had homes in incident, that all staff tested daily for Covid-19 and that the majority of staff were double vaccinated and boosted.
- The Strategic Director noted that there were fewer residents in homes with some having some left and some unfortunately having passed away, as well as not being able to take in new residents for some time if Covid was present into a home, and with admissions from hospitals.
- The Strategic Director offered to ask Mary Ryan to provide a formal update on the Parklands home for committee.

Had staff from the Oldbrook residence been moved to other residences?

- The Strategic Director offered to update the member on this separately.

Would Local councils be working together for the South East Wales Adoption Service and how did the Strategic Director see that partnership developing?

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- The Strategic Director confirmed that Newport fell under the Gwent consortia, which was managed in Blaenau and staffed in Torfaen. The Strategic Director noted that all five councils in the Gwent consortia paid into the programme, and when it was created, the budget creation was convoluted as the local authorities put all of their existing adoption budgets into it which has now been recognised as unfair. The Strategic Director highlighted that the service had been successful as fewer children were placed for adoption outside of Gwent, and while it was still challenging with some placements, the support offered was fantastic.

How many children had been adopted from the area?

- The Strategic Director confirmed that between 25-40 had been adopted from the area.

Were those leaving hospital to be placed into care being tested in advance of leaving hospital and when they were placed into care?

- The Strategic Director confirmed that they were tested upon leaving the hospital and entering the home.

What was the process for older children being adopted?

- The Strategic Director informed committee that it was more challenging with older children and generally did not seek adoption for children over the age of 5, with long term fostering being more common.

Was the day care in Malpas to be closed?

- The Strategic Director confirmed it had been closed at the beginning of the pandemic to protect the health of those who attended as they were particularly vulnerable.
- The Strategic Director highlighted that they were looking at more tailored options for individuals which had been accelerated by the pandemic, but focused on community based activities and supporting in finding what is right for the individual and for doing different things.

Had the pandemic seen a rise in children being removed from home?

- The Strategic Director informed committee that the impact on families had been significant for some families and there had been a big uplift in referrals.

What were the challenges for the time period from 2022-23 to 2024-25?

- The Strategic Director noted that challenges included how they would pay the new living wage and what that would look like and “getting it right” with Domiciliary care provision and improving the care and services across the board for adults. The Strategic Director highlighted challenges in Children’s services continued to be placements and their work towards the government programme to eliminate profit in children’s social care. The Strategic Director felt that the overarching challenge would be tying together all areas and improving them together, as well as staffing continuing to be an issue.

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It was noted that there seemed to be a policy of “spend now to save later” and asked whether there were any potential plans for the future.

- The Strategic Director highlighted the work being done for children with ALN, data being revealed that there had been a 48% reduction in new-borns being removed from families, the Baby and Me seminar that would be running for members, and that they were launching a Child Exploitation Strategy.
- The Strategic Director informed committee of the work being done for tech and digital solutions for older people and felt there was a real scope for future work in this area.

A committee member asked whether there were PPE reserves or funding for staff.

- The Strategic Director noted that the Hardship Grants were coming to an end which was an issue, and that they would have to continue to monitor the situation.

A committee member asked whether the National Care Service would be similar to the fostering service online.

- The Strategic Director noted that this initiative was still some way off, and the immediate areas within the programme that would change were free school meals, the elimination of profit in children’s social care. The Strategic Director noted that the main focus both regionally and nationally was on budget settlements for next year and how to drive programmes forward.

A committee member commented that the only real way to thank staff is through their wage packet.

Was there evidence that there was need for another high school?

- The Head of Education assured committee that they would continue to monitor this, but there was currently a surge of primary to secondary children, and would have to reassess if there were any long term issues. The Head of Education confirmed that there were still surplus places in Llanwern and other schools.

Was there more demand for Welsh-medium school places?

- The Head of Education confirmed that demand is increasing.

A committee member asked for clarity on the change of cost for meal income.

- The Strategic Director informed committee that these were under discussion and an answer would be brought back.
- The Strategic Director clarified that it was for visitors to establishments.

Why had legal charges had gone up 100% for residents?

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- The Senior Finance Business Partner noted that it was deemed that the previous legal charge was insufficient to cover costs that legal incur and the figure had been suggested by legal as a proposal. The Senior Finance Business Partner noted that it was not about an increase but a true reflection of cost.

6. Conclusions of Committee Reports

Education

- Questions were raised as to whether the Council are certain that the RSG grants will cover the free school meals initiative in future – throughout the school year and holidays. Some Councillors queried whether NCC would be expected to cover the cost in future.
- Is there any need for another high school in the medium term and if so, is that accounted for in funding?

Social Services

- How will the rise in living wage and real living wage effect the Social Services budget and has this been costed?
- Clarity was requested on meal income reducing to 0 and legal charges doubling (page 53 on the report) – are both of these changes essential and how will they effect the budget overall?

6 Scrutiny Adviser Reports

The Scrutiny Adviser discussed with Committee the date of the next meeting, the 29th of April.

The meeting terminated at Time Not Specified

Minutes

Newport Schools Forum

Date: 20th January 2022

Time: 3:30pm

Venue: Microsoft Teams

Present:

Joanne Giles (JG), Nick Brain (NB), Dean Probert (DP), Dawn James (DJ), Cllr Deborah Davies (DD), Dean Curtis (DC), Julie Beckett (JB), Nicola Allan (NA), Stuart Foster (SF), Andi O'Brian (AB), Steve Rayer (SR), Eirian Jones (EJ), Dilwyn Gurney (DJ), Anna Godfrey (AG)

Officers in Attendance:

Clare Watts (CW), Charlotte Cregg (CC), Nicholas Lo Turco (NLT), Sarah Morgan (SM), Robert Green (RG), Karyn Keane (KK), Deborah Weston (DW), Katy Rees (KR)

4. Update on Final Settlement – Rob Green

Verbal Update & Presentation



Budget
Consultation 2022-2

LAO gave a verbal update & presentation (see attached) on the final settlement.

This presentation and discussion constituted the formal consultation with schools regarding the draft budget.

Key points:

Preparation of the 2022/23 budget continues to be set against the backdrop of the COVID-19 pandemic and uncertainty regarding the need to respond to and mitigate against the virus, including future variants.

Economic recovery is also uncertain, particularly when considering the impact of inflation, for example.

NCC are currently going through a senior management restructure, meaning the organisation is experiencing significant change.

Provisional Local Government Settlement not released until 21st December 2021, although a multi-year settlement provided.

Confirmation that the Hardship Fund will end as at 31st March 2022.

APPENDIX 3 – Schools Forum Minutes

Backdrop of challenging budgets in recent years and sustained need for savings.

WG in receipt of better than anticipated funding settlement from UK Government, following the Spending Review, including the consequential impact of the new Health & Social Care Levy.

Local Government, alongside Health, was prioritised as part of the WG Budget.

All Welsh councils received positive settlements (average 9.3% increase), with NCC's representing a 10.2% increase – 4th highest in Wales.

Years 2 and 3 – indicative funding increases of 3.5% and 2.4%, respectively.

Number of expectations outlined in accompanying letter – e.g. settlement to cover National Insurance (NI) increases, Real Living Wage (RLW), pay deals and provision for COVID-19 costs.

Council Tax, which for NCC is one of the lowest in Wales and only makes up 24% of the net budget, is proposed to be increased by 3.7%.

Due to the positive draft settlement received from WG, the budget proposal being consulted upon does not include any new savings.

Savings included as part of the overall budget are limited to those agreed as part of the 2021/22 budget and include:

- Council Tax Reduction Scheme - £280k
- Transformation of adult day services - £145k
- Closure of Cambridge House as a children's home - £85k
- Reduction in Child Protection legal costs - £150k
- City Services "Training within Industry" Programme - £100k

The Council is facing a range of financial pressures, some of which have been exacerbated by the impact of the pandemic. These include:

- Pay and pension pressures
- Other inflationary pressures
- Increasing demand on schools, including ALN
- Increasing demand on social care
- One of fastest growing populations in Wales

The positive settlement has enabled the main unavoidable pressures to be addressed, as well as providing scope for a higher pay award than in recent years.

In addition, the settlement has enabled Cabinet to propose new investments in a number of areas, including the following:

- ALN funding for schools
- Early intervention and prevention
- Committing to paying the Real Living Wage for Social Care staff

£8m investment in school budget overall – 7.3% increase.

This includes the impact of assumed pay awards, the NI increase and the pupil-number led demand pressures within schools. The effect of this funding is to preserve the average funding amount per pupil.

APPENDIX 3 – Schools Forum Minutes

£1.197m has been allocated towards the cost of supporting pupils with ALN. Decision made to bring forward this full allocation, which had initially been profiled at £399k per year, starting 2023/24.

£906k added as a general increase to the school budget and will benefit all schools.

Individual grant allocations have not yet been determined for schools, however, all-Wales grant figures have been released.

Most grants remain at the same overall level as 2021/22, with no general inflationary uplift applied. Some have changed, as follows:

RCSIG – reduced from £173m to £158m

PDG – increased from £111m to £123m

RRRS – reduced from £68m to £38m

FSM – new grant for £40m, increasing to £70m and then £90m

Details on the new FSM grant, including distribution basis is yet to be formally announced.

The consultation will run until Friday 11th February 2022.

Cabinet will continue to consider the potential allocation/use of the balance in hand.

Final budget proposal will be considered by Cabinet on Friday 18th February 2022.

Final settlement is due to be received on 1st March, which is the same day that Cabinet's agreed budget proposal will be considered by full Council.

It is not anticipated that there will be any material changes between provisional and final settlement.

Date of next meeting(s) – Microsoft Teams

3:30-5pm, 07 July 2022

Mae'r dudalen hon yn wag yn



Newport's Budget Challenge

Budget Saving Proposals for 2022-23

The following report summarises the results of the consultation surveys on the budget saving proposals for 2022-23. This process took two forms:

- An online Public SNAP survey open to all citizens; and
- A shortened survey involving users of the free bus Wi-Fi.

The consultation ran from the 14 January 2022 until the 11 February 2022.

A total of 983 responses were received including 97 through the online consultation survey and 886 through the bus Wi-Fi survey.

Regarding the online consultation survey respondents were asked their opinions on the overall proposed budget investments; proposed increase in Council Tax; proposed fees and charges; and any other additional comments on the draft budget being considered by Cabinet. For the bus Wi-Fi survey, the focus was on gathering users' views on the proposed increase in council tax, while promoting the full online survey and where to access. The summary of the results including a selection of the received comments are shown below.

In addition, during the consultation period we separately received feedback from the National Association of Head Teachers (Newport branch).

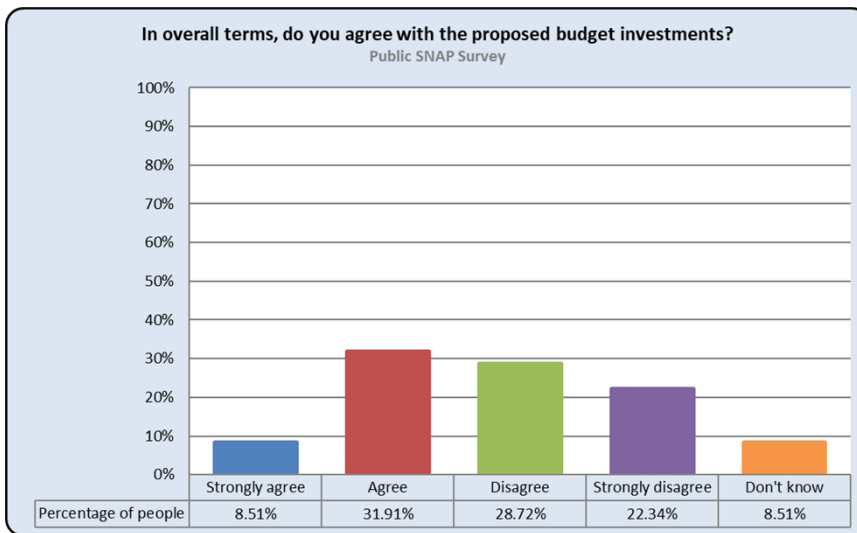
Budget Consultation Survey

The results from the budget consultation are shown below:

In overall terms, do you agree with the proposed budget investments?

Public SNAP Survey		
Agree	Number of people	Percentage of people
Strongly agree	8	8.51%
Agree	30	31.91%
Disagree	27	28.72%
Strongly disagree	21	22.34%
Don't know	8	8.51%

NB: There were 3 no responses.

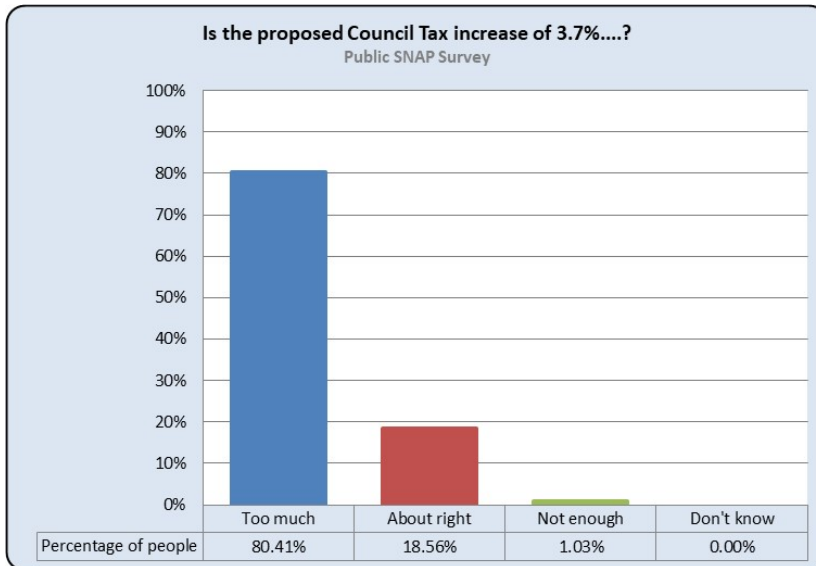


A selection of the 34 total comments received were as follows:

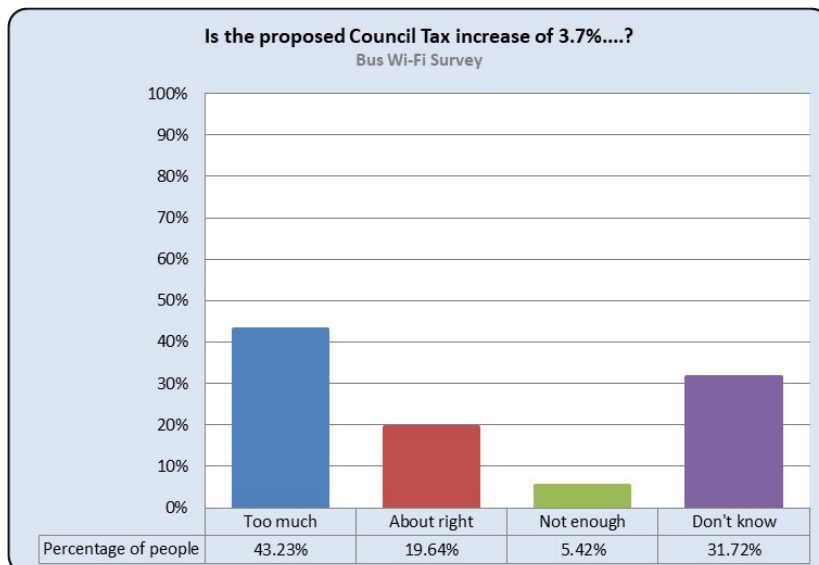
- Need to invest more in making the streets cleaner and improving the roads.
- More is actually needed to support children getting back their lost education, due to Covid.
- EDU 1 generally positive regarding education investment spend but keep in perspective Welsh Medium education. not everyone wants it. Some people who move from other areas need to be given a wide choice of good English medium schools as well. STR10 due to closure of asbestos cell could this result in illegal dumping? STR11 is a second HWRC really necessary as we encourage people to be less wasteful? RH1 good to learn that homelessness is to be tackled, hopefully proactively to avoid people living on the streets well into the future.
- Schools have suffered and need investment in buildings and facilities.

Is the proposed Council Tax increase of 3.7%....?

Public SNAP Survey		
Council Tax is?	Number of people	Percentage of people
Too much	78	80.41%
About right	18	18.56%
Not enough	1	1.03%
Don't know	0	0.00%



Bus Wi-Fi Survey		
Council Tax is?	Number of people	Percentage of people
Too much	383	43.23%
About right	174	19.64%
Not enough	48	5.42%
Don't know	281	31.72%



A selection of the 60 total comments received were as follows:

- Don't mind an increase so long as it's spent on improving the place and not on other stuff.
- Households will be struggling with increased gas and electricity prices along with fuel and shopping increases. Wage increase do not mirror the expected raising ongoing costs. This will be a huge burden on many families.
- With the cost of living in general rising, it would have been good to see Newport consider this even if no other council and/or government are and if not reduce at least freeze council tax.
- Families are already struggling with increased food and energy costs.

Do you have any comments on the proposed fees and charges?

A selection of the 20 total comments received were as follows:

- Sounds reasonable.
- The fees need to be made clearer and reduced if necessary.
- I have read Appendix 4 and I am concerned about the increase to payment for those in some care settings as these people are on a limited income.
- Fees same to be increased for services that people really use and not for things such as Building control, these should be increased same as meeting & conference rooms as well as equip hire.

Do you have any additional comments on the draft budget and medium-term financial plan?

A selection of the 26 total comments received were as follows:

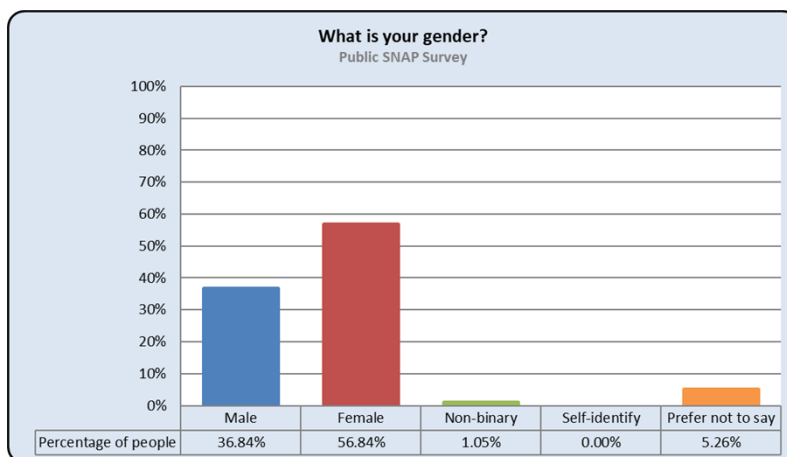
- Make sure the money is spent on the right things to make people proud to live in Newport. Let's clean the place up and get more shops in city centre.
- City centre investment is crucial in order to encourage businesses to Newport and maintain / increase property values. It will give the people of Newport their pride back in Newport which in turn will improve how they look after their city.
- More spending needed on cleaning the streets and making the city more desirable.
- While investment in schooling and social services is always good, it seems to be at the expense of everything else.

Equalities Monitoring?

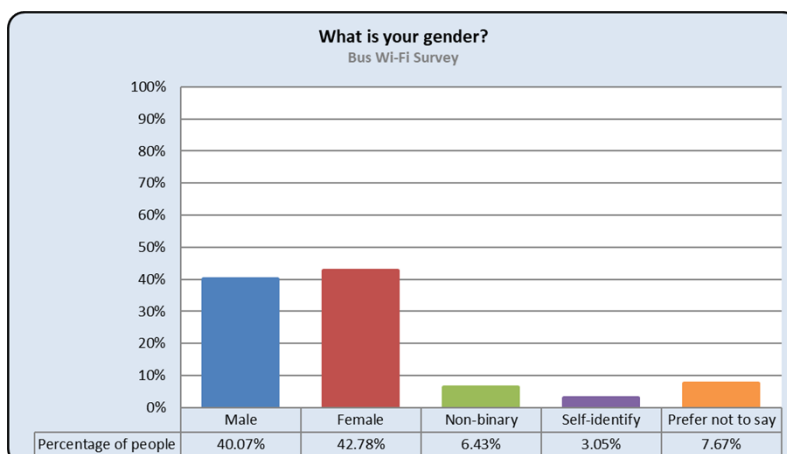
What is your gender?

Public SNAP Survey		
Gender?	Number of people	Percentage of people
Male	35	36.84%
Female	54	56.84%
Non-binary	1	1.05%
Self-identify	0	0.00%
Prefer not to say	5	5.26%

NB: There were 2 no responses.

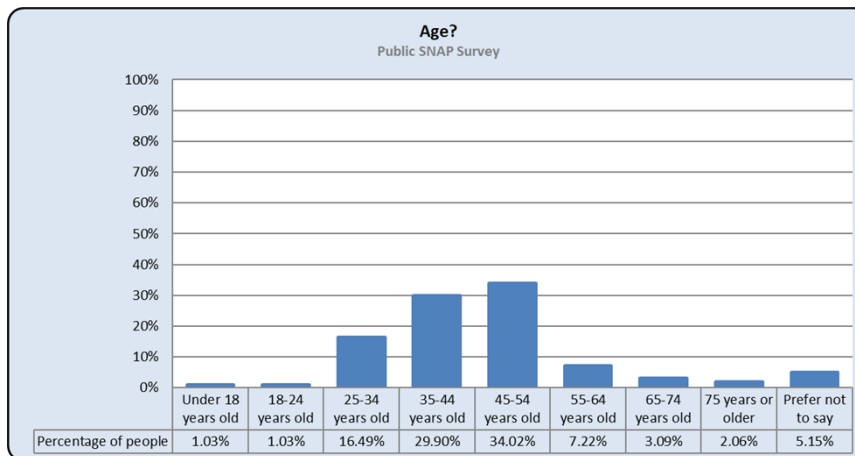


Bus Wi-Fi Survey		
Gender?	Number of people	Percentage of people
Male	355	40.07%
Female	379	42.78%
Non-binary	57	6.43%
Self-identify	27	3.05%
Prefer not to say	68	7.67%

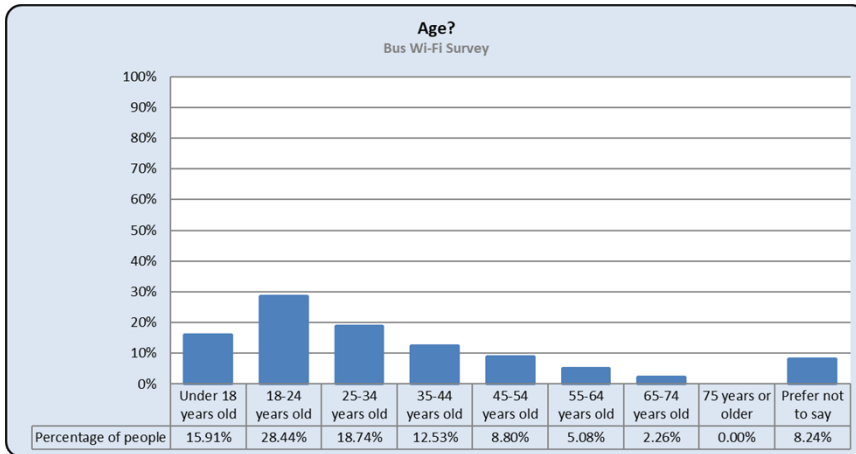


Age?

Public SNAP Survey		
Age?	Number of people	Percentage of people
Under 18 years old	1	1.03%
18-24 years old	1	1.03%
25-34 years old	16	16.49%
35-44 years old	29	29.90%
45-54 years old	33	34.02%
55-64 years old	7	7.22%
65-74 years old	3	3.09%
75 years or older	2	2.06%
Prefer not to say	5	5.15%



Bus Wi-Fi Survey		
Age?	Number of people	Percentage of people
Under 18 years old	141	15.91%
18-24 years old	252	28.44%
25-34 years old	166	18.74%
35-44 years old	111	12.53%
45-54 years old	78	8.80%
55-64 years old	45	5.08%
65-74 years old	20	2.26%
75 years or older	0	0.00%
Prefer not to say	73	8.24%

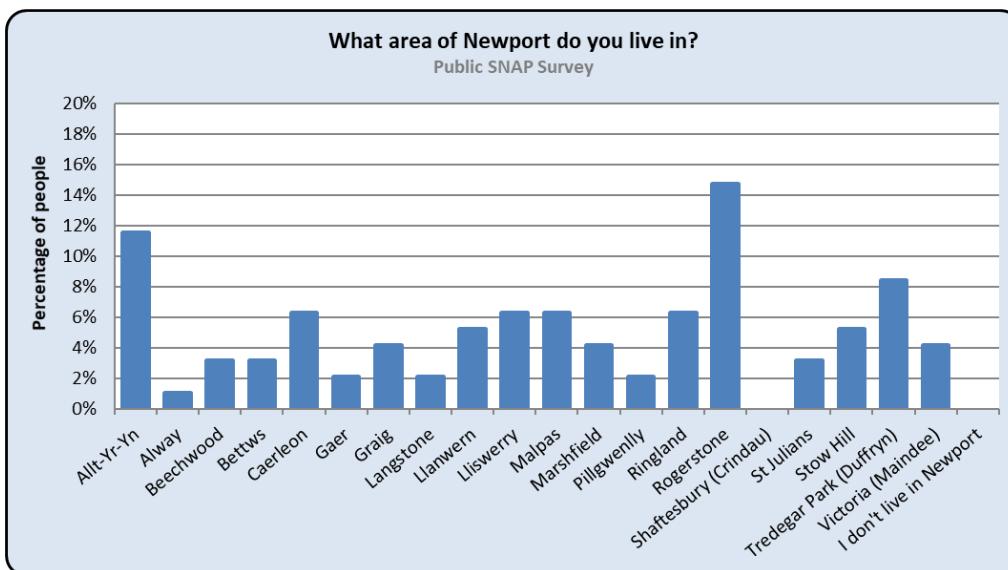


What area of Newport do you live in?

Public SNAP Survey		
Ward	Number of people	Percentage of people
Allt-Yr-Yn	11	11.58%
Alway	1	1.05%
Beechwood	3	3.16%
Bettws	3	3.16%
Caerleon	6	6.32%
Gaer	2	2.11%
Graig	4	4.21%
Langstone	2	2.11%
Llanwern	5	5.26%
Lliswerry	6	6.32%
Malpas	6	6.32%

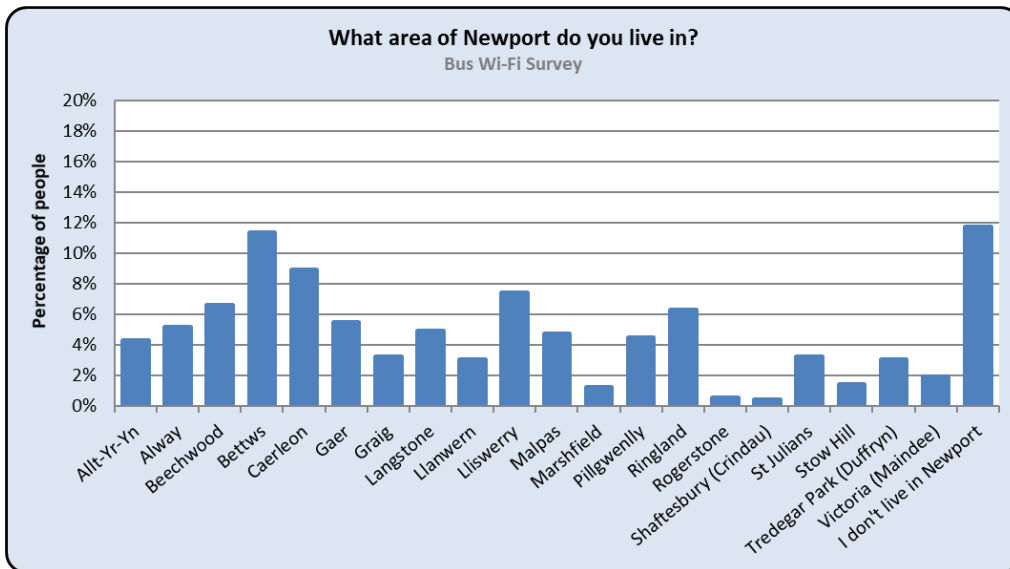
Public SNAP Survey		
Ward	Number of people	Percentage of people
Marshfield	4	4.21%
Pillgwenlly	2	2.11%
Ringland	6	6.32%
Rogerstone	14	14.74%
Shaftesbury (Crindau)	0	0.00%
St Julians	3	3.16%
Stow Hill	5	5.26%
Tredegar Park (Duffryn)	8	8.42%
Victoria (Maindee)	4	4.21%
I don't live in Newport	0	0.00%

NB: There were 2 no responses.



Bus Wi-Fi Survey		
Ward	Number of people	Percentage of people
Allt-Yr-Yn	38	4.29%
Alway	46	5.19%
Beechwood	59	6.66%
Bettws	101	11.40%
Caerleon	79	8.92%
Gaer	49	5.53%
Graig	29	3.27%
Langstone	44	4.97%
Llanwern	27	3.05%
Lliswerry	66	7.45%
Malpas	42	4.74%

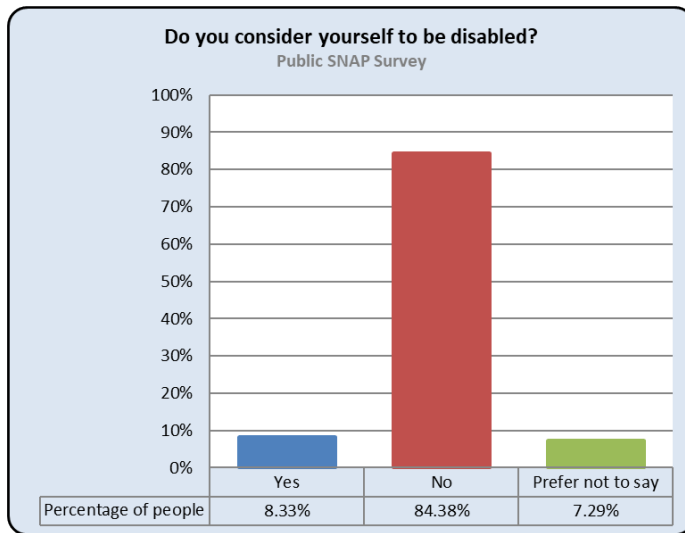
Bus Wi-Fi Survey		
Ward	Number of people	Percentage of people
Marshfield	11	1.24%
Pillgwenlly	40	4.51%
Ringland	56	6.32%
Rogerstone	5	0.56%
Shaftesbury (Crindau)	4	0.45%
St Julians	29	3.27%
Stow Hill	13	1.47%
Tredegar Park (Duffryn)	27	3.05%
Victoria (Maindee)	17	1.92%
I don't live in Newport	104	11.74%



Do you consider yourself to be disabled?

Public SNAP Survey		
Disabled?	Number of people	Percentage of people
Yes	8	8.33%
No	81	84.38%
Prefer not to say	7	7.29%

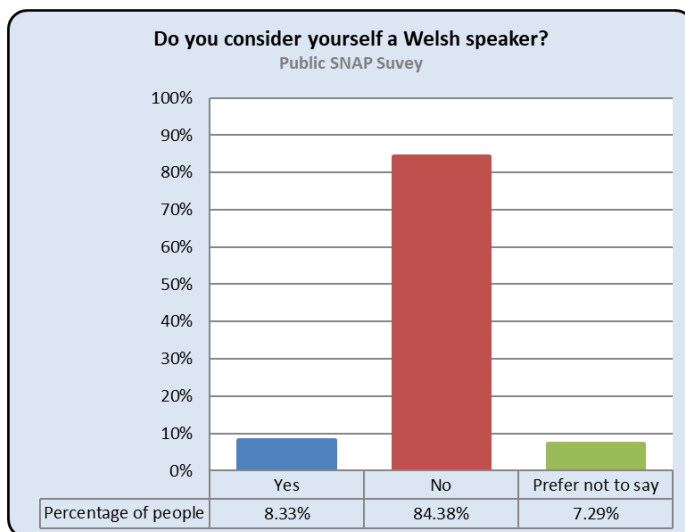
NB: There was 1 no responses.



Do you consider yourself a Welsh speaker?

Public SNAP Survey		
Welsh speaker?	Number of people	Percentage of people
Yes	9	9.38%
No	83	86.46%
Prefer not to say	3	3.13%

NB: There were 2 no responses.



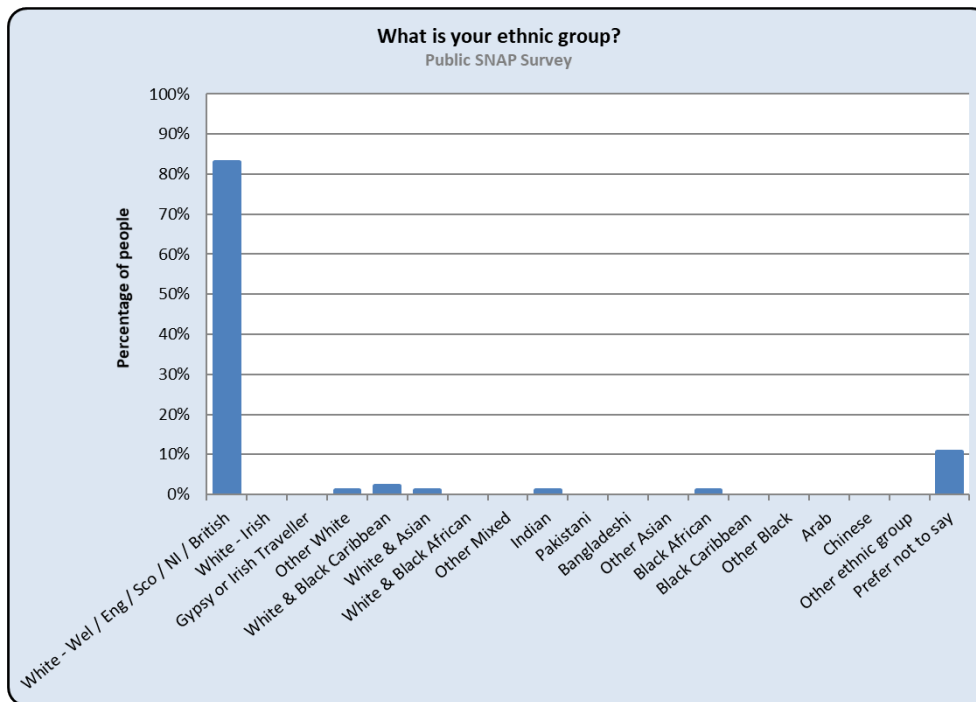
What is your ethnic group?

Public SNAP Survey		
Ethnicity?	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	78	82.98%
White - Irish	0	0.00%
Gypsy or Irish Traveller	0	0.00%
Other White	1	1.06%
White & Black Caribbean	2	2.13%
White & Asian	1	1.06%
White & Black African	0	0.00%
Other Mixed	0	0.00%
Indian	1	1.06%
Pakistani	0	0.00%

NB: There were 3 no responses.

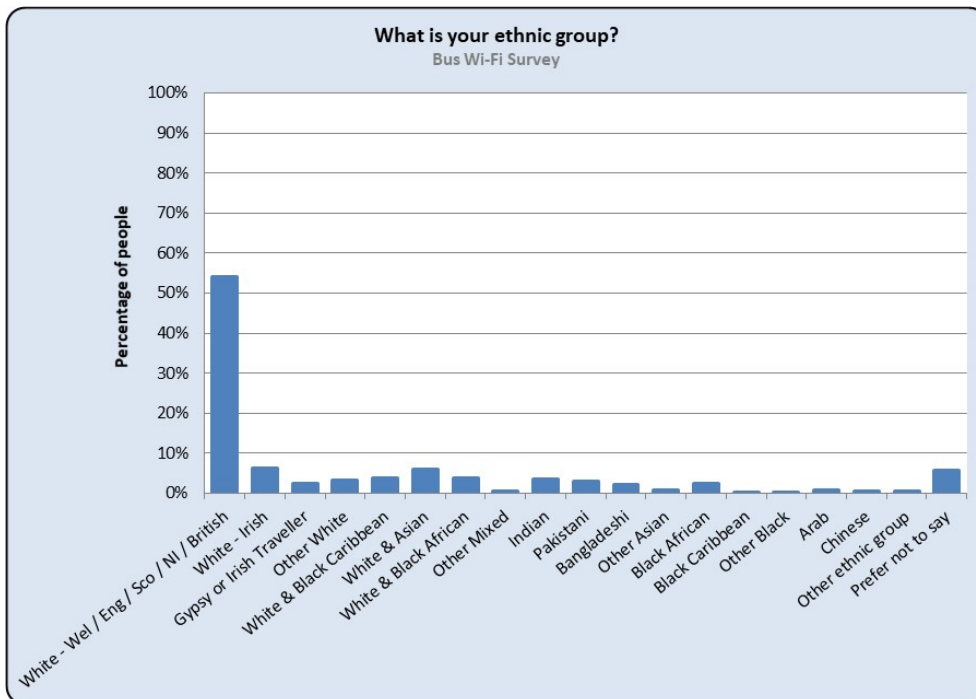
Other White - Slavic

Public SNAP Survey		
Ethnicity?	Number of people	Percentage of people
Bangladeshi	0	0.00%
Other Asian	0	0.00%
Black African	1	1.06%
Black Caribbean	0	0.00%
Other Black	0	0.00%
Arab	0	0.00%
Chinese	0	0.00%
Other ethnic group	0	0.00%
Prefer not to say	10	10.64%



Bus Wi-Fi Survey		
Ethnicity?	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	480	54.18%
White - Irish	56	6.32%
Gypsy or Irish Traveller	21	2.37%
Other White	28	3.16%
White & Black Caribbean	33	3.72%
White & Asian	53	5.98%
White & Black African	33	3.72%
Other Mixed	5	0.56%
Indian	32	3.61%
Pakistani	27	3.05%

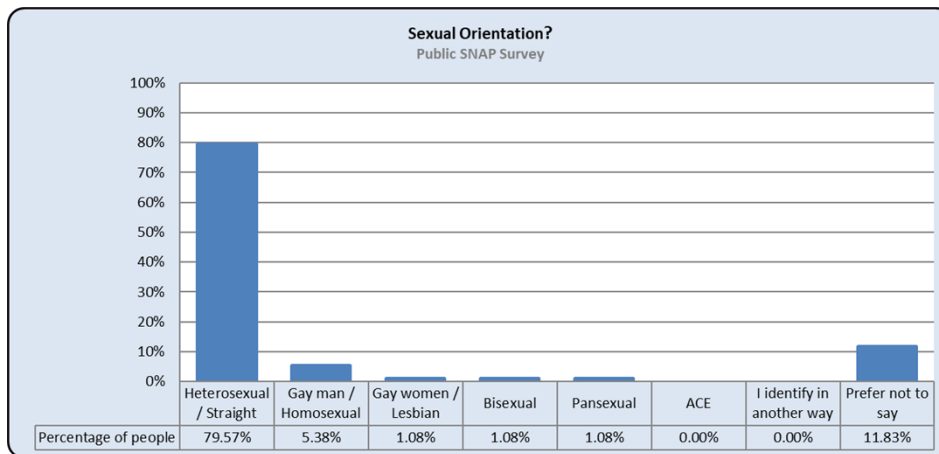
Bus Wi-Fi Survey		
Ethnicity?	Number of people	Percentage of people
Bangladeshi	20	2.26%
Other Asian	8	0.90%
Black African	21	2.37%
Black Caribbean	1	0.11%
Other Black	2	0.23%
Arab	7	0.79%
Chinese	5	0.56%
Other ethnic group	4	0.45%
Prefer not to say	50	5.64%



Sexual Orientation?

Public SNAP Survey		
Sexual Orientation?	Number of people	Percentage of people
Heterosexual / Straight	74	79.57%
Gay man / Homosexual	5	5.38%
Gay women / Lesbian	1	1.08%
Bisexual	1	1.08%
Pansexual	1	1.08%
ACE	0	0.00%
I identify in another way	0	0.00%
Prefer not to say	11	11.83%

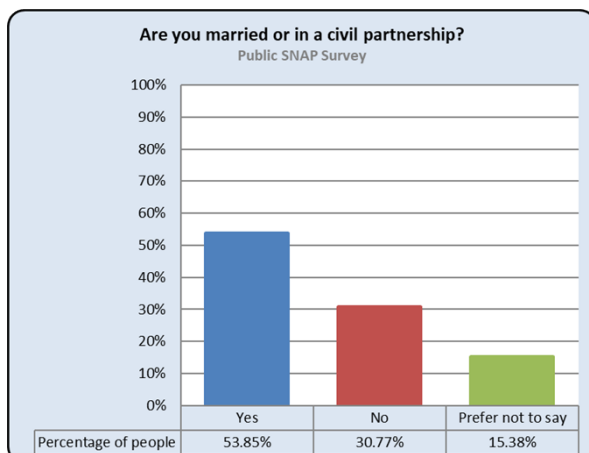
NB: There were 3 no responses.



Are you married or in a civil partnership?

Public SNAP Survey		
Married	Number of people	Percentage of people
Yes	49	53.85%
No	28	30.77%
Prefer not to say	14	15.38%

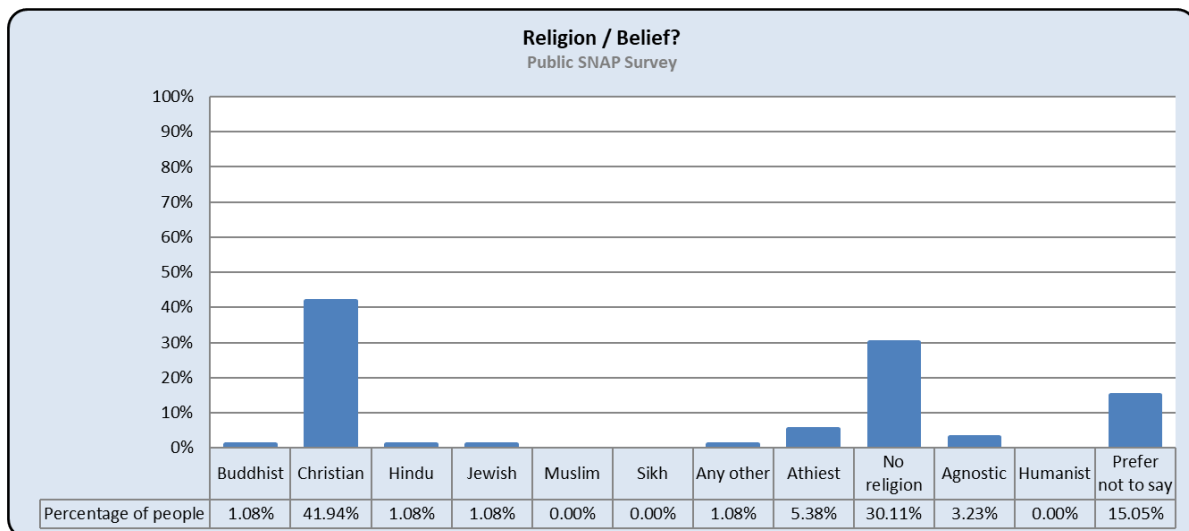
NB: There were 3 no responses.



Religion / Belief?

Public SNAP Survey		
Religion / Belief?	Number of people	Percentage of people
Buddhist	1	1.08%
Christian	39	41.94%
Hindu	1	1.08%
Jewish	1	1.08%
Muslim	0	0.00%
Sikh	0	0.00%
Any other	1	1.08%
Athiest	5	5.38%
No religion	28	30.11%
Agnostic	3	3.23%
Humanist	0	0.00%
Prefer not to say	14	15.05%

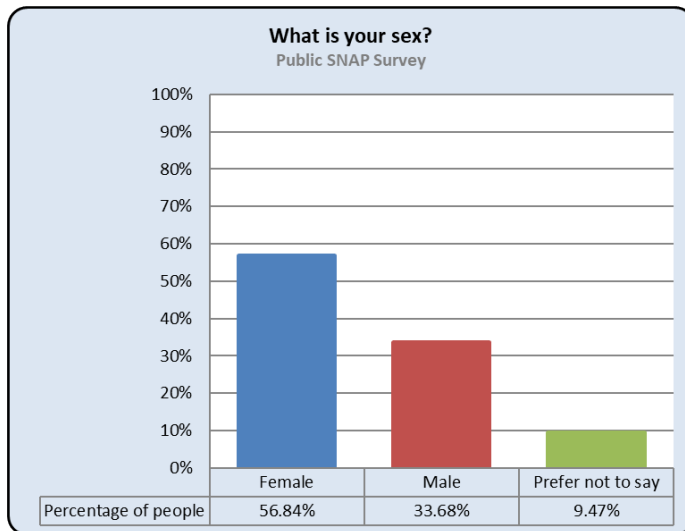
NB: There were 4 no responses.



What is your sex?

Public SNAP Survey		
Sex	Number of people	Percentage of people
Female	54	56.84%
Male	32	33.68%
Prefer not to say	9	9.47%

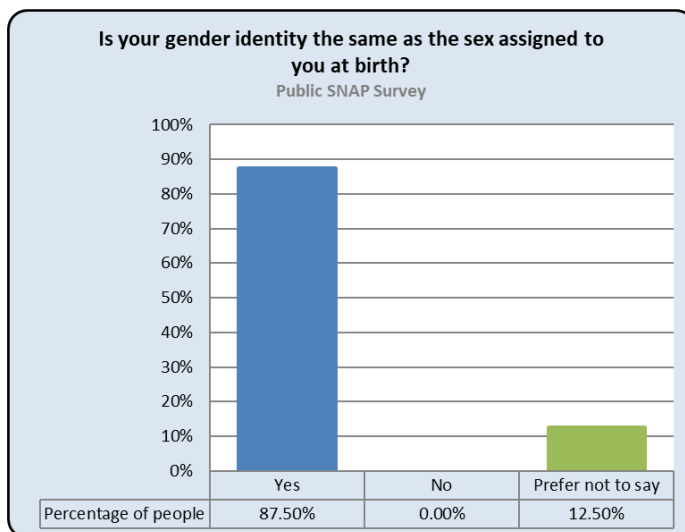
NB: There were 2 no responses.



Is your gender identity the same as the sex registered to you at birth?

Public SNAP Survey		
Identity assigned at birth	Number of people	Percentage of people
Yes	84	87.50%
No	0	0.00%
Prefer not to say	12	12.50%

NB: There was 1 no responses.



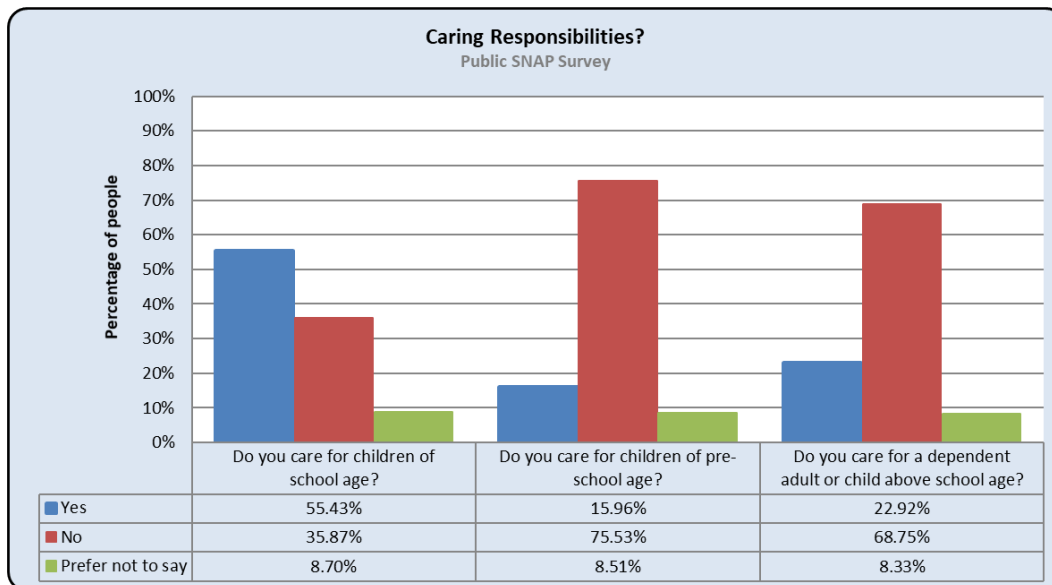
Caring Responsibilities

Public SNAP Survey		
School age?	Number of people	Percentage of people
Yes	51	55.43%
No	33	35.87%
Prefer not to say	8	8.70%

Pre-school age?	Number of people	Percentage of people
Yes	15	15.96%
No	71	75.53%
Prefer not to say	8	8.51%

Dependent adult	Number of people	Percentage of people
Yes	22	22.92%
No	66	68.75%
Prefer not to say	8	8.33%

NB: There were 5 no responses (School age) / There were 3 no responses (Pre-school age) / There was 1 no responses (Dependent adult).



Mae'r dudalen hon yn wag yn

Newport City Council Budget Consultation 2022-23 Response from the Newport Fairness Commission February 2022

Authors:

Gideon Calder, Kate Haywood, Terry Price, Cllr Kate Thomas.

- This is our tenth annual response to the Newport City Council budget proposals.
- As previously, this response should not be taken as providing policy recommendations, but rather as facilitating critical reflection and dialogue around the Council's decisions and direction of travel.
- This report has been adapted from the format used in previous years. This is partly because the proposals themselves are somewhat different in nature.
 - Rather than rating each proposal, we have presented our commentary in more discursive form.
 - Because of the indication of a 'balance in hand', and ongoing work to identify appropriate budget choices, we will be looking to provide a second round of feedback later this year.
- In reading our comments in section 2, it will be helpful to refer to the Fairness Commission's **Principles of Fairness: Equity, Priority, Inclusion and Communication**. (See appendix.)

Key points

- An **investment-based budget** poses different questions regarding fairness from the more customary savings-based proposals. These are difficult to assess fully, because of the importance of considering areas not due to receive investment as well as those which will. Even so, we have identified fairness-related reasons to commend the investments made.
- As in previous years, there are substantial aspects of the proposals where there is **insufficient information to gauge the fairness of what is at stake**. This may be partly down to lack of relevant background details. It is often accentuated by the absence of Equality Impact Assessments.
- We will produce a **Stage 2 report** later in the year, looking specifically at the forthcoming Strategic Change Programme, and over-arching Equalities Impact Assessment.
- Our response closes with a **series of questions**, partly reflecting the points above. We will seek to pursue these during 2022, in dialogue with the Council and in our Stage 2 report.

1. Context

The context and content of the 2022/23 budget proposals – and this response – are distinctive for various reasons. For the first time since the Fairness Commission’s inception in 2012, the budget is focused chiefly on investments, rather than savings. These should be placed against a backdrop of years of heavy financial pressures faced by local authorities – and as we have noted repeatedly before, a corresponding depletion of aspects of the public realm. Added to this we have Newport’s fast-growing population, the still-unfolding implications of the UK’s exit from the European Union, and – very prominently – the unprecedented set of challenges arising from Covid-19. So on the one hand, there is more to spend than usual. On the other hand, there are especially large and urgent challenges to face.

We recognise too that various factors govern how the council spends money, such as public demand for services; pressures on the council from obligatory costs; and areas which allow savings to be made. After so many years of austerity, comparatively few of the services that any local authority provides would now be seen as anything other than essential. These services are either mandatory or their absence would create risk to population safety, cause dissatisfaction or lead to further disproportionate expenses to councils. Many of the changes are clearly linked to predetermined factors like wage and NI increases, bringing in the Real Living Wage, responding to demographic changes and so on. Some of the proposals contribute to the well-being of majority of the population, some are contributing improved outcomes for a specific demographic of the general population. Other investments may be expected to benefit the council by reducing the costs of particular essential services.

Our response here aims to recognise the particularity of this context, while also holding to our own ongoing criteria for assessing the fairness of Council decision-making. In the next section, we have identified a series of proposals which in our view have implications into our four principles of fairness: Equity, Priority, Inclusion and Communication. (See appendix for an explanation of these terms.)

2. Comments in relation to the four principles of fairness

	E	P	I	C
The proposal to raise Council Tax at a time of hikes in living costs etc. requires further justification and communication and this need is even greater given the better-than-expected settlement and investment rather than cuts to services in Newport. How might this be better explained? The risk is that citizens will not appreciate that this rise is still needed. Hearing that Newport has one of the lowest council taxes in Wales is insufficient given the harsh financial context increasing numbers of Newport citizens find themselves in. Reference to most houses in Newport being in bands A-C and the detail on the nominal rises in these categories is useful but presumably the extensive housing developments being built to attract people moving into Newport are not in bands A-C and may skew this picture?	•		•	•
Funding being used to increase wages for local authority staff (anticipated to be 4%) which have been set nationally or by independent bodies (councillor’s allowances). The council have been committed to	•			

seeing contracted companies in the independent or voluntary sector delivering social care services paying the Living Wage to their staff and the grant will cover this. The settlement is also being used to cover the increased costs of National Insurance announced by Westminster Government and the council's pension scheme deficit. Demographic: general population.				
The Safeguarding Hub investments are a welcomed investment and reflective of Fairness principles of equity, inclusion and priority.	●	●	●	
Some funding such as Welsh Government's recent Free School Meals announcement will introduce a new service and they will expect costs to be met from the settlement. Demographic: school-age young people/general population/disadvantaged families.	●	●		
It is evident that across the investment proposals both universal and targeted service are being considered and included.	●	●		
In relation to the additional funding to schools this appears to be being distributed universally with some specific funding for pupils who are statemented. It would be good to understand why a universal approach is being taken. It may be that additional funding per pupil is the simplest, and sensitive, way to allocate funds but do all schools face additional pressures? How might these pressures be relative, or differ? Given that the pandemic has effected some children, families, schools and communities disproportionately is the universal allocation of additional funding to all schools fair? What is the longer term plan given that this funding will not be sustained? What does this mean in real terms per school given that there is a 2.5 million gap in 2022/23 that presumably needs to be 'covered' by this new funding, reducing its impact.	●	●		
Shouldn't equality impact assessments still have been used to assess which services should have additional investment and which shouldn't? These shouldn't only be used as a defence or a justification: they can also be used in a strength based and explanatory way.	●	●		
The children and family services budget proposals read as good problems to have in relation to the necessity of greater investment in relation to, for example, increased numbers of care experienced young people receiving support/services at an older age. Although a future spike is predicted this appears modest given the reported increases in numbers of children and young people becoming involved in the care system.	●	●		

In terms of the Hill Street project it may be worth considering whether the central colocation of vulnerably housed people at one accessible 'managed' site may lead to longer term improvements in terms of professional relationships, trust and related accessibility and take up of services.	•	•	•	
The proposals for this year's progressive Investments towards the Social Value Portal suggest the development of ethically based procurement. Demographic: General population.		•		
Despite the scale of disruption and demand put on the council over the last 2-years, it is notable that few investment proposals address disadvantage from the Emergency Measures . These effects as difficult to predict but the Hardship Fund which previously compensated the council for this, ends at the end of March 2022. GWICES huge increase in urgent referrals plus an 18-month backlog. Demographic: Disabled people/general population.		•		
Several measures make proposals which could be classed as broadly as safeguarding/improving life opportunities for children and young people . The Assessing and Supporting Vulnerable pupil funding, the Child Looked After (Educational Support (a statutory duty), When I'm Ready and Families in Crisis Support, Demographic: Young People/Disadvantage		•		
The SEN OOC proposal of funding in 24/25 represents investments having been previously made to save. There are further advantages of bringing this in-house, building young people's opportunities to connect with their home city from a safe environment. It's more economical than placement in the alternative, the private sector. Demographic: Young People/Disadvantage		•		
The opportunities for local authority public consultation were (inevitably?) more limited this year and this is mirrored by the FC in that we did not consult or invite feedback from groups that we link with in preparing this report. Anecdotally I can appreciate that the public priorities (schools, homelessness, city centre, adults and children at risk, prevention etc.) mirror local authority priorities. However, the lack of citizen engagement/consultation doesn't appear to have been considered when presenting the public consultation materials which appear inaccessible and jargon and acronym heavy.			•	•
The Budget Investments schedule is not laid out in a way makes it easy for the public to find sufficient explanation on some proposals. It's not annotated and proposal titles have not always been completed in a way				•

that explains their nature. It's difficult to understand what has informed some of the proposed amounts.				
The better than expected growth nationally, and related settlement is to be welcomed but is in sharp contrast to individual/family circumstances which, locally, appear to be increasingly challenging. This is acknowledged when explaining that some additional funding is being allocated to services that may well end up compensating for worsening individual/family circumstances but there is little indication of how extensive this analysis is or whether it is just coincidental, or a 'rough match' between anticipated needs and the services that may meet these needs.		●		●
Regarding EDU1 it would be good to know if the increased funding needed for Free school meals is due to increased population, poverty, changing WG policy re universal entitlement for all primary pupils, all three or none.				●
As well as (presumably) the additional funding for schools via pupil funding the school's expansion in Newport is impressive. It would be useful to better understand the implications of this in terms of predicted population growth and pressure on non-school-based services.				●

3. Areas where assessing fairness is especially difficult

Previous FC budget responses have noted areas where gauging the fairness of a proposal is difficult due to lack of relevant information. There are again various examples of this.

- In the **absence of the usual Equality Impact Assessments** to explain decisions it is difficult to work out how principles of equity, priority, inclusion and communication apply.
- Similar impediments apply to **statements such as this...**

"the Council has demonstrated its ability and willingness to invest in services over the longer term, linked to priorities as set out in the Corporate Plan to fulfil its ambition of 'Improving People's Lives'. The Council's Corporate Plan, which ends this March, sets out 20 clear promises and, in some cases, require financial investments, which are included in the 2022/23 budget"

(This refers to but doesn't explain how these priorities are set – a key focal point for any fairness analysis.)

... and this (2.4)

"In putting together the budget we review:

- *budget commitments (both investments and savings) agreed in the MTFP previously;*

- *new areas in need of investment and growth;*
- *new proposals for savings and efficiencies;*
- *new proposals on our fees and charges.”*

(Where we are given factors without an indication of how they might be measured.)

- **Council tax.** We are given an explanation for why this is set relatively low and the impact this has had on revenues which results in a proposal for an inflation linked increase but nothing else to address historic legacy and attempts to redress it or not which would have been a good focus for a Fairness IA but this will go out for consultation – a process that we might also have looked at. So premature to fully comment on this. It would have been nice to see a few different options being put out with us looking at the potential choices and consultation processes and responses.
- There are missing details in many of the investment proposals making it difficult to make informed comments. For example, in SOC30, what are the increased pressures in in-house residential homes and why is an increased sickness budget needed. These seem to assume prior knowledge.

4. Areas for follow-up in our Stage 2 report for 2022

We have identified various themes and developments to which we would like to return later in the year. Each, we anticipate, will be analysable in terms of our principles of fairness – and will shed vital extra light on the implications of the proposals set out here.

- The forthcoming **Strategic Change Programme** referred to in 2.25, outlining ‘the key areas and initiatives that will guide services and the Council in the future to deliver sustainable services’.
- See **7.10 Equalities Impact Assessment and the Equalities Act 2010**

“As there are no new savings proposals in the 2022/23 draft budget and medium term financial year there are no individual fairness and equality impact assessments at this stage. However, an over-arching assessment of the impact of the budget will be undertaken, to be informed by the budget consultation and included with the final report to Cabinet. Given that the Administration has been able to avoid making cost savings the overall impact of the budget is expected to be positive in terms of equalities and the socio-economic duty.”

Again, this will be something for us to return to in our Stage 2 report.

5. Questions

Much of the information available is too unspecific, or at too early a stage, for us to make our usual comments. In light of this, we regard it as the most helpful option to pose a series of questions which have arisen from our analysis of the proposals as they are.

- An extended period of austerity has led to certain groups losing out, and other **long-term, unintended impacts** of the withdrawal of services along the way. What plans do the Council have to address the **consequences of historic decisions**?
- What do they do to possibly redress **low Council Tax rates** and their ongoing consequences for overall budget?
- What is, and how fair, is the **Strategic Change Programme**? And how does it apply to this budget? (The same may apply to the Corporate Plan.)
- Given the absence of proposed cuts and it being investment led, apart from forced considerations **on what basis do some service groups get prioritised over others for investment**?
- What is the **overarching EIA** likely to tell us about the fairness or otherwise of the proposals?
- What are the proposals for **consultation with interested parties** as further budget-related decisions unfold, and what consideration will be given to responses?

Appendix: Principles of Fairness

Equity

We should acknowledge differences but also treat people in a consistent way, while aiming to reduce the gap between those with more and less.

- *Are people being treated in a consistent way, while acknowledging their differences?*
- *Will the gap between those with more and less be reduced?*
- *Have the interests of different groups affected (such as minorities) been taken into account?*

Priority

We should prioritise the needs of the most vulnerable and disadvantaged.

- *Have the needs of the most disadvantaged and vulnerable across the city been given priority?*
- *Have we taken care to consider possible indirect consequences for these people of decisions made with other priorities in mind?*

Inclusion

Citizens should be given the opportunity to participate in the shaping of how services are decided upon, designed and delivered.

- *Will the voices of all those affected be heard?*
- *Have possible impacts on the well-being of future generations been taken into account?*
- *Are all relevant citizens able to participate in and shape the service, as well as receiving it?*
- *Has consideration been given to the impact on citizens' relations with each other, and the spaces they share?*

Communication

All decisions should be clearly communicated to those affected, in a way which allows for feedback and recognises the obligations between citizens and their Council.

- *Are decisions being made transparently and consistently?*
- *Will relevant decisions be communicated to those affected in a clear way, with the opportunity for feedback?*
- *Are the obligations of citizens to the Council, and vice versa, clear?*

Budget Consultation
NAHT Response

We welcome the better than expected settlement from Welsh Government. From a school's perspective, maintaining school budgets and investing in schools, budgeting for a 4% teacher pay award dependent on the award agreed for 2022/23 – that would be good to see and great that the LA is seeking to cover the cost. We are grateful for the investment in ALN funding however, not sure what has been added will be sufficient. Further funding is almost certainly needed to address the growing demand for additional specialist placements for pupils from LRBs to high end EBD.

Key paras for us –

The draft budget makes provision for schools to receive investment of up to £8,003k in 2022/23, which represents a 7.3% growth in the schools budget. This is based on an assumed level of inflationary pay award increase as noted above plus the additional costs of new/ expanding schools at a level which maintains the current 'funding per pupil' as the table below shows. In this respect, it represents an investment in schools' budget over and above the cost increases predicated in schools. It is proposed to Cabinet in this report that all of the budget increase provision will be added to the 'Individual School Budget' except for the allowance for the 2022 pay award increase, which will be considered by Cabinet when a final figure is known/agreed, up to the value of the budget provision made. In doing so, the intention of fully funding cost increases in the school budget sector remains and reflects what is being proposed to Cabinet within this report 3.13 As part of the investment outlined above, £1,197k has been included in relation to the provision of support for pupils with additional learning needs (ALN). This funding will largely go towards the one-to-one support that is delivered for statemented pupils, in turn reducing the requirement for schools to use other funding allocations to meet the cost of delivering this support. Although this funding will be provided for specific ALN provision, it is anticipated that most, if not all, schools will benefit from this. As well as this, in recognition of the ongoing funding challenges faced by schools, £900k is included as a general budget increase to the overall school budget. This will increase the per pupil funding amount and all schools will experience the benefit of this. 3.14 The context for this proposed funding is the challenging financial management position within.

Mae'r dudalen hon yn wag yn

APPENDIX 5 – Budget Investments

New Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
PEOPLE							
Children & Family Services	SOC35	Education support team	Policy Change	Child Looked After (CLA) Education Support - Statutory duty - new requirement from September 2021 as WG require additional educational support to be provided to CLA. Investment to support 1 co-ordinator, a part time teaching assistant and part time admin posts.	96	32	0
Children & Family Services	SOC36	Direct pay child services	Demand - Social Care	Direct Payments - The number of parents who receive direct payments for the specific needs of their child has now reached 55 and is expected to continue at this level. Five children turn 18 this financial year and this investment is required to fund new care packages in 22/23.	99	0	0
Children & Family Services	SOC20	Leaving care	Demand - Social Care	When I'm ready - Supports the requirement to support care leavers up to the age of 25. Numbers are increasing due to children being encouraged to use the service. 22/23 pressure represents an additional 27 places and future year pressures representing 10 additional places per year.	243	105	105
Children & Family Services	SOC27	SE Wales adoption	Other	South East Wales Adoption Services (SEWAS) - the basis of the contribution to the regional service has been reviewed. Regional Heads of Service agreed that this should follow RSG formula basis, therefore requiring additional investment from Newport each year. Whilst this will be implemented in 22/23 the first year will be funded via a specific reserve.	0	87	0
Children & Family Services	SOC30	NCC Child res	Other	In-House Residential Homes - Given the pressures being faced within social care, staff savings of £69k are unable to be achieved from front line services. Furthermore, this includes £55k investment to support the increase in sickness cover budgets (non-covid sickness) from 2 weeks to 3 weeks.	124	0	0
Children & Family Services	Various	Various	Other	Early intervention and prevention - to create additional capacity within the safeguarding hub to support families in crisis and ultimately reduce the severity of situations increasing	129	43	0
Adult & Community Services	SOC07	GWICES (Gwent Integrated Community Equipment Service) Pooled Fund	Demand - Social Care	Gwent Integrated Community Equipment Service (GWICES) - Equipment costs due to an 85% increase of urgent referrals and an 18 month back log of non urgent referrals. In addition, world wide materials shortages are leading to price increases.	50	0	0

APPENDIX 5 – Budget Investments

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Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Adult & Community Services	SOC10.1-10.3	Community Care Packages	Pricing	Social care contracts - Commitment from the Minister that the Foundation (Real) Living Wage will be paid to all care staff from April 2022 (£2,810k). Furthermore the impact of the increase in National Insurance rates will also be provided to social care providers (£433k).	3,243	0	0
Adult & Community Services	SOC4	Day opportunities	Other	RSG transfer in - social care workforce grant	254	0	0
Education	EDU1	Schools	Demand - Other	Free School Meals uptake funding requirement for sector increases in eFSM pupils to Nov 2021 inc. transitional protection. The figure shown is the impact of the increased uptake across all school years. This budget pressure / risk will be impacted and need to reflect the WG policy development of universal free school meals for primary age school years	883	0	0
Education	Various	Various	Other	Early intervention and protection - additional resource to provide a proactive approach into assessing and supporting vulnerable pupils	135	45	0
Education (Schools)	EDU1	Schools	Other	Schools - additional funding in recognition of the ongoing funding challenges faced by schools.	906	1,242	1,035
Education (Schools)	EDU1	Schools	Demand - Other	ICT Infrastructure - Pressure for sustainability of ICT infrastructure within schools following EdTech investment	50	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Bubble Class - New reception bubble class established September 2021 at High Cross Primary Schools - 30 FTE Class Opened in Sept 2021 to support increased pupil place demand and absorbed by ISB in 2021. Pressure is full year effect of 30 FTE reception places.	81	0	0
Education (Schools)	EDU1	Schools	Demand - Other	eFSM - increase in entitlement Continued review required to establish the permanent increase in entitlement. Significant uncertainty remains due to the pandemic in terms of the permanency of current update.	0	TBC	TBC
Education (Schools)	EDU1	Schools	Pricing	Teachers pay award - part year affect of the 21/22 pay award for teachers	321	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
PLACE							
Regeneration, Investment & Housing	RIH1	Homelessness	Investment	Homelessness - WG directive at the start of the pandemic to ensure that there are no rough sleepers in Newport becomes a pressure once WG Hardship Fund ends. Whilst additional funding is available from WG, this is not sufficient to deal with the full extent of the demand being faced across the City.	355	0	0
Regeneration, Investment & Housing	RIH12	Plan & Dev Mngt Acc	Other	Council contribution to Great Western Partnerships	10	0	0
City Services	STR11	Sustainable waste	Pricing	Provision for foundation living wage increases and NI uplift on external contracts	109	0	0
City Services	STR16	Fleet Management	Other	Red diesel - result of HMRC removing subsidy for Local Government	75	0	0
City Services	STR11	Sustainable waste	Other	Sustainable Waste Management Grant - based on estimated reduction in grant funding across Wales. The impact on NCC is yet to be confirmed so could be subject to change	73	50	50
City Services	STR10	Waste Disposal Site	Other	Closure of asbestos cell - The cell is expected to close mid year 22/23 therefore resulting in loss of income. There is likely to be a small reduction in cost which has the potential to reduce the required investment.	175	139	0
City Services	STR20	Car Parks	Other	Car Parking - reduction in capacity at Hill Street due to half the site being converted to temporary accommodation for the homeless	34	0	0
City Services	STR11	Sustainable waste	Other	Increased recycling collection costs - to accommodate the housing growth across the City	153	0	0
City Services	STR17	Grounds Maintenance	Other	Grounds Maintenance - an income budget was created a few years ago for donations which has never attracted any income	59	0	0
CORPORATE							
People & Business Change	PBC12	Shared Res Serv	Other	Retained Contracts - Digital investment to support new financial system	150	0	0

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Law & Regulation	LAW8	Insurances	Other	Insurances - the cost of premiums with current provider have risen significantly	90	0	0
Law & Regulation	LAW3	Democratic Services	Other	Electoral Services - Ministerial commitment to build the capacity of electoral services to deal with Welsh electoral reform	TBC	0	0
Law & Regulation	LAW4	Members' Allowances	Other	Members' allowances - following the outcome of an independent review, the rates of payment for members' allowances will increase	150	0	0
NON-SERVICE							
Non-Service	n/a	n/a	Other	Increase in employers national insurance contribution from 13.80% to 15.05%.	1,597	0	0
Non-Service	n/a	n/a	Pricing	Increase contribution to Gwent coroner service	65	0	0
Non-Service	n/a	n/a	Pricing	Increased contribution to Gwent Archive Joint Committee	23	0	0
Non-Service	n/a	n/a	Pricing	Levies - expected impact of NI uplift on levies imposed	71	0	0
Non-Service	n/a	n/a	Other	Social Value Portal (SVP) to support embedding Social Value and the Welsh National TOM's into procurement	15	0	0
Non-Service	n/a	n/a	Other	Corporate Joint Committees - Ministerial commitment to provides for the creation and ongoing development of corporate joint committees to allow authorities to work together on specific functions such as transport, economic development and planning	TBC	0	0
Non-Service	n/a	n/a	Other	Covid-19 Pandemic - Ongoing impact of the pandemic on council services	TBC	0	0
Non-Service	n/a	n/a	Other	Specific grants - impact of grant reduction on specific services	TBC	0	0
NEW BUDGET INVESTMENTS TOTAL					9,818	1,743	1,190

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APPENDIX 5 – Budget Investments

Agreed/ Revised Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
PEOPLE							
Adult & Community Services	SOC10.1-10.3	Community Care Packages	Demand - Social Care	Increased demand on Adult Learning Disability Budgets - Learning disability (LD) children turning 18 and LD clients who were previously looked after by relatives but now are unable to look after them.	963	960	346
Education	EDU6	SEN Recoup OOC	Demand - Other	SEN Out of County (OOC) pupil demand - Demand increasing at 16 pupils per year based on trend data at an average cost for 20/21 pupils and a conversion rate of 75% for pupils moving to out of county provision.	0	0	31
Education	EDU17	New Llanwern Village School	Demand - Other	New Llanwern Village Primary - School to open September 2024. Head Teacher (HT) required in post from May 2024 and School Support Officer (SSO) and Caretaker required in post from June 2024 in advance of official opening to support new school requirements.	0	0	46
Education (Schools)	EDU1	Schools	Demand - New Schools	Secondary School Transitions - In line with pupil projections as reviewed by Planning of School Places group and 2021/22 average pupil funding for secondary school pupils. This equates to an increase of 194 FTE from 21/22 - 22/23 and 132 and 7 24/25 respectively and excludes Welsh medium pupils who are accounted for separately.	706	479	25
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Gyfun Gwent Is Coed: This is the new Welsh Medium Secondary School, which was established from September 2016 as a seedling school with a capacity of 750. The school will continue to grow beyond the current medium term financial planning cycle. The school was established under a seedling model and expanded by 1 year group per academic year, the school had year 7 - 11 pupils in September 2020, growing to accommodate post 16 pupils in the following 2 years. Costs have been revised in line with pupil projections as reviewed by Planning of School Places group and 2021/22 average pupil funding for secondary school pupils, including the Welsh medium AWPU enhancement factor.	124	105	83

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Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Education (Schools)	EDU1	Schools	Demand - New Schools	<p>New Llanwern (Village) Primary Schools - This school will be established on the housing development at Llanwern Village, and is being funded as part of S106 agreements. The school will be a 1.5 FE school, with a nursery and 10 place learning resource base (LRB) unit on site. The MTFP assumes that the school will open in September 2024 as a growing school with a small number of pupils in each year group with the intention of these growing each year.</p> <p>Year 1 N = 20 FTE R = 30 Y1-6 = 15 pupils LRB = 10 pupils</p> <p>Y2 N = 20 R-Y6 = 30 LRB = 10</p> <p>Y3 N = 20 R-Y6 = 45 LRB = 10</p>	0	0	519
Education (Schools)	EDU1	Schools	Demand - New Schools	<p>New West Glan Llyn Primary School: This school was established on the housing development at St Modwen's, and was built by the developer as part of S106 agreements. The school is a 2 form entry school, with a nursery and 20 place learning resource base (LRB) unit on site. The school opened in September 2019 as a growing school with a small number of pupils in every year group with these growing each year.</p>	335	89	0
Education (Schools)	EDU1	Schools	Demand - New Schools	<p>New Primary School - Whiteheads: This school will be established on the housing development at the Whiteheads site, and is being built by the developer as part of S106 agreements. The school will allow for the move and expansion of Pillgwenlly Primary school to expand from 2 form entry (FE) to 3FE. Legal approval for the expansion is for January 2024 however due to slippage on the project the opening will likely be deferred to September 2024.</p>	0	177	129

APPENDIX 5 – Budget Investments

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Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Education (Schools)	EDU1	Schools	Demand - New Schools	Welsh medium primary school: The school will be a 2 form entry, with a nursery on site. The school opened in September 2021 as a seedling school, with a capacity of 444. The school will open with a nursery and reception class in the first year with a further year group added every year until it reaches capacity. A 10 place learning resource base will open in the school in September 2023 and is anticipated to be full upon opening.	289	180	190
Education (Schools)	EDU1	Schools	Demand - New Schools	Expansion of Tredegar Park Primary - increase admissions to 75 from 60 on a year by year basis starting with reception from September 2021. Delays have meant that this will commence September 2022. In year pressure for 22/23 offset by 21/22 increase in funding therefore nil impact in 22/23.	0	45	38
Education (Schools)	EDU1	Schools	Demand - New Schools	Amalgamation of Kimberley and Fairoak Nursery Schools onto current Fairoak site effective September 2021. £35k one off amalgamation funding in 2021/22 will be removed in 2022/23 financial year. Reduction of communication class from 8FTE to 4 FTE from September 2021 removed and to remain at 8FTE within the new Newport Nursery	-12	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - Funding based on Category 2 Special school place led funding. To open a total of 28 places over the foundation phase - 8 places Y1 then 10 places per year group for reception, year 1 and year 2. Due to move to Kimberley site in Sept 21 but delayed until April 22 therefore full year site funding required in 22/23. Pro rata funding requirement for 22/23 received in 21/22 (£35k)	228	223	93
Education (Schools)	EDU1	Schools	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - Funding based on Category 2 special school place led funding. To open a total of 32 places for Key Stage 2 provision, 8 places per year group for years 3 to 6. Opening to year 3 pupils in September 2023.	0	134	200

APPENDIX 5 – Budget Investments

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Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
Education (Schools)	EDU1	Schools	Demand - Other	<p>Cost of SEN provision for Teaching Assistant support (matrix funding) This pressure bridges the gap between the current per pupil funding level for SEN support in schools (Matrix Funding) and the actual cost of the teaching assistants that provide this support. As schools already receive core funding for all pupils within their school an appropriate LA contribution rate is to be agreed. The investment reflects circa 83% contribution.</p> <p>Additional funding to support schools in delivering support for pupils with additional learning needs. This pressure will help to bridge the gap between the actual cost of ALN support in schools and the amount of funding specifically allocated towards that.</p>	1,197	0	0
Education (Schools)	EDU1	Schools	Demand - New Schools	<p>Llanwern ASD Base Opening Sept 22 as a 20 place provision Growing as 5 per year from Sept 22 22/23 pressure managed from within Education SEN Budget</p>	0	100	99
Education (Schools)	EDU1	Schools	Demand - New Schools	<p>Maesglas Primary Expansion - Maesglas Primary school to increase published admission number (PAN) from 38 to 45 pupils, growing from reception in September 2023.</p>	0	29	46
PLACE							
Regeneration, Investment & Housing	RIH9	Centralised Properties	Pricing	<p>Norse JV - Increased contract payment as a result of assumed 2% uplift each year from 22/23.</p>	91	89	92
City Services	STR11	Sustainable waste	Investment	<p>New Household Waste Recycling Centre (HWRC) - The opening of a second HWRC supports the corporate plan and the waste strategy.</p>	0	300	0
CORPORATE							
People & Business Change	PBC12	Shared Res Serv	Pricing	<p>Shared Resource Service (SRS) - Increased contract payments as a result of foundation living wage increase and NI uplift in 2022/23 and further increases as a result of assumed pay award of 2% year on year.</p>	80	35	35

APPENDIX 5 – Budget Investments

Service Group	Activity Short Code	Activity Description	Category	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
NON SERVICE							
Non-Service	n/a	n/a	Capital Financing - other	Corporate Plan Promise - Capital Programme - To fund the capital financing costs of the current (in principle) capital programme. Investment required to meet the promises set out in the Corporate Plan	0	0	208
Non-Service	n/a	n/a	Pricing	Pension Deficit - Estimated 1% pa increase from 2021/22 following valuation of the public service pension schemes. This assumes that employer contributions will increase to 24.2% by 2022/23 however the outcome of the 2019 triennial pension valuation will be confirmed by the Greater Gwent Pension Scheme at the end of this calendar year.	773	0	0
AGREED/ REVISED BUDGET INVESTMENTS TOTAL					4,774	2,945	2,180
BUDGET INVESTMENT TOTAL					14,592	4,688	3,370

Pressures Summarised:

Pressures by Type	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)
New budget pressures	9,818	1,743	1,190
Previously agreed/ revised budget pressures	4,774	2,945	2,180
New and previously agreed/ revised pressures	14,592	4,688	3,370
Inflationary pressures (Inc increments)	10,436	8,702	8,464
TOTAL BUDGET PRESSURES	25,028	13,390	11,834

Mae'r dudalen hon yn wag yn

APPENDIX 6 – Budget Savings Previously Agreed

Cabinet

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)	Staff Impact
PEOPLE								
Children and Family Services	SOC30	NCC Child Res	CS2122/03	Closure of Cambridge House as a Children's home	85	0	0	5.1
Adult and Community Services	SOC4	Day Opportunities	AS2122/03	Transformation of adult day services	145	0	0	17.0
CORPORATE								
Non Service	n/a	n/a	NS2021/01	Council Tax Reduction Scheme	280	0	0	0.0
PREVIOUSLY AGREED SAVING - Cabinet					510	0	0	22.1

Cabinet Member

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)	Staff Impact
PEOPLE								
Children and Family Services	SOC28	Child Protection	CFS2021/04	Reduction in Legal Costs	150	0	0	0.0
PREVIOUSLY AGREED SAVING - Cabinet Member					150	0	0	0.0

APPENDIX 6 – Budget Savings Previously Agreed

Head of Service

Service Group	Activity Short Code	Activity Description	Unique ID	Proposal Title	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)	Staff Impact
PLACE								
City Services	Potentially all codes	Potentially all codes	CS2021/02	Training Within Industry (TWI) Programme	100	0	0	0.0
Regeneration, Investment and Housing	RIH9	Centralised properties	RIH2021/02	Increased Revenue from Newport Norse profit share	30	0	0	0.0
CORPORATE								
Finance	FIN4	Strategic Procurement	FIN2021/03	Increase Income Through pCard Programme	3	0	0	0.0
Finance	FIN4	Strategic Procurement	FIN2122/04	Generate additional income through the corporate credit card programme (pCard)	7	0	0	0.0
People and Business Change	PBC12	Shared Res Serv	PBC2122/02	IT Systems rationalisation and associated contract savings	12	0	0	0.0
PREVIOUSLY AGREED SAVING - Head of Service					152	0	0	0.0

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Savings Decision Type	22/23 (£'000)	23/24 (£'000)	24/25 (£'000)	Staff Impact
Previously Agreed Cabinet Savings	510	0	0	22.1
Previously Agreed Cabinet Member Savings	150	0	0	0.0
Previously Agreed Delegated Head of Service Savings	152	0	0	0.0
PREVIOUSLY AGREED BUDGET SAVINGS	812	0	0	22.1

APPENDIX 7 – Medium Term Financial Plan (MTFP)

	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
Funding				
Base change in in WG Revenue Support Grant (+10.31% in 22/23, +3.5% in 23/24 and +2.4% in	(24,816)	(9,296)	(6,598)	(40,710)
Increased share of the total Revenue Support Grant due to data changes showing increased relative spending need	-	(750)	(750)	(1,500)
Increase in tax base - C.Tax @ 21/22 rate	(452)	-	-	(452)
C. Tax @ 3.7% in 22/23 and 4% thereafter	(2,797)	(3,135)	(3,261)	(9,193)
Less consequential increase in benefits	520	627	652	1,799
Change in Income/Funding	(27,545)	(12,554)	(9,957)	(50,056)
Revenue Investments / Increased Costs				
Pricing - Pay Inflation & Increments (schools and non schools)	11,837	5,391	5,028	22,257
Pricing - Contract/ Income Inflation (schools and non schools)	3,375	3,435	3,563	10,373
Demand - Schools	1,751	1,561	1,422	4,734
Standstill/ 'committed' position	16,963	10,387	10,013	37,364
Demand - Social Care and other	3,485	1,065	528	5,078
Policy change	96	32	-	128
Investments - Corporate Plan Promise	355	300	-	655
Capital Financing - other	-	-	208	208
Other	4,129	1,606	1,085	6,820
Total Pressures	25,028	13,390	11,834	50,253
General budget transfer to / (from) Reserves	(563)	563	-	-
Gap Before Cost Reduction Plans	(3,080)	1,399	1,877	197
Cost Reduction - Transformation / Change Programme				
Cost reduction - new savings	-	-	-	-
Cost reduction - previously agreed savings	812	-	-	812
Total Savings	812	-	-	812
Balance - @ WG +10.31%, 3.5% and 2.4%	(3,892)	1,399	1,877	(615)
			Balance excluding 2022/23	3,276

Mae'r dudalen hon yn wag yn

APPENDIX 8 – Reconciliation of Movements Since Budget Consultation

	22/23 £'000	23/24 £'000	24/25 £'000
January 2022 MTFP balances	(4,818)	(496)	781
Proposed new investments - January Cabinet	1,549	(399)	(385)
Balance in hand as at January Cabinet	(3,269)	(895)	396
<u>Movement since consultation/ January 2022 Update</u>			
<u>Pressures/ Investments:</u>			
Reprofile of the new Household Waste Recycling centre (HWRC) investment in line with likely timescales	(125)	125	0
Revised homelessness pressure following confirmation of WG grant funding	(378)	0	0
Reprofile investment for new posts - assume new posts filled from June 22	(120)	120	0
Teachers pay award - full year impact of 4% pay award in Sept 22, 2.5% thereafter inc. higher NI rate	0	1,462	878
NJC pay award - provision for 2.5% pay award from April 22 inc. higher NI rate	0	587	603
Total change in pressures/ investments	(623)	2,294	1,481
February 2022 MTFP balances	(3,892)	1,399	1,877

Mae'r dudalen hon yn wag yn

Fairness and Equalities Impact Assessment (FEIA)

This is an integrated Impact Assessment which aims to ensure Newport City Council makes decisions which are fair, take account of relevant evidence, and seek to secure the best outcomes for our communities. **An FEIA should be used to inform the first steps of decision-making, at concept stage, not when a decision is already made, or at the point when it cannot be influenced.** This impact assessment considers our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

The FEIA process is not intended to prevent decisions being made, but to ensure we have considered their potential impact. An FEIA also helps us to focus on how we can reduce any negative impacts and provides us with evidence that we have met our legal duties.

For support to complete your FEIA, please contact the [Connected Communities Team](#)

What do we mean by Fairness?

The Newport Fairness Commission is an independent body which advises the council on the best use of resources and powers to achieve the fairest outcomes for local people. The Fairness Commission has established four **Principles of Fairness** which should be considered as part of any decisions that the council make – the questions below are useful to reflect on before you start your FEIA.

Equity	Are people being treated in a consistent way, whilst acknowledging their differences (for example, need, barriers to accessing services)?
	Will the gap between those with more, and those with less be reduced?
	Have the interests of different groups affected (including minority or disadvantaged communities) been taken into account?
Priority	Have the needs of the most disadvantaged and vulnerable across the city been given priority?
	Have you considered possible indirect consequences for minority/disadvantaged communities when other priorities are directing decisions?
Inclusion	Will the voices of all those affected by your decision be heard?
	Are people able to participate in and shape a service, as well as receiving it?
	Have you considered the impact of your decision on the relationship between communities, and the spaces they share?

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Communication	Are decisions being made transparently and consistently?
	How will decisions be communicated to people who are affected in a clear way, with the opportunity for feedback?

Part 1: Identification

Name of person completing the FEIA	Maddy Cameron/Donald Mutale
Role of person completing the FEIA	Equalities Officers
Date of completion	09/02/2022
Head of Service who has approved this FEIA	

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1. What is being assessed? *(Please double click on the relevant box(es) (X) and select 'checked' as appropriate)*

- New or revised policies, practices or procedures (which modify service delivery or employment practices)
- Service review or re-organisation proposals which affect the community and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- Decisions affecting service users, employees or the wider community including (de)commissioning or revising services
- New project proposals affecting staff, communities or access to the built environment
- Public events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Service Boards
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions

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- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other *please explain in the box below:*

2. Please describe the overall aims, objectives and intended outcomes of your decision

It should be noted that the information included within this assessment relates to the draft budget reported to Cabinet in January. These are subject to change at the February Cabinet meeting where Cabinet will be asked to agree their final budget proposals and recommend the associated council tax level required for agreement at Full Council in their meeting on 1st March 2022.

For 2022/23 specifically, the Council plans to invest around £9.5m in the draft budget over and above an allowance for pay and pricing inflation. Unlike previous years this budget does not include savings. Instead, it proposes several investments in services intended to maintain and develop services for vulnerable groups, provide for future generations, and support city services.

Several key contextual areas and events have influenced the investments that are being proposed. The key contextual areas which have shaped the thinking and the preparation of the draft proposals include:

- the economic challenge, in the context of major cost and demand pressures and the extent to which the pandemic has done lasting damage to the economy.
- the Council Corporate Plan and the investment required to finalise the implementation of the corporate plan's promises.
- the demand-led pressures that continue to present a challenge within in year monitoring including, in particular: specific challenges within Children services and undelivered budget savings, and
- the draft settlement from WG confirming the need for the Council to make provision to meet the additional costs of introducing the Real Living Wage for care workers as set out by the Deputy Minister for Social Services, the full-year impact of the teachers 2021/22 pay deal and the ongoing impact of the pandemic on services which authorities will need to manage

The key priority areas identified are children's services, adult services, early intervention and prevention services, homelessness support, city services, schools and education. A complete list of the proposed budget investments and more details on activities can be found in [Appendix 1](#)

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3. Who are the main stakeholders who may be impacted by your decision and what data do you hold on them? Consider communities of place (people who live in the same geographic area) and communities of interest (people who share particular characteristics but may live in different geographic areas). Stakeholders may include residents, local businesses, community groups, staff or partners.

The proposed budget investments will impact all usual residents in Newport, particularly:

- Looked After Children and Care Leavers
- Children, young people and staff provided support by Children & Family Services
- People provided support by Adult & Community Services
- Staff within Children & Family Services
- Staff within Adult & Community Services
- Wider partners who are impacted by the work undertaken by Children & Family Services or Adult & Community Services
- Children & Families who access early intervention and prevention services
- Local businesses
- Community groups/people meeting in Newport city
- Neighbouring local authorities involved in partnerships
- Pupils in all schools with the local authority
- External partners

Information about the population of Newport can be found here

<https://www.newport.gov.uk/documents/One-Newport/Profiles/Community-Wellbeing-Profile-2019-Newport-Population.pdf>

Part 2: Engagement

When completing this section, you need to consider whether you have sufficient information about the views and experiences of people who your decision will impact upon. If you don't, you may need to undertake a period of engagement/consultation before continuing. An FEIA is a live document, so can be updated with consultation findings, and amended as needed during the decision-making process.

The council has a duty to consult and engage with people who may experience inequalities as a result of your decision. This includes people **who share Protected Characteristics** (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and people who **have lived experience of socio-economic disadvantage**. The council's Youth Promise also requires us to ensure **all young people in Newport are listened to and included in decisions affecting them**.

The council also has a duty to ensure that any consultation is available bilingually (in Welsh as well as English), and you may like to consider any other community languages that are spoken by people who may be impacted by your decision. Below are some questions that should be included in any public consultation relating to a decision which may impact on the use of Welsh language in Newport:

1. Do you believe that the proposed decision/policy will have a positive or negative effect on opportunities to use the Welsh language?
2. If you think it will have a negative effect, what steps could we take to lessen or remove this and improve positive effects?
3. Do you believe that the proposed decision/policy will treat the Welsh language less favourably than the English language?

1. How have you engaged with people who may be affected by your decision (the stakeholders you have identified)?

During the development of the draft budget, a public engagement exercise was completed to establish residents' views on the prioritisation of council services over the medium term. There were almost 1000 responses received, and the results indicated that respondents particularly valued services that include schools and education, children's services, city services, adult services, and homelessness support. The proposed investments are consistent with these findings.

Further public engagement was undertaken via a SNAP survey following Newport City Council Cabinet's agreement of budget proposals as a basis for consultation. The survey and opportunity to contribute to the consultation was advertised across various social media platforms (in both Welsh and English) and was promoted on the landing page of the council website for ease of access. The main aim of this consultation was to capture the views and

APPENDIX 9 – Fairness and Equalities Impact Assessment (FEIA)

opinions of Newport residents on the draft budget and medium-term financial plan, particularly on the proposed investments and increase to Council Tax. Cabinet will consider feedback at the end of the consultation period and agree on final budget proposals (*see Table 2*).

Table 2: Budget consultation 2022/23 Timetable

Cabinet agrees budget proposals as a basis for consultation	14 January 2022
Consultation Period	14 January 2022 to 11 February 2022
Cabinet considers feedback from consultation and agrees final budget proposals and recommends resulting overall budget and council tax required to full Council	18 February 2022
Council approves the 2022/23 overall budget and resulting council tax level required	1 March 2022

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2. What do you know about the views or experiences of people who may be affected by your decision?

Consultation findings

Key findings from the **SNAP** survey indicated that:

- 9% of respondents strongly agreed with the proposed budget investments
- 33% of respondents agreed with the proposed budget investments
- 30% of respondents disagreed with the proposed budget investments
- 19% of respondents strongly disagreed with the proposed budget investments
- 8% of respondents were unsure if they agreed or disagreed with the proposed budget investments

Key areas that survey respondents felt should be prioritised for investment included schools and education, waste management, homelessness and regeneration/upkeep of the city. A separate consultation summary which sets out feedback in more detail is available separately to this impact assessment.

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Demographics

- 59% of respondents were female, 35% were male, 1% were non-binary 5% preferred not to disclose their gender.
- The majority (36%) of respondents were aged between 45 – 54 years of age; this age group together with the 35 – 44 category (31%) account for 67% of all respondents (see Table 3).
- The majority (84%) of respondents came from White: English, Welsh, Scottish, Northern Irish or British backgrounds (see Table 4).
- 8% of respondents identified as disabled, with 7% preferring not to provide information
- 11% of respondents stated they were Welsh speakers.
- The majority (62%) of respondents had children of school age and 16% had children of pre-school age.
- 6% of respondents identified as LGBTQ+, 81% identified as straight/heterosexual and 13% preferred not to say

Table 3 Respondents by Age

Age Group	Number of respondents	Share %
Under 18	0	0
18-24 years old	1	1
25-34 years old	13	15
35-44 years old	26	31
45-54 years old	30	36
55-64 years old	5	6
65-74 years old	3	4
75 years or older	2	2
Prefer not to say	4	5

Source: Newport City Council, 2022. Newport's Budget Challenge 2022 – 23 Consultation

Table 4: Ethnicity of Respondents

Ethnic Group	Number	Share %
White: Wel/Eng/ Sco /NI/British	68	84
White: Irish	0	0
Gypsy or Irish Traveller	0	0

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Other White	0	0
White & Black Caribbean	1	1
White & Asian	1	1
White & African	0	0
Other mixed	0	0
Indian	1	1
Bangladeshi	0	0
Pakistani	0	0
Other Asian	0	0
Black African	1	1
Black Caribbean	0	0
Other Black	0	0
Arab	0	0
Chinese	0	0
Other ethnic group	0	0
Prefer not to say	9	11

Source: Newport City Council, 2022. Newport's Budget Challenge 2022 – 23 Consultation

Part 3: Assessment

This section requires you to assess the potential impact of your decision on a range of groups who may experience specific disadvantages. Your assessment should be supported by evidence – either from your own engagement/consultation, similar or previous engagement, what you already know about the people who access your service, or from local and national sources of information.

Useful documents which set out information about how communities are impacted by inequalities include [EHRC – Is Wales Fairer?](#) and the council’s [COVID-19 Community Impact Assessment](#). Your decision may have both positive and negative impacts – if this is the case, please place a cross in both boxes.

1. Impact on people that share Protected Characteristics

[Protected Characteristics](#) are defined under the Equality Act 2010, and describe groups of people who are protected from discrimination, either in the workplace, or through the provision of goods and services. The council must consider how decisions may impact on people differently because of a protected characteristic, and how any negative impact could be reduced. National guidance on assessing equality impacts and the Public Sector Equality Duty can be found [here](#). You can also access further advice and examples of positive and negative impacts [here](#).

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Protected characteristic	Impact:			<p>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</p> <ol style="list-style-type: none"> 1. Promote equal opportunity across different groups 2. Promote community cohesion 3. Help eliminate unlawful discrimination/ harassment/ victimisation
	Positive	Negative	Neither	
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The proposed budget investments prioritise children's services, adult services, early intervention and prevention services, schools and education. Key items/investments that will positively impact people of different ages, and particularly children include:</p> <ul style="list-style-type: none"> • £1,355k for increasing demand in social care for both children and adult services • £883k free school meals uptake funding • £2,998k investments in school budgets

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Protected characteristic	Impact:			<p>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</p> <ol style="list-style-type: none"> Promote equal opportunity across different groups Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation
	Positive	Negative	Neither	
				<ul style="list-style-type: none"> £172k in social care safeguarding hub and £108k in education services to add resources in the Council early intervention and prevention services <p>More details on proposed investments can be found in can be found in Appendix 1</p>
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The activities outlined in the proposed budget investments include an investment of £50k in the Gwent Integrated Community Equipment Service (GWICES). This will cover equipment costs resulting from an 85% increase of urgent referrals and an 18-month backlog of non-urgent referrals. This will positively impact disabled people of all ages who need equipment to maintain or support their health and independence.
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed Budget Investments will positively or negatively impact people who share this protected characteristic.
Marriage or civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed Budget Investments will positively or negatively impact people who share this protected characteristic.
Pregnancy or maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	While there is no direct additional financial support for pregnant people or those who have given birth, the services available through the budget proposals may positively impact people who share this protected characteristic. For example, early intervention, social care, safeguarding, adult and children’s services.

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Protected characteristic	Impact:			<p>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</p> <ol style="list-style-type: none"> Promote equal opportunity across different groups Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation
	Positive	Negative	Neither	
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed Budget Investments will positively or negatively impact people who share this protected characteristic.
Religion or Belief or non-belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed Budget Investments will positively or negatively impact people who share this protected characteristic.
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed Budget Investments will positively or negatively impact people who share this protected characteristic.
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed Budget Investments will positively or negatively impact people who share this protected characteristic.

2. Impact on Welsh Language

The Welsh Language (Wales) Measure specifies that for all policy decisions, the council must consider the effects (both positive and negative) on the Welsh language. For further guidance on Welsh language considerations see [here](#).

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	Impact:			
	Positive	Negative	Neither	
Welsh Language	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that the proposed budget investments will positively or negatively impact the Welsh Language or compliance to Welsh Language Standards

1. Please describe how you have ensured your engagement has considered the view of Welsh speakers in Newport and the impact of your decision on the Welsh language.



All consultation supporting documents, information and the survey were available equally in Welsh, either through our website, social media or upon request of paper/alternative formats. The consultation was advertised bilingually, and participants were given the option to read and complete the SNAP survey in either Welsh or English. Welsh speakers made up 11% of those participating in the consultation survey.

3. The Sustainable Development Principle

The Well-being of Future Generations Act puts in place a sustainable development principle which helps organisations consider the impact they could have on people living in Wales in the future, and ensure they are focused on tackling long-term challenges. Below, consider how your decision promotes, advances, or contradicts the [5 ways of working](#) which underpin the sustainable development principle. You can access further guidance on considering the sustainable development principle [here](#).

<p>Long term</p> 	<p><i>The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.</i></p>	<p>The medium-term approach that is in place for financial planning within the Council is intended to bridge the gap between longer-term strategic aspirations and sustainable development concerns with the more immediate pressures of setting a balanced budget each year.</p>
<p>Prevention</p> 	<p><i>Putting resources into preventing problems occurring or getting worse</i></p>	<p>The medium-term approach that is in place for financial planning within the Council is intended to bridge the gap between longer-term strategic aspirations and sustainable development concerns with the more immediate pressures of setting a balanced budget each year.</p>
<p>Integration</p> 	<p><i>Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.</i></p>	<p>The budget and medium term financial plan has the overall aim of balancing resource allocation across services to support the range of strategic priorities and the delivery of the Council's change programme whilst ensuring financial sustainability. The proposed new budget investments support a number of Wales' wellbeing goals:</p> <ul style="list-style-type: none"> • A resilient Wales • A healthier Wales • A more equal Wales • A Wales of more cohesive communities <p>The new budget investments also support a number of the council's Wellbeing Objectives in a similar manner:</p> <ul style="list-style-type: none"> • To build cohesive and sustainable communities • To enable people to be healthy, independent and resilient

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		<ul style="list-style-type: none"> To improve skills, educational outcomes and employment opportunities
<p>Collaboration</p> 	<p><i>Working together to deliver objectives.</i></p>	<p>Whilst the budget and medium-term financial plan is a Council owned document it recognises that services are increasingly delivered in a collaborative public sector landscape with a greater emphasis on regional working e.g., through Corporate Joint Committees, Gwent-wide and South East Wales based partnerships.</p>
<p>Involvement</p> 	<p><i>Involving those with an interest and seeking their view - ensuring that those people reflect the diversity of the area.</i></p>	<p>The budget is informed by insight gained from public engagement work, including previous budget consultations. Pre-budget public engagement on the relative prioritisation of Council services has informed the proposed budget investments. Newport Fairness Commission along with other stakeholders will be engaged as part of the consultation.</p> <p>For individual projects further consultation and FEIAs will be completed where appropriate.</p>

4. Socio-economic Duty

The [Socio-economic Duty](#) is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

A ‘strategic decision’ is defined by Welsh Government as a decision **which affects how the council fulfils its statutory purpose over a significant period of time and does not include routine ‘day to day’ decisions.** Strategic decisions include:

- Corporate plans
- Setting wellbeing, equality and other strategic objectives
- Changes to, or development of public services
- Strategic financial planning
- Strategic policy development

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If you do not think your decision meets this definition, and you do not plan on carrying out a Socio-economic Duty Assessment in this section, please provide your rationale below. Any decision which is presented to a Cabinet Member, at Cabinet or Council will be viewed as a strategic decision.

N/A

If your decision does meet the definition, please consider the impact of your decision on the socio-economically disadvantaged groups, and areas of inequality that may arise from socio-economic disadvantage contained in the matrix below. The groups listed are not exhaustive and you should consider any additional groups relevant to your decision who may experience socio-economic disadvantage in the following ways:

- **Low Income/Income Poverty** - cannot afford to maintain regular payments such as bills, food, clothing, transport etc.
- **Low and/or no Wealth** - enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provisions for the future
- **Material Deprivation** - unable to access basic goods and services i.e., financial products like life insurance, repair/replace broken electrical goods, warm home, hobbies etc.)
- **Area Deprivation** - where you live (rural areas), where you work (accessibility of public transport)
- **Socio-economic Background** – for example, parents’ education, employment and income

Indicate a positive or negative impact, or both where they apply, and the severity of this impact by coding the sections of the grid based on the below. *If there is no/neutral impact, please leave blank.*

Negative Impact		Positive Impact	
N1	Negative impact – mild	P1	Positive impact – mild
N2	Negative impact – moderate	P2	Positive impact – moderate
N3	Negative impact – significant	P3	Positive impact – significant
N4	Potential for negative impact (but unsure)	P4	Potential for positive impact (but unsure)

Areas of inequality that may arise from socio-economic disadvantage – definitions
Education: The capability to be knowledgeable, to understand and reason, and to have the skills and opportunity to participate in the labour market and in society
Work: The capability to work in just and favourable conditions, to have the value of your work recognised, even if unpaid, to not be prevented from working and to be free from slavery, forced labour and other forms of exploitation

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Living Standards: The capability to enjoy a comfortable standard of living, in appropriate housing, with independence and security, and to be cared for and supported when necessary.							
Justice, Personal Security and Community Safety: The capability to avoid premature mortality, live in security, and knowing you will be protected and treated fairly by the law							
Health: The capability to be healthy, physically and mentally, being free in matters of sexual relationships and reproduction, and having autonomy over care and treatment and being cared for in the final stages of your life							
Participation: The capability to participate in decision making and in communities, access services, know your privacy will be respected, and express yourself							
Groups	Areas of inequality						
	Living Standards	Work	Health	Education	Justice and community safety	Participation	Physical Environment
Children living in poverty	P2		P2	P2		P1	P1
Low-income households without dependent children	P1	P2	P1	P1		P1	
Unemployed young people							
Long term unemployed							
Homeless households	P3		P1	P1	P1	P1	P1
Refugees, migrants and asylum seekers	P4	P4	P1	P1	P1	P1	
Deprived neighbourhoods - WIMD rank in 10% most deprived LSOA	P2			P2	P2	P2	
People on Universal Credit / income related benefits							
Adults with no qualifications or low qualifications							
People living in low quality housing or in Houses of Multiple Occupation	P1			P1	P1		

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1. What evidence do you have about socioeconomic disadvantage and inequalities of outcome in relation to this decision?

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The proposed Budget Investments are anticipated to reduce inequalities of outcome for several groups that are likely to experience socio-economic disadvantage against the areas of living standards, work, health, education, justice and community safety, participation and physical environment.

The proposed budget investments will reduce potential inequalities of outcome in living standards by providing £733k provision to support the Welsh Government directive to ensure no rough sleepers in Newport. Investment in homelessness prevention will ensure those at risk of becoming homeless and homeless households will have continued access to appropriate housing and homelessness prevention services if necessary. Evidence suggests that this may also reduce potential inequalities of outcome in this area for other groups such as asylum seekers, refugees, migrants, children living in poverty and people living in low quality housing or deprived neighbourhoods

The proposed new budget investments will reduce potential inequalities of outcome in education by investing £180k in education services to add resources to the Council's early intervention and preventions services and £883k in free school meals uptake funding. Evidence shows that effective early intervention can substantially reduce the impact of poverty on children's development and reduce the learning gaps associated with low family income. Investment in the Council's early intervention and prevention service will allow additional resources to provide a proactive approach to assessing and supporting vulnerable pupils, such as those experiencing socio-economic disadvantage. Furthermore, Child Poverty Action Group (CPAG) research finds that universal provision of free school meals removes the stigma and results in higher take-up among pupils who may experience socio-economic disadvantage. The proposed budget investment in this area will support children's learning, health and relieve financial pressure on parents.

The proposed new budget investments will reduce potential inequalities of outcome in work by investment to ensure all care staff will be paid the Foundation (Real) Living Wage from April 2022 (£2,810k) and to cover the impact of the increase in National Insurance rates experienced by social care providers (£433k). Research has found that the real living wage is vital component in the fight against in-work poverty and ensure employees experiencing socio-economic disadvantage have access to a wage that meets the cost of living. Investment in this area will positively impact care workers from all backgrounds by increasing pay, improving conditions and challenging in-work poverty.

The proposed new budget investments will reduce potential inequalities of outcome in other areas such as health, participation, justice and community safety and physical environment. This is mainly due to the positive impact and improvements made in other areas such as living standards, education and work.

The proposed budget investments are aligned with Newport's wellbeing objectives, to build cohesive and sustainable communities, to enable people to be healthy, independent and resilient and to improve skills, education and employment opportunities. The new budget investments contribute to the Wellbeing Goals of a more equal Wales, a healthier Wales, a resilient Wales and a Wales of cohesive communities.

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2. Please describe how you have ensured your engagement has considered the views of people living in Newport who are affected by socio-economic disadvantage.

Public engagement and consultation were undertaken via a SNAP survey, promoted and sent through the Council's networks. This captured the views and opinions of a wide range of people, including people living in Newport who are likely to be affected by socio-economic disadvantage. Cabinet will consider feedback at the end of the consultation period and agree on final budget proposals.

3. Does this decision contribute to a cumulative impact?

This decision does not contribute to a negative cumulative impact as all outcomes will be positive.

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Part 3: Actions and Outcomes

Considering any negative impacts that you have identified, indicate below how you will reduce these, increase the potential for positive impacts, and how you will monitor those impacts. Further guidance on how to complete your action plan can be found [here](#).

IMPACT ON PEOPLE THAT SHARE PROTECTED CHARACTERISTICS			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner
IMPACT ON WELSH LANGUAGE			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner

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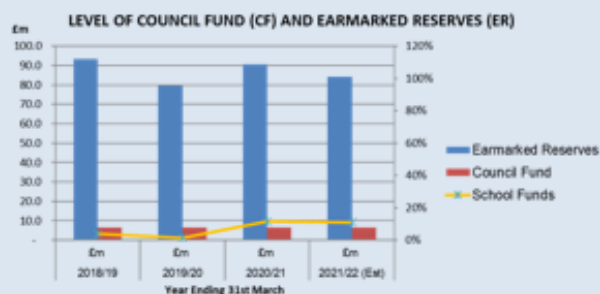
SOCIO-ECONOMIC IMPACTS			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner
SUSTAINABLE DEVELOPMENT PRINCIPLE			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner

Mae'r dudalen hon yn wag yn

Appendix 10 - Financial Resilience

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts

Level of Council Fund (CF) and Earmarked Reserves (ER)



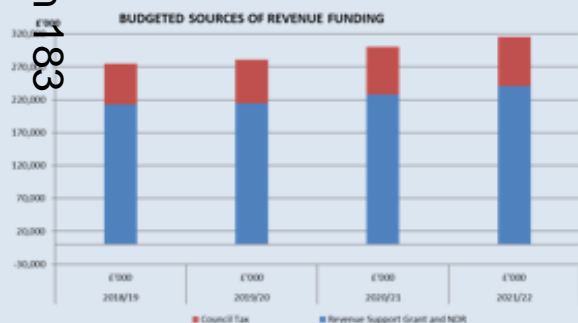
Level of Reserves

	2018/19	2019/20	2020/21	2021/22 (Est)
	Em	Em	Em	Em
Earmarked Reserves	93.4	79.5	90.7	84.3
Council Fund	6.5	6.5	6.5	6.5
School Funds	3.1	1.1	9.6	9.2

Budgeted Sources of Funding

Total Revenue Funding	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000
Revenue Support Grant and NDR	212,790	214,343	228,077	240,796
Council Tax	61,806	66,268	72,193	75,134

Budgeted Revenue Funding Split



Financial Performance and Ratios

Ratio	Calculation	2017/2018	2018/2019	2019/2020	2020/2021
		£'000	£'000	£'000	£'000
Net Worth (Assets - Liabilities)	(Assets - Liabilities)	20,213	48,973	10,982	89,923
Net Worth (exc Pension Liab.)	(Assets - Liabilities)	344,230	351,614	340,845	385,191
Working Capital Ratio	(Curr. Assets / Curr. Liabilities)	1.10	1.08	1.03	1.06
Gearing Ratio	(Borrowing / Total Reserves)	68.9%	52.8%	51.9%	70.4%

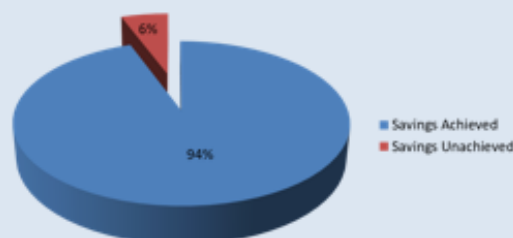
The figures below shows the 21/22 forecast position for both revenue and capital

2021/22 Revenue Forecast Position - December

Directorate	Current Budget	Budget Forecast	Variance	Variance
	£'000	£'000	£'000	%
Children & Young People	26,743	24,985	- 1,758	(6.6)
Adult & Community Services	51,475	49,528	- 1,947	(3.8)
Education	15,655	14,993	- 662	(4.2)
Schools	111,159	111,676	517	0.5
Regeneration, Investment & Housing	10,911	10,949	38	0.3
City Services	25,632	25,826	194	0.8
Corporate Services	19,651	19,259	(392)	(2.0)
Total Directorates	261,226	257,216	(4,010)	(1.5)
Capital Financing	25,462	22,723	(2,739)	(10.8)
Contingency/ Provisions	5,670	3,247	(2,423)	(42.7)
Levies / other	24,024	23,549	(475)	(2.0)
Reserves / Transfer	(452)	(969)	(518)	114.6
Total Budget	315,930	305,766	(10,165)	(3.2)
Additional funding - CT surplus	-	(495)	(495)	-
Projected Over/ (Under) spend	315,930	305,271	(10,660)	(3.4)

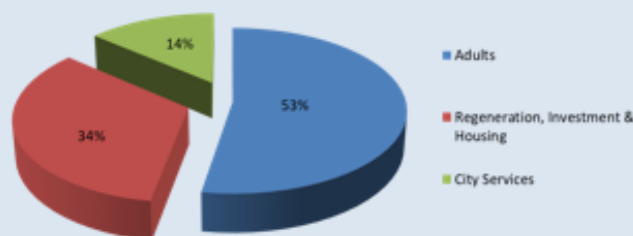
Revenue Savings Achieved and Unachieved (December 2021/22)

2021/22 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



Analysis of Unachieved Savings

ANALYSIS OF UNACHIEVED SAVINGS - 2021/22



2021/22 Capital Forecast Position - December

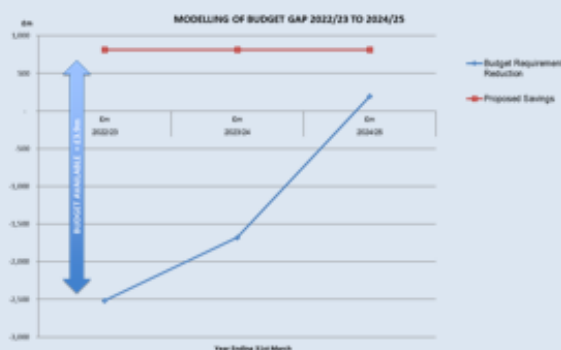
Directorate	Final Budget	Budget Forecast	Variance	Variance (Under)/
	£'000	£'000	Slippage	Overspend
	£'000	£'000	£'000	£'000
Education	23,162	15,226	(7,932)	46
Regeneration, Investment & Housing	16,760	15,219	(1,541)	-
People & Business Change	922	922	-	-
Adult & Community Services	707	707	-	-
Children & Young People Services	2,234	1,774	(460)	-
City Services	24,162	24,050	(116)	4
Total Budget	67,947	57,898	(10,099)	50

The tables below show the Medium Term Financial Plan (MTFP) and the risks facing the Council.

MTFP Scenario

	2022/23	2023/24	2024/25
	Em	Em	Em
Financial Pressures	25,028	38,419	50,253
Technical adjustments	-	-	-
Financial Pressures	25,028	38,419	50,253
Funding reductions	- 27,545	- 40,099	- 50,056
Budget Requirement Reduction	- 2,517	- 1,680	197
Reserve transfers	- 563	-	-
Proposed Savings	812	812	812
Shortfall to requirement	- 3,892	- 2,492	- 615

Modelling of Budget Gap 2022/23 to 2024/25



Capital Expenditure & Need to borrow

Capital Expenditure	2021/22	2022/23	2023/24	2024/25
	Estimate	Estimate	Estimate	Estimate
	Em	Em	Em	Em
Total capital expenditure	57.6	103.4	34.7	5.6
Capital Financing Requirement				
Investments or (new borrowing)	2.0	43.0	11.0	2.3
CFR	280.9	309.1	314.4	307.9

N/A as Capital Programme to be developed in line with MTFP

APPENDIX 10a - Projected earmarked reserves

Reserve	Balance at 31-Mar-21	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24	Balance at 31-Mar-25
	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(9,558)	(9,153)	(9,153)	(9,153)	(9,153)
Earmarked Reserves:					
Music Service	(127)	(127)	(127)	(127)	(127)
Pay Reserve	(1,418)	(1,418)	(1,418)	(1,418)	(1,418)
Insurance Reserve	(1,162)	(1,162)	(732)	(302)	-
MMI Insurance Reserve	(602)	(602)	(402)	(202)	-
Health & Safety	(16)	(16)	(16)	(16)	(16)
Education Achievement Service	(92)	(92)	(92)	(92)	(92)
Schools Redundancies	(985)	(746)	(340)	(20)	(20)
General Investment Risk Reserve	(1,188)	(1,188)	(1,188)	(1,188)	(1,188)
European Funding I2A & CFW	(984)	(1,277)	(1,277)	(1,277)	(1,277)
Metro Bus Redundancy	(9)	(9)	(9)	(9)	(9)
Landfill (fines reserve)	(332)	(332)	(332)	(332)	(332)
Welsh Language Standards	(129)	(2)	(2)	(2)	(2)
MTFP Reserve (Covid Recovery Reserve) - CS and SS	(5,117)	(4,283)	(2,637)	(1,637)	(637)
GEMS Redundancies	(78)	(78)	(78)	(78)	(78)
SUB TOTAL - RISK RESERVES	(12,239)	(11,332)	(8,650)	(6,700)	(5,196)
Capital Expenditure	(9,928)	(9,854)	(5,819)	(5,819)	(5,819)
Invest to Save	(8,464)	(7,279)	(6,193)	(6,193)	(6,193)
Super Connected Cities	(298)	(170)	(0)	(0)	(0)
School Works	(432)	(432)	(432)	(432)	(432)
School Reserve Other	(27)	(27)	(27)	(27)	(27)
Feasibility Reserve	(54)	(54)	(54)	-	-
Chartist Tower	(256)	-	-	-	-
Investment Reserve	(497)	(497)	(497)	(497)	(497)
Usable Capital Receipts	(6,753)	(5,169)	(2,415)	(2,415)	(2,415)
Streetscene Manager Support	(66)	(6)	-	-	-
SUB TOTAL - ENABLING RESERVES	(26,774)	(23,487)	(15,436)	(15,382)	(15,382)
Municipal Elections	(164)	(194)	-	(38)	(77)
Local Development Plan / Strategic Development Plan	(688)	(504)	(362)	(220)	(12)
Glan Usk PFI	(1,607)	(1,607)	(1,643)	(1,653)	(1,637)
Southern Distributor Road PFI	(40,392)	(39,940)	(39,535)	(38,993)	(38,317)
Building Control	(81)	(89)	(14)	(14)	(14)
Loan modification technical reserve (IFRS 9)	(513)	(513)	(513)	(513)	(513)
Kingsway	(64)	(137)	(201)	(265)	(329)
SUB TOTAL - SMOOTHING RESERVES	(43,509)	(42,984)	(42,268)	(41,696)	(40,899)
Works of art	(21)	(21)	(21)	(21)	(21)
Theatre & Arts Centre	(232)	(232)	(232)	(232)	(232)
Cymorth Income	(25)	(25)	(25)	(25)	(25)

Reserve	Balance at 31-Mar-21	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24	Balance at 31-Mar-25
	£'000	£'000	£'000	£'000	£'000
Blaen Y Pant	(4)	(4)	(4)	(4)	(4)
Environmental Health - Improve Air Quality	(49)	(49)	-	-	-
Refurbishment of a Children / Older People Homes	(41)	(41)	(41)	(41)	(41)
Apprenticeship Scheme	(17)	(10)	(10)	(10)	(10)
City Economic Development Reserve	(90)	(90)	(90)	(90)	(90)
Port Health	(16)	(15)	(10)	(5)	(5)
CRM	(52)	-	-	-	-
Financial System Upgrade	(600)	(550)	-	-	-
SS COVID Recovery MTRP reserve	-	(563)	-	-	-
Events	(216)	(184)	(184)	(184)	(184)
Voluntary Sector Grants	(43)	(16)	(16)	(16)	(16)
Bus Wifi	-	-	-	-	-
Bus Subsidy	(15)	(15)	(15)	(15)	(15)
IT Development	(53)	(53)	-	-	-
Leisure Delivery Plan	(103)	-	-	-	-
Joint Committee City Deal Reserve	(626)	(626)	(626)	(626)	(626)
Civil Parking Enforcement	(245)	(167)	(167)	(167)	(167)
Community Covid Recovery Fund	(500)	(250)	-	-	-
City Services – refurbishment & cleansing of open spaces	(500)	-	-	-	-
Green Recovery Task Force	(1,000)	(1,000)	(650)	(650)	-
Business Recovery Fund	(250)	(250)	(250)	(250)	(250)
Business Development Grants	(56)	(56)	(56)	(56)	(56)
Children's Service legal fees	(150)	-	-	-	-
Community Occupational Therapy	(53)	(53)	-	-	-
Directly Managed Community Centres Maintenance	(50)	(50)	(50)	(50)	(50)
IT Infrastructure	(120)	(120)	-	-	-
PSB Contribution	(40)	(40)	(20)	-	-
COVID Reserve	(596)	(449)	(234)	(150)	(150)
Highways road repairs [potholes]	(116)	-	-	-	-
Homelessness Prevention	(327)	(327)	-	-	-
Chief Education Grant	(765)	(584)	(384)	(184)	(8)
Home to School Transport - St Andrew s (City Services Reserve)	(801)	(525)	(187)	-	-
Housing Supply review	(25)	-	-	-	-
Anniversary tree planting / green canopy	(20)	-	-	-	-
Cariad Casnewydd	(350)	(290)	-	-	-
SUB TOTAL - OTHER RESERVES	(8,167)	(6,655)	(3,272)	(2,776)	(1,950)
RESERVES TOTAL	(106,747)	(100,111)	(85,279)	(82,207)	(79,080)

APPENDIX 10b - Summary of invest to save spend and forecast

Invest to Save - Summary Forecast		£'000
Balance B/F 31st Mar 2021		(8,464)
Total Forecast Spend 2021/22		<u>1,185</u>
Invest to Save Forecast balance 31st Mar 2022		(7,279)
Further Funding Required :-		
Bids & Change / Efficiency proposals		
	2022/23	1,086
	2023/24	
	2024/25	
Remaining Invest to Save available for future Change / Efficiency Programme		<u><u>(6,193)</u></u>

APPENDIX 11 – Fees and Charges

SERVICE AREA: Social Services

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Other Local Authority Charges				
NCC Residential Homes (£ per week)				
Blaen-y-pant - Residential/Dementia Care	710	738	per week	3.9%
Parklands - Residential Care	613	637	per week	3.9%
Spring Gardens - Dementia Care	710	738	per week	3.9%
External Respite Facilities (£ per week)				
Centrica	1,066	1,108	per week	3.9%
Day Services (£ per week)				
Short Breaks outreach - older people/dementia	-	50	per session (half day)	n/a
Day Services/Opportunities – Learning Disability DISCONTINUED	108	-	per day	n/a
Day Services/Opportunities – Mental Health/Older People DISCONTINUED	93	-	per day	n/a
Spring Gardens Day Opportunities	93 per day	55	per session (half day)	
Newport Residents Charges				
NCC Residential Homes (£ per week – short term stays over 8 weeks and permanent admissions).				
Blaen-y-pant - Residential/Dementia Care	710	738	per week	3.9%
Parklands - Residential Care	613	637	per week	3.9%
Spring Gardens - Dementia Care	710	738	per week	3.9%
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>				
NCC Residential Homes (£ per week - short term stays up to 8 weeks duration)				
Blaen-y-pant - Residential & Dementia Care				
Parklands - Residential Care				
Spring Gardens - Dementia Care				
External Respite Facilities (£ per week – short term stays up to 8 weeks duration)				
Centrica	Charged under non-residential charging policy and capped at £100 per week			0%
Supported Housing (£ per week)				
Supported Housing for Learning Disability clients				
Day Services (£ per day)				
Day Services/Opportunities – Learning Disability				
Day Services/Opportunities – Mental Health/Older People				
Spring Gardens Day Opportunities				
Children's Residential Establishments - charge to other LA's or Health				
	Variable - dependent on home			
Meal Income (per meal) - discretionary				
All establishments (visitors and staff)	3.60	0.00	per meal	-100.0%
Legal and Administration Charges				
Deferred Payment Administration Charge (DPA)	100	100	each	0.0%
Legal charge	100	200	each	100.0%
Interest Charges	Variable - Could be applied to property sales			
Residential care - provided by external providers				
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>				
Residents charge will be dependent on weekly charge from external provider				
Non-residential care - provided by external providers				
Direct payments				
Telecare				
Charged under non-residential charging policy and capped at £100 per week				
<i>Where services are provided by external providers the charges made are based on actual costs paid to providers (after income assessment has been made)</i>				
Pendant Alarm monitoring basic package				
	£4 per alarm per week			
Appointeeships/Deputyships				
	Between £8 and £25 per week - dependent on complexity	Between £8.50 and £26 per week - dependent on complexity		4.0%
Animal welfare/property clearances				
	Dependent on external provider charge			
Protection of property				
	Dependent on company charge			

SERVICE AREA: Regeneration, Investment and Housing

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Building Control Fees						
Single Storey Extensions						
Single storey extension, floor area not exceeding 10m ²						
Full plans charge	325.00	325.00	487.50	487.50	each	0%
Single storey extension, floor area exceeding 10m ² but not exceeding 40m ²						
Full plans charge	404.17	404.17	606.26	606.26	each	0%
Single storey extension, floor area exceeding 40m ² but not exceeding 100m ²						
Full plans charge	570.83	570.83	856.25	856.25	each	0%
Two Storey Extensions						
Two storey extension not exceeding 40m ²						
Building notice charge	466.67	466.67	700.00	700.00	each	0%
Two storey extension, floor area exceeding 40m ² but not exceeding 100m ²						
Full plans charge	570.83	570.83	856.25	856.25	each	0%
Loft Conversions						
Loft conversion that does not include the construction of a dormer	420.83	420.83	631.25	631.25	each	0%
Loft conversion that does include the construction of a dormer	466.67	466.67	700.00	700.00	each	0%
Garages and Carports						
Erection of extension of a non exempt detached domestic garage or carport up to 100m ²	245.83	245.83	368.75	368.75	each	0%
Erection of a non exempt attached single storey extension of a domestic garage or carport up to 100m ²	245.83	245.83	368.75	368.75	each	0%
Other						
Conversion of a garage to a habitable room(s)	245.83	245.83	368.75	368.75	each	0%
Alterations to extend or create a basement up to 100m ²	466.67	466.67	700.00	700.00	each	0%
Underpinning	229.17	229.17	343.76	343.76	each	0%
Renovation of a thermal element to a single dwelling	87.50	87.50	131.25	131.25	each	0%
Creation of New Dwelling						
i) Plan charge	203.13	203.13			each	0%
ii) Inspection charge	406.87	406.87			each	0%
iii) Building notice charge	610.00	610.00	915.00	915.00	each	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Internal Alterations						
i) cost of works <£2,000	125.00	125.00	187.50	187.50	each	0%
ii) cost of works £2,001 to £5,000	204.17	204.17	306.26	306.26	each	0%
iii) cost of works £5,001 to £15,000	245.83	245.83	368.00	368.00	each	0%
iv) cost of works £15,001 to £25,000	345.83	345.83	368.75	368.75	each	0%
v) cost of works £25,001 to £40,000	441.67	441.67	662.50	662.50	each	0%
vi) cost of works £40,001 to £60,000	537.50	537.50	806.35	806.35	each	0%
Window Replacement						
Window replacement (non competent persons scheme) - 1 to 3 windows	83.33	83.33	125.00	125.00	each	0%
Window replacement (non competent persons scheme) - 4 to 20 windows	125.00	125.00	187.50	187.50	each	0%
Window replacement (non competent persons scheme) - 20+ windows	208.33	208.33	312.50	312.50	each	0%
Electrical Work						
Electrical work (not competent persons scheme) carried out by a qualified electrician in accordance with BS7671	133.33	133.33	200.00	200.00	each	0%
Electrical work carried out by others	279.17	279.17	418.76	418.76	each	0%
Installation of Heat Producing Appliance						
Installation of solid fuel heat producing appliance where the installer is not a member of a competent persons scheme	125.00	125.00	187.50	187.50	each	0%
Non Domestic Work						
Commercial Building - Floor Area not exceeding 40m ²	533.00	533.00	799.50	799.50	each	0%
Commercial Building - Floor Area exceeding 40m ² but not exceeding 100m ²	612.50	612.50	918.75	918.75	each	0%
Commercial Building - Floor Area exceeding 100m ² but not exceeding 200m ²	891.67	891.67	1,337.51	1,337.51	each	0%
Underpinning - Est. cost up to £50,000	341.67	341.67	512.51	512.51	each	0%
Underpinning - Est. cost exceeding £50,000 and up to £100,000	441.67	441.67	662.51	662.51	each	0%
Underpinning - Est. cost up to £100,000 and up to £250,000	550.00	550.00	825.00	825.00	each	0%
Window Replacement						
Window Replacement - 1 to 20 windows	204.17	204.17	306.63	306.63	each	0%
Window Replacement - 21 to 50 windows	325.00	325.00	487.50	487.50	each	0%
New Shop front(s)						
Window Replacement - 1 to 20 windows	291.67	291.67	437.51	437.51	each	0%
Window Replacement - 21 to 50 windows	370.83	370.83	556.25	556.25	each	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Renovation of a thermal element - Est. cost up to £50,000	204.17	204.17	306.63	306.63	each	0%
Renovation of a thermal element - Est. cost exceeding £50,000 and up to £100,000	245.83	245.83	368.75	368.75	each	0%
Renovation of a thermal element - Est. cost exceeding £100,000 and up to £250,000	312.50	312.50	468.75	468.75	each	0%
Alterations not described elsewhere inc. structural alterations and installation of controlled fittings						
Estimated cost up to £5,000	204.17	204.17	306.63	306.63	each	0%
Estimated cost exceeding £5,000 and up to £15,000	262.50	262.50	393.75	393.75	each	0%
Estimated cost exceeding £15,000 and up to £25,000	345.83	345.83	518.75	518.75	each	0%
Estimated cost exceeding £25,000 and up to £50,000	508.33	508.33	762.50	762.50	each	0%
Estimated cost exceeding £50,000 and up to £75,000	675.00	675.00	1,012.50	1,012.50	each	0%
Estimated cost exceeding £75,000 and up to £100,000	795.83	795.83	1,193.75	1,193.75	each	0%
Installation of Mezzanine floor up to 500m ²	587.50	587.50	881.25	881.25	each	0%
Office Fit Out - floor up to 500m ²	570.83	570.83	858.25	858.25	each	0%
Office Fit Out - floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0%
Shop fit out - Floor up to 500m ²	570.83	570.83	856.25	856.25	each	0%
Shop fit out - Floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0%
Letter of acceptance to AIs	20.00	20.00	20.00	20.00	each	0%
Preliminary enquiries	50% of plan fee	50% of plan fee	50% of plan fee		each	
Civic Centre Room Hire						
<i>The charges for the Civic Centre below are subject to charging under the following criteria:</i>						
<ul style="list-style-type: none"> - Full Charge : Industrial or Business Organisations; Organisations whose members are engaged in trade, business or professional practice (other than student associations); Statutory official or Government Bodies including Local Government except where reciprocal arrangements apply. - Half Price : Political, Social or Trade Union Groups not included under full price or free - Free (this applies to evening sessions only) : Organisations devoted exclusively to charitable causes; Societies for the handicapped; Organisations for promotion of recreational activities for young people; Trade Union Branches whose members are employed by Newport City Council; Any political group meetings of Councillors and invited guests are free of charge (provided that not more than 25 % of the people attending the political group meetings are non Councillors). NB Any registered charities chaired by the Mayor of Newport can use the meeting rooms free of charge at any time 						
Council Chamber	80.00	80.00			per session	0%
	250.00	250.00			per day	0%
Committee Room 1	43.00	43.00			per session	0%
	127.00	127.00			per day	0%
Committee Room 2	30.00	30.00			per session	0%
	92.50	92.50			per day	0%
Committee Room 3	30.00	30.00			per session	0%
	92.50	92.50			per day	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Committee Room 4	30.00	30.00			per session	0%
	92.50	92.50			per day	0%
Committee Room 5	25.00	25.00			per session	0%
	72.50	72.50			per day	0%
Committee Room 7	72.50	72.50			per session	0%
	220.50	220.50			per day	0%
Equipment Hire						
Full facilities in Committee Room 7 including staff assistance	64.50	64.50			per meeting	0%
Council Chamber Microphones	32.00	32.00			per meeting	0%
Council Chamber 1 Microphone	14.50	14.50			per meeting	0%
Beechwood House						
Meeting room - G1	67.50	67.50			half day	0%
Meeting room - G1	130.00	130.00			full day	0%
Meeting room - G5	67.50	67.50			half day	0%
Meeting room - G5	130.00	130.00			full day	0%
Meeting room - G6	52.00	52.00			full day	0%
Reception Room	52.00	52.00			full day	0%
Community Centres Room Hire						
Carlisle Town Hall						
Non Profit Making/ Voluntary Organisations						
Town Hall (Monday to Friday)	10.50	10.50			per hour	0%
Town Hall (Weekend)	15.00	15.00			per hour	0%
Memorial Hall (Monday to Friday)	8.00	8.00			per hour	0%
Memorial Hall (Weekend)	13.00	13.00			per hour	0%
Hire of Kitchen	6.00	6.00			per hour	0%
Small Group Organisations						
Town Hall (Monday to Friday)	13.00	13.00			per hour	0%
Town Hall (Weekend)	18.00	18.00			per hour	0%
Memorial Hall (Monday to Friday)	10.00	10.00			per hour	0%
Memorial Hall (Weekend)	15.00	15.00			per hour	0%
Hire of Kitchen	7.00	7.00			per hour	0%
Commercial/ Business (per hour)						
Town Hall (Monday to Friday)	16.00	16.00			per hour	0%
Town Hall (Weekend)	21.00	21.00			per hour	0%
Memorial Hall (Monday to Friday)	13.00	13.00			per hour	0%
Memorial Hall (Weekend)	18.00	18.00			per hour	0%
Hire of Kitchen	8.50	8.50			per hour	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Ringland Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall	16.00	16.00			per hour	0%
Meeting Rooms	16.00	16.00			per hour	0%
Membership Fee	1,250.00	1,250.00			per annum	0%
Small Group Organisations - Member Rates						
Meeting Rooms	21.00	21.00			per hour	0%
Main Hall - Half Day	62.50	62.50			per hour	0%
Main Hall - Full Day	125.00	125.00			per hour	0%
Small Group Organisations - Non Member Rates						
Meeting Rooms	28.00	28.00			per hour	0%
Main Hall - Half Day	94.00	94.00			per hour	0%
Main Hall - Full Day	0.00	0.00			per hour	0%
Sway Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall (Monday to Friday)	8.00	8.00			per hour	0%
Main Hall (Weekend)	18.50	18.50			per hour	0%
Meeting Rooms (Monday to Friday)	7.00	7.00			per hour	0%
Meeting Rooms (Weekend)	12.00	12.00			per hour	0%
Hire of Kitchen	5.50	5.50			per hour	0%
Small Group Organisations (per hour)						
Main Hall (Monday to Friday)	11.00	11.00			per hour	0%
Main Hall (Weekend)	22.50	22.50			per hour	0%
Meeting Rooms (Monday to Friday)	9.00	9.00			per hour	0%
Meeting Rooms (Weekend)	14.00	14.00			per hour	0%
Hire of Kitchen	5.50	5.50			per hour	0%
Commercial/ Business (per hour)						
Main Hall (Monday to Friday)	13.50	13.50			per hour	0%
Main Hall (Weekend)	28.00	28.00			per hour	0%
Meeting Rooms (Monday to Friday)	14.00	14.00			per hour	0%
Meeting Rooms (Weekend)	16.00	16.00			per hour	0%
Hire of Kitchen	5.50	5.50			per hour	0%
Rivermead Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Both Halls (Monday to Friday)	20.50	20.50			per hour	0%
Both Halls (Weekend)	29.00	29.00			per hour	0%
Main Hall (Monday to Friday)	10.00	10.00			per hour	0%
Main Hall (Weekend)	19.00	19.00			per hour	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Meeting Rooms (Monday to Friday)	10.00	10.00			per hour	0%
Meeting Rooms (Weekend)	18.50	18.50			per hour	0%
Small Group Organisations (per hour)						
Both Halls (Monday to Friday)	23.50	23.50			per hour	0%
Both Halls (Weekend)	32.50	32.50			per hour	0%
Main Hall (Monday to Friday)	12.00	12.00			per hour	0%
Main Hall (Weekend)	20.50	20.50			per hour	0%
Meeting Rooms (Monday to Friday)	11.50	11.50			per hour	0%
Meeting Rooms (Weekend)	20.00	20.00			per hour	0%
Commercial/ Business (per hour)						
Both Halls (Monday to Friday)	29.00	29.00			per hour	0%
Both Halls (Weekend)	38.00	38.00			per hour	0%
Main Hall (Monday to Friday)	14.50	14.50			per hour	0%
Main Hall (Weekend)	23.50	23.50			per hour	0%
Meeting Rooms (Monday to Friday)	14.00	14.00			per hour	0%
Meeting Rooms (Weekend)	23.00	23.00			per hour	0%
Fittws Day Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Main Hall (Monday to Friday)	10.50	10.50			per hour	0%
Main Hall (Weekend)	15.00	15.00			per hour	0%
Day Club (Monday to Friday)	8.00	8.00			per hour	0%
Day Club (Weekend)	13.00	13.00			per hour	0%
Hire of Kitchen	6.00	6.00			per hour	0%
Small Group Organisations (per hour)						
Main Hall (Monday to Friday)	12.00	12.00			per hour	0%
Main Hall (Weekend)	18.00	18.00			per hour	0%
Day Club (Monday to Friday)	10.00	10.00			per hour	0%
Day Club (Weekend)	15.00	15.00			per hour	0%
Hire of Kitchen	7.00	7.00			per hour	0%
Commercial/ Business (per hour)						
Main Hall (Monday to Friday)	16.00	16.00			per hour	0%
Main Hall (Weekend)	21.00	21.00			per hour	0%
Day Club (Monday to Friday)	13.00	13.00			per hour	0%
Day Club (Weekend)	18.00	18.00			per hour	0%
Hire of Kitchen	8.50	8.50			per hour	0%

Tudor
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Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Cefn Wood Centre						
Small Group Organisations (per hour)		As per SLA				
Leased to Education - SLA						
Maesglas Community Centre						
Main Hall (Monday to Friday before 6pm)	10.50	10.50			per hour	0%
Main Hall (Monday to Friday after 6pm)	21.00	21.00			per hour	0%
Main Hall (Weekend)	21.00	21.00			per hour	0%
Committee Room (Monday to Friday before 6pm)	10.50	10.50			per hour	0%
Committee Room (Monday to Friday after 6pm)	21.00	21.00			per hour	0%
Committee Room (Weekend)	21.00	21.00			per hour	0%
Community Centres - Equipment Hire						
Flip Charts	6.00	6.00			per pad	0%
Digital Projector	5.00	5.00			per day	0%
Interactive Screen	5.00	5.00			per day	0%
Malpas Court						
The Library Room	35.00	35.00			per half day	0%
The Drawing Room	55.00	55.00			per half day	0%
Library and Drawing Room combined	70.00	70.00			per half day	0%
Room 14	50.00	50.00			per half day	0%
The Library Room	60.00	60.00			per full day	0%
The Drawing Room	100.00	100.00			per full day	0%
Library and Drawing Room combined	140.00	140.00			per full day	0%
Room 14	90.00	90.00			per full day	0%
Library and Drawing Room combined	20.00	20.00			per hour	0%
Room 14	15.00	15.00			per hour	0%
Eveswell Community Centre						
Voluntary Groups						
Main Hall (Monday to Friday)	8.00	8.00			per hour	0%
Main Hall (Weekend)	18.50	18.50			per hour	0%
Meeting Rooms (Monday to Friday)	7.00	7.00			per hour	0%
Meeting Rooms (Weekend)	12.00	12.00			per hour	0%
Hire of Kitchen (flat charge per booking)	5.50	5.50			per hour	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Chargeable Sessions						
Main Hall (Monday to Friday)	11.00	11.00			per hour	0%
Main Hall (Weekend)	22.50	22.50			per hour	0%
Meeting Rooms (Monday to Friday)	9.00	9.00			per hour	0%
Meeting Rooms (Weekend)	14.00	14.00			per hour	0%
Hire of Kitchen (flat charge per booking)	5.50	5.50			per hour	0%
Commercial Rate						
Main Hall (Monday to Friday)	13.50	13.50			per hour	0%
Main Hall (Weekend)	28.00	28.00			per hour	0%
Meeting Rooms (Monday to Friday)	14.00	14.00			per hour	0%
Meeting Rooms (Weekend)	16.00	16.00			per hour	0%
Hire of Kitchen (flat charge per booking)	5.50	5.50			per hour	0%
Turkey						
Senior Community Centre						
Non Profit Making/ Voluntary Organisations (per hour)						
Hall	14.00	14.00			per hour	0%
Playgroup Room	12.00	12.00			per hour	0%
Café Room	12.00	12.00			per hour	0%
Training Room	14.00	14.00			per hour	0%
121 Room	12.00	12.00			per hour	0%
Small Group Organisations						
Hall	14.00	14.00			per hour	0%
Playgroup Room	12.00	12.00			per hour	0%
Café Room	12.00	12.00			per hour	0%
Training Room	14.00	14.00			per hour	0%
121 Room	12.00	12.00			per hour	0%
Commercial/Business						
Hall	14.00	14.00			per hour	0%
Playgroup Room	12.00	12.00			per hour	0%
Café Room	12.00	12.00			per hour	0%
Training Room	14.00	14.00			per hour	0%
121 Room	12.00	12.00			per hour	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Museum and Art Gallery						
Educational Publications UK Rights	19.50	20.50				5%
Educational Publications World Rights	38.00	39.50				4%
Commercial Publications & Websites UK rights	39.00	40.50				4%
Commercial Publications & Websites world rights	81.50	84.50				4%
Publication Jacket, Covers & Homepages UK Rights	92.50	96.50				4%
Publication Jacket, Covers & Homepages World Rights	189.00	196.50				4%
Television Flash Fees UK rights	93.00	96.50				4%
Television Flash Fees world rights	184.00	191.50				4%
Digital Image 300 dpi	7.00	7.50				7%
Project						
Staff Consultancy and Training services						
Hourly Rate	50.00	55.50			per hour	11%
Staff Consultancy and Training services						
Day Rate	320.00	342.50			per day	7%
Faro Arm Rental	90.00	95.50			per day	6%
Libraries						
Fines (per day)	0.20	0.20			per day	0%
Overdue Administration Adult	0.30	0.30			per letter	0%
Replacement Library Card	4.00	4.00			each	0%
Lost Books and other items	Sliding scale linked to Book Price				each	
Photocopying B&W A4	0.20	0.20			per copy	0%
Photocopying B&W A3	0.30	0.30			per copy	0%
Photocopying Colour A4	1.10	1.10			per copy	0%
Photocopying Colour A3	1.60	1.60			per copy	0%
Computer Printout A4	0.20	0.20			per copy	0%
Computer Printout A3	0.30	0.30			per copy	0%
Hire of Talking Books	1.40	1.40			each	0%
Charge for late return of Talking Books	0.20	0.20			per day	0%
Family History Research	28.00	28.00			per hour	0%
Hire of Rooms	15.00	15.00			per hour	0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Transporter Bridge						
Day Ticket - Adult	4.00	4.00			per ticket	0%
Day Ticket - Child	3.00	3.00			per ticket	0%
Gondola - Adult (one way)	1.50	1.50			per ticket	0%
Gondola - Adult (return)	2.00	2.00			per ticket	0%
Gondola - Child (one way)	1.00	1.00			per ticket	0%
Gondola - Child (return)	1.50	1.50			per ticket	0%
Abseil Fee	260.00	260.00			per event	0%
Development Management Fees	Various based on scale of development	Statutory fees - no change			per application	0%
Pre-application advice	Various depending on the scale of development	Various depending on the scale of development			per application	0%
Dangerous Structures - Building Control	0.00	0.00			per application	0%
Demolition Notice	0.00	0.00			per application	0%

SERVICE AREA: City Services

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Cemeteries				
Exclusive right of burial and issue deed and marker	1,158.39	1,205.00	per plot	4%
Standard grave space not exceeding 2.15m x 0.76m (30") including headstone permit	1,158.39	1,205.00	per plot	4%
Large or special external coffin size over 30" including the extended size of coffin handles £60.00 per inch.	60.00	62.50	per inch	4%
Green burial in green burial area - excluding headstone permit	774.68	806.00	per plot	4%
Cremated remains in Garden of Rest – grave space not exceeding 0.23m x 0.92m	553.78	576.00	per plot	4%
Interments – including use of grass mats as necessary				
Stillborn child or child not exceeding one month	no charge	no charge	per plot	
Child one month to eighteen years	no charge	no charge	per plot	
Persons exceeding eighteen years	1,258.98	1,310.00	per plot	4%
Interment of second person in grave space on same day	200.10	208.50	per plot	4%
Cremated remains in full grave space	279.05	290.50	per plot	4%
Cremated remains in garden of rest	279.05	290.50	per plot	4%
Interment of second person cremated remains in same space on same day	279.05	290.50	per plot	4%
Scattering of ashes	151.96	158.00	each	4%
Scattering of ashes of second person at same time	119.55	124.50	each	4%
Headstones and Tablets – including all inscriptions				
Columbaria Sanctum 2000 Units – above ground	2,149.35	2,235.50	each	4%
second and subsequent Interment Sanctum 2000 units	65.44	68.00	each	4%
Memorial plaque - NCC owned and maintained bench	400.00	416.00	each	4%
Other Services and Items				
minute period)	33.84	35.50	per 30 minutes	5%
Provision of fibreglass burial cube	887.99	923.50	each	4%
Provision of BROXAP bench and concrete plinth	1,220.04	1,318.00	each	8%
Exhumation of Ashes	279.05	290.50	each	4%
Exhumation Full - Facilitation undertaken in house	2,288.00	2,380.00	each	4%
Exhumation of a child under the age of 3 years	525.00	546.00	each	4%
Exhumation of a child aged 3 - 8 years	725.00	754.00	each	4%
Exhumation of a child aged 8 - 14 years	925.00	962.00	each	4%
Exhumation of a child aged 14 -18 years	1,144.00	1,190.00	each	4%
Statutory Declaration	54.08	56.50	each	4%
Incorrect or missing details off forms. Interment forms not complete and where required, return to funeral directors to complete forms.	15.00	15.50	each	3%
Change in Circumstances (Grant name, marriage etc)	33.28	34.50	each	4%
Cancellation of Funeral (48hrs)	324.48	337.50	each	4%
Change in Funeral Times	33.28	34.50	each	4%
Copy of Exclusive Right of Burial (LOST/MISPLACED)	162.24	169.00	each	4%
Grant of Exclusive Right - 50 YEARS	908.54	945.00	each	4%
Grant of Exclusive Right - 25 YEARS	454.27	472.50	each	4%
Fee for plot for Non Newport resident	2,228.10	2,317.50	each	4%
Additional Tablet on Existing plot with Headstone	198.88	207.00	each	4%
Fee for new ashes plot Non Newport resident	1,386.61	1,442.00	each	4%
Headstone fee - Before April 2011	383.71	399.00	each	4%
Tablet Fee - Before April 2011	198.88	207.00	each	4%
Additional inscription	62.40	65.00	each	4%
Weekend Burial Services (Standard Burial Charges also apply)	520.00	541.00	each	4%
Memorial tree (no plinth)	494.00	514.00	each	4%
Traditional Graves (allowing the installation of full kerb sets). Additional cost on top of the purchasing of a grant of exclusive right.	400.00	416.00	each	4%
Double Depth Grave	200.00	208.00	each	4%
Triple Depth Grave	300.00	312.00	each	4%
Test Dig of a Grave	140.00	146.00	each	4%
Bricking up a Single Grave	650.00	676.00	each	4%
Bricking up a Double Grave	1,300.00	1,352.00	each	4%
Poly urn for sanctums	0.00	290.50	each	n/a

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Transport and Highways				
Streetworks				
Skip License (28 days)	46.80	48.50	each	4%
Unauthorised skips	171.60	179.00	each	4%
Private works: new apparatus Sec 50	585.00	600.00	per metre	3%
Sec 50 – Single dwelling new apparatus	585.00	600.00	per metre	3%
Sec 50 – Licence for repair or replace	585.00	600.00	per metre	3%
Sec 50 inspection – repair or replace	272.48	600.00	per metre	120%
Sec 50 inspection of excavations >200m long	585.00	600.00	per metre	3%
S171 Highway Excavation	223.60	233.00	each	4%
Tower Crane Over sailing the Highway Licence: 10 working days notice required.	600.00	624.00	each	4%
Road space booking	200.00	208.00	each	4%
Filming on the highway (small scale)	200.00	200.00	each	0%
Filming on the highway (large scale)	200.00	600.00	each	200%
Temporary Traffic Orders	1,700.00	2,000.00	each	18%
Emergency Temporary Traffic Orders	1,700.00	2,000.00	each	18%
Public rights of way temporary order	1,600.00	1,664.00	each	4%
Public rights of way permanent order	1,600.00	1,664.00	each	4%
Bus service departure Fees (Market Square)	0.75	0.75	each	0%
SAB Pre Applications - area is <0.4 ha	260.00	275.00	each	6%
SAB Pre Applications - area is 0.5-0.99 ha	624.00	650.00	each	4%
SAB Pre Applications - area is >0.99 ha	1,040.00	1,085.00	each	4%
Pre Application Meeting - area is <0.49 hectares	125.00	130.00	each	4%
Pre Application Meeting - area 0.5-0.99 hectares	300.00	312.00	each	4%
Pre Application Meeting - area is > 0.99 hectares	500.00	520.00	each	4%
Additional SAB services	50.00	52.00	each	4%
SAB Full Applications - fees set by WG	£420 to maximum £7,500 (depending on size of site)	£420 to maximum £7,500 (depending on size of site)	each	
Section 38 application fees	1,500.00	1,560.00	application	4%
Section 278/111	1,500.00	1,560.00	application	4%
Vehicle crossing service - installation and inspection	1,500.00	£1,500 - £2,500 depending on size	each	
APM Access protection markings	250.00	260.00	each	4%
Temporary Sign Application	83.20	86.50	each	4%
Permanent/Tourism Sign applications	162.24	169.00	each	4%
E/O per sign	10.40	11.00	each	6%
Switch off existing signal installation and reinstate within office hours	421.20	440.00	each	4%
Switch off existing signal installation and reinstate outside office hours	499.20	520.00	each	4%
Parking				
Residents parking permits	34.00	35.00	each	3%
Visitor parking permits (Book of 10)	13.00	13.50	per book of 10	4%
Business Parking	1,040.00	1,082.00	per annum	4%
Car Park Charges (exc Maindee)				
Up to 3 hours	2.50	2.50		0%
Up to 5 hours	4.50	4.50		0%
Over 5 hours	6.00	6.00		0%
City Centre Kingsway - up to 1 hour	1.00	1.00		0%
Maindee Car Park				
Up to 2 hours	1.00	1.00		0%
Up to 5 hours	2.50	2.50		0%
Over 5 hours	3.00	3.00		0%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Car Parking in City Parks				
Up to 2 hours	1.00	1.00		0%
Up to 5 hours	3.00	3.00		0%
Over 5 hours	5.00	5.00		0%
Car parking Fourteen Locks Canal Centre				
Up to 4 hours	1.00	1.00		0%
Up to 5 hours	2.50	2.50		0%
Over 5 hours	3.00	3.00		0%
Allotment Rents - admin charge per plot	30.00	30.00	per plot	0%
Allotment Perch Fee (Plots can be made up of multiple perches - each perch represents approx 25m2)	3.70	3.70	per perch	0%
Waste Collection				
Trade waste collection:-				
Trade blue sacks	30.29	31.00	per roll of 13	2%
Trade blue labels	60.59	62.00	per pack of 26	2%
Recycling sacks	14.46	14.50	per roll of 13	0%
Cardboard labels	11.36	11.50	per pack of 10	1%
240 Litre bin	6.16	6.50	each	6%
360 Litre bin	8.07	8.50	each	5%
660 Litre bin	14.75	15.00	each	2%
1100 Litre bin	24.59	25.00	each	2%
Residual bin replacement	20.80	21.50	each	3%
New Developments - set of new bins	52.00	54.00	each	4%
Bulky/Special Collection	21.00	22.00	up to 3 items	5%
	6.00	6.00	additional items above £21	0%
Cesspit emptying:				
1,000 gallons	174.72	174.72	per 1,000 gallons	0%
2,000 gallons	220.48	220.48	per 2,000 gallons	0%
Waste Disposal Charges				
Active Waste Disposal Charge (set gate fee but variables for asbestos and commercial waste contracts)	56.52	59.00	per tonne	4%
Inactive Waste Disposal Charge	16.64	17.50		5%
Hazardous Waste Disposal Charge	85.80	89.50		4%
Hazardous Waste Note	50.00	55.00		10%
Parks And Open Spaces				
Belle Vue Park				
Wedding Photography - Annual Permit	85.45	89.00	annually	4%
Caerleon Pavilion				
Commercial hire per hour	17.11	18.00	per hour	5%
Education hire per hour	14.06	14.50	per hour	3%
Children's Parties per hour	14.06	14.50	per hour	3%
Community Groups hire per hour	11.25	11.50	per hour	2%
Parks General				
Provision of BROXAP bench and concrete plinth	1,220.04	1,318.00	per item	8%
Tredegar Park Bike Scheme				
Newport Resident under 18	0.00	0.00		n/a
Newport Resident over 18	0.00	0.00		n/a
Non Newport Resident under 18	0.00	3.00		n/a
Non Newport Resident over 18	0.00	5.00		n/a

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Sport and Leisure Pitch Hire				
Football				
Pitch only (adult) (per match/pitch) summer and winter	42.83	42.83	each	0%
Pitch and 1 x changing (adult) (per all sports summer and winter)	54.72	54.72	each	0%
Changing room (per U16 age group)	23.10	23.10	each	0%
Seasonal football charge exclusive use – football pitch only	1,283.76	1,283.76	each	0%
Seasonal football charge exclusive use - football pitch and changing room	1,343.24	1,343.24	each	0%
Seasonal football charge priority - pitch only	673.40	673.40	each	0%
Seasonal football charge priority - pitch & changing room	824.50	824.50	each	0%
Seasonal football charge standard - pitch only	487.80	487.80	each	0%
Seasonal football charge standard - pitch and changing room	698.67	698.67	each	0%
Seasonal football charge general use - Sundaysides - pitch only	375.23	375.23	each	0%
Seasonal football charge general use - Sundaysides - pitch and changing room	472.47	472.47	each	0%
Football pitch hire aged 11-12 years	10.30	10.30	each	0%
Football pitch hire and changing rooms aged 11-12 years	15.50	15.50	each	0%
Football pitch hire aged 13-16 years	20.89	20.89	each	0%
Football pitch hire and changing rooms aged 13-16 years	26.31	26.31	each	0%
Rugby				
Pitch only (adult) (per match/pitch) summer and winter	42.83	42.83	each	0%
Pitch and 1 x changing (adult) (per all sports summer and winter)	54.72	54.72	each	0%
Changing room (per U16 age group)	23.10	23.10	each	0%
Rugby - exclusive use pitch and changing	1,343.06	1,343.06	each	0%
Rugby - exclusive pitch only	1,283.57	1,283.57	each	0%
Rugby - standard pitch	487.92	487.92	each	0%
Rugby - standard pitch and changing	658.94	658.94	each	0%
Rugby pitch hire aged 12-14 years	10.30	10.30	each	0%
Rugby pitch hire and changing rooms aged 13-14 years	15.50	15.50	each	0%
Rugby pitch hire aged 15-16 years	20.89	20.89	each	0%
Rugby pitch hire and changing rooms aged 15-16 years	26.31	26.31	each	0%
Glan Usk				
Glan Usk Astro Juniors	27.74	27.74	each	0%
Glan Usk Astro Seniors	57.20	57.20	each	0%
Events				
Major Charitable Events - Price upon application Charity Events land hire (per day discretionary)	224.97	234.00	each	4%
Setup and Derig	321.36	334.50	each	4%
Fun fair 1-3 rides	321.36	334.50	each	4%
Fun fair 3 plus ride	535.60	557.00	each	4%
Outdoor cinema	428.48	446.00	each	4%
Catering/Commercial stall per trader	128.54	134.00	each	4%
Alcohol bar	1,071.20	1,115.00	each	4%
NCC Street Cleaning Service per day	324.48	338.00	each	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Major Commercial Events - Price upon application	562.43	585.00	each	4%
Commercial Events land hire (per day discretionary)				
Setup and Derig	540.80	563.00	each	4%
Fun fair 1-3 rides	432.64	450.00	each	4%
Fun fair 3 plus ride	540.80	563.00	each	4%
Outdoor cinema	540.80	563.00	each	4%
Catering/Commercial stall per trader	162.24	169.00	each	4%
Alcohol bar	2,163.20	2,250.00	each	4%
NCC Street Cleaning Service per day	324.48	338.00	each	4%
Low Key Community Events (no Income Generation (per day))	56.24	58.50	each	4%
Community Events Income Generation (per day)	108.16	113.00	each	4%
Land rental for car boot sales - location Tredegar park when available	280.00	292.00	each	4%
Lodges - Rental Costs				
Grove Park Lodge	575.23	599.00	per month	4%
Shaftesbury Park Lodge	565.59	600.00	per month	6%
Christchurch Cemetery Lodge	519.53	541.00	per month	4%
St.Woolos Cemetery Lodge	642.72	669.00	per month	4%
Belle Vue Park - top lodge	642.72	669.00	per month	4%
Belle Vue Park - Residential Lodge Rent	591.30	615.00	per month	4%
Filming				
Student Filming	0.00	0.00		
Commercial Filming	600.00	624.00	Half day	4%
Commercial Filming	1,200.00	1,248.00	Full day	4%
Displaying of Banners	25.00	26.00	Display period	4%

SERVICE AREA: Corporate Services

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
CCTV for NCC clients			per SLA	
Environmental Health Advice and Training	Variable	Variable	per contract	
Houses in Multiple Occupation Pre-licensing Advice Service				
Property inspection and report with one schedule & fire plan	208.00	216.50	per survey	4%
Property inspection and report with 2 schedules & fire plans	260.00	270.50	per survey	4%
Each additional proposal over 2 proposals above	52.00	54.00	per additional proposal	4%
Property Surveys (Non-Statutory)	201.00	209.00	per survey	4%
Health and Safety - swimming pool/spa pool resamples following unsatisfactory result (plus VAT)	74.00	77.00	per sample	4%
Port Health Ship Sanitation Certificates				
Gross Tonnage				
Up to 1,000	100.00	105.00	per certificate	5%
1,001 to 3,000	135.00	140.40	per certificate	4%
3001 to 10,000	205.00	211.15	per certificate	3%
10,001 to 20,000	265.00	275.60	per certificate	4%
20,001 to 30,000	340.00	350.20	per certificate	3%
Over 30,000	400.00	412.00	per certificate	3%
With exception of vessels with capacity to carry between 50 and 100 persons	400.00	400.00	per certificate	0%
With exception of vessels with capacity to carry more than 1,000 persons	680.00	680.00	per certificate	0%
Extensions to Certificates	70.00	70.00	per certificate	0%
Tables and Chairs (Licence)				
Annual Fee	175.50	175.50	per licence	0%
4 chairs	64.50	64.50	per licence	0%
12 Chairs	99.50	99.50	per licence	0%
24 chairs	175.50	175.50	per licence	0%
24+ chairs	216.50	216.50	per licence	0%
smoking area	58.50	58.50	per licence	0%
change name on licence	29.00	29.00	per licence	0%
Animal Establishment Licensing				
Pre Audit Inspection - New service to be offered for inspection prior to application for advice and suitability of premises. The fee will be reviewed during 20/21 to establish if it is appropriate.	50.00	50.00	per hour	0%
Re Audit - In the event a licence is not issued following an audit the fee for an additional visit will be required.	50.00	50.00	per hour	0%
[a] Riding Establishments (Application Audit applies - see above)				
Up to 10 horses	133.50	138.00	per licence	3%
11 to 20 horses	162.50	169.00	per licence	4%
21 to 30 horses	174.50	181.00	per licence	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
[b] Animal Boarding Establishments (Application Audit applies - see above)				
Pet Sitters	152.00	158.00	per licence	4%
Up to 25 animals	152.00	158.00	per licence	4%
25 to 50 animals	173.00	179.00	per licence	3%
Over 51 animals	202.50	210.00	per licence	4%
[c] Pet Shops (Application Audit applies - see above)	126.50	131.00	per licence	4%
[d] Dangerous Wild Animals (Application Audit applies - see above)	581.50	604.00	per licence	4%
[e] Dog Breeding Establishments (Application Audit applies - see above)	126.50	131.00	per licence	4%
[f] Zoo Licence (Application Audit applies - see above)	1,109.00	1,153.00	per licence	4%
<i>For [a] to [f] above, in addition to the licence fee, the licensee to pay the Council's veterinary fees. The fee is payable on application and is not refundable if a licence is not issued.</i>				
Legal Services				
Local Land Charges Official Search (LLC1 and Con 29 R)	120.00	120.00	per search	0%
Optional questions	14 (for 20 out of 22 questions) 17 (2 out of the 22 questions)	14 (for 20 out of 22 questions) 17 (2 out of the 22 questions)	per search	
Solicitors own questions	27.00	27.00	per search	0%
Additional parcel fee (Con29 R)	26.00	27.04	per search	4%
Additional parcel fee (total)	27.00	27.00	per search	0%
Query re: personal search (dealing with errors etc)	27.00	27.00	per search	0%
Stray Dogs Reclaiming Fees:				
Dogs reclaimed after one day	100.00	104.00	per dog	4%
Dogs reclaimed after two day	116.00	120.00	per dog	3%
Dogs reclaimed after three day	132.00	137.00	per dog	4%
Dogs reclaimed after four day	146.00	151.00	per dog	3%
Dogs reclaimed after five day	162.00	168.00	per dog	4%
Dogs reclaimed after six overnight stays	176.00	183.00	per dog	4%
Dogs reclaimed after seven overnight stays	192.00	199.00	per dog	4%
Dogs reclaimed and staying with the kennels for an extended period (charge per night)	12.00	12.00	per dog	0%
<i>However there will be discretion given to the Kennels Officer on the level of charging due to unusual circumstances. Further, where the Council has found it necessary to pay for vet treatment, these fees should be passed on to the owner reclaiming the dog.</i>				
Dog re-homing fee	Variable	Variable	per dog	
Street Naming				
Property naming/renaming (does not cover newly built properties)	45.00	47.00	per property	4%
Single Plot Development	124.00	129.00	per plot	4%
Development 2+ Plots	124.00 + 45.00 per additional plot	129.00 + 47.00 per additional plot	per site/plot	4%
Changes to Development Layout after Notification	45.00 per plot affected	47.00 per plot affected	per plot	4%
Street Renaming at Residents Request	124.00 + 45.00 per property	129.00 + 47.00 per property	per street/property	4%
Confirmation of Address to Conveyancers etc	45.00	47.00	per property	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
[a] Ear piercing, acupuncture, electrolysis and Tattooing - Registration				
Premises	107.50	112.00	per registration	4%
Practitioners	107.50	112.00	per registration	4%
Replacement Certificates	27.00	28.00	per certificate	4%
Addition of new Procedure to existing Certificate	54.00	56.00	per certificate	4%
Temporary Premises for Public Event	74.50	77.50	per registration	4%
Temporary Practitioners for Public Event	37.00	38.50	per registration	4%
Voluntary Surrender of Food Certificate	64.50 for first half hour and 64.50 for every additional half hour or part thereof plus VAT	67.00 for first half hour and 67.00 for every additional half hour or part thereof plus VAT	per certificate	4%
Collection and Disposal of Food (with or without agreement)	To be determined by cost of disposal and officer time	To be determined by cost of disposal and officer time	per disposal & hour	
Food Hygiene Rating Scheme - Rescore Fee	180.00	180.00	per certificate/ abortive visit	0%
[c] Export Health Certificates				
Export Health Certificate - Food Safety (per certificate)	126.50	131.50	per certificate	4%
Local land searches/Environmental Information Regulations requests in respect of contaminated land etc. [other than those under the Local Land Charges Act 1975]	63.50 for first hour and 63.50 for each additional hour or part thereof	66.50 for first hour and 66.50 for each additional hour or part thereof	per hour	5%
UK Entrance Clearance - Premises Assessment				
Property inspection	201.00	209.00	per inspection	4%
Re-assessment for additional person (within 6 months)	103.00	107.00	per assessment	4%
Houses In Multiple Occupation Licensing Fees				
(i) Initial Licence	1,054.00	1096.00	per licence	4%
(For larger HMO (6+ units of accommodation/households)	£61.00 extra per additional unit up to a max of 1,704	£63.50 extra per additional unit up to a max of 1,704	per additional accommodation unit	4%
(ii) Renewal of Licence made before expiry of existing licence	833.00	866.50	per renewal	4%
(For larger HMO (6+ units of accommodation/households)	£61.00 extra per additional unit up to a max of 1,499	£63.50 extra per additional unit up to a max of 1,499	per additional accommodation unit	4%
(iii) Renewal of Licence made after expiry of existing licence	1,054.00	1096.00	per renewal	4%
(For larger HMO (6+ units of accommodation/households)	£61.00 extra per additional unit up to a max of 1,704	£63.50 extra per additional unit up to a max of 1,704	per additional accommodation unit	4%
(iv) Licensing following revocation of previous licence (where ownership unchanged)	833.00	866.50	per application	4%
(For larger HMO (6+ units of accommodation/households)	£61.00 extra per additional unit up to a max of 1,499	£63.50 extra per additional unit up to a max of 1,499	per additional accommodation unit	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
(v) Licence Variations				
Property inspection required	95.00	99.00	per Variation	4%
Camp Site Licences	730.00	759.50	per site licence	4%
Mobile Homes				
Site Licence fees - small site (3-10 caravans)	730.00	759.50	per site licence	4%
Site Licence fees - medium site (11-49 caravans)	815.50	848.00	per site licence	4%
Site Licence fees - large site (50+ caravans)	973.50	1,012.50	per site licence	4%
Site Licence fees - sites of 2 or fewer pitches	0.00	0.00	per site licence	N/A
Amendment to site licence conditions - variation	66.50	69.00	per amendment	4%
Amendment to site licence conditions - variation requiring an inspection	171.00	179.00	per amendment	5%
Fee to deposit site rules	55.00	57.50	per fee	5%
Fee for replacement licence	16.50	17.00	per replacement licence	3%
Fixed Penalty Notice charge	91.50	95.50	per FPN charge	4%
Housing Act 2004 Notice Fees	400.00	416.00	per notice	4%
Each additional notice (where schedule is identical) served on another recipient at the same time (charges added and split equally across recipients)	54.00	56.00	per notice	4%
Works in Default - Administration fee				
	Fee charged by the contractor (ex.VAT) plus: 20% for fees up to £1,000 10% for fees £1,001+ *Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances.	Fee charged by the contractor (ex.VAT) plus: 20% for fees up to £1,000 10% for fees £1,001+ *Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances.		
Port Health – Water Sampling				
(i) Drinking water – Microbiological (First Sample) (Plus VAT)	107.00	111.50	per sample	4%
(ii) Drinking water – Microbiological (each subsequent sample) (plus VAT)	75.50	78.50	per sample	4%
(iii) Legionella water sample (first sample) (plus VAT)	127.50	132.50	per sample	4%
(iv) Legionella water sample (each subsequent sample) (plus VAT)	95.50	99.50	per sample	4%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Port Health – Organic Animal Feed and Food Import Certificate	45.00	45.00	National flat rate charge of £45	0%
Sports Grounds General Safety Certificates				
General Safety Certificates	Cost recovery up to maximum of £500	Cost recovery up to maximum of £500	per certificate	0%
Special Safety Certificates for Sports Grounds	169.00	176.00	per certificate	4%
CCTV Monitoring for external clients			per SLA	
Street Trading				
City centre pitch - application fee (monthly)	61.00	63.00	per licence	3%
City centre pitch - application fee (quarterly/full year)	182.50	189.00	per licence	4%
License fee (daily) - static trader	55.00	57.00	per licence	4%
License fee (weekly) - static trader	110.00	114.00	per licence	4%
License fee (monthly) - static trader	304.00	316.00	per licence	4%
License fee (quarterly) - static trader	426.00	443.00	per licence	4%
License fee (full year) - static trader	973.50	1,012.00	per licence	4%
City centre pitch - license fee (full year) - static trader	3,041.50	3,163.00	per licence	4%
License fee (daily) - mobile trader	55.00	57.00	per licence	4%
License fee (weekly) - mobile trader	110.00	114.00	per licence	4%
License fee (monthly) - mobile trader	146.00	151.00	per licence	3%
License fee (quarterly) - mobile trader	182.50	189.00	per licence	4%
License fee (full year) - mobile trader	365.00	379.00	per licence	4%
Taxi Licensing Fees				
Vehicles - less than 5 years	83.00	83.00	per licence	0%
Vehicles – more than 5 years, less than 10	114.00	114.00	per licence	0%
Vehicles – over 10 Years	166.00	166.00	per licence	0%
Drivers 3 year	249.00	249.00	per licence	0%
Driver instalments	83.00	83.00	per licence	0%
Operators 1-9 vehicles	1,000.00	1,000.00	per licence	0%
Operators 10-19 vehicles	1,500.00	1,500.00	per licence	0%
Operators 19-35 vehicles	2,000.00	2,000.00	per licence	0%
Operators 35+ vehicles	2,500.00	2,500.00	per licence	0%
Replacement rear plate	19.00	19.00	per item	0%
Replacement internal plate	12.00	12.00	per item	0%
Replacement licence	6.00	6.00	per licence	0%
Replacement bracket	13.00	13.00	per item	0%
Replacement Badge	19.00	19.00	per item	0%
Transfer Plate	65.00	65.00	per item	0%
Change of vehicle	115.00	115.00	per licence	0%
Knowledge test	65.00	65.00	per test	0%
Scrap Metal				
Site Licence	485.50	504.00	per licence	4%
Variation of licence	55.00	57.00	per licence	4%
Collectors licence	316.00	328.00	per licence	4%
Ceremony Charges for Naming and Vow Renewal Ceremonies				
Booking fee	70.00	70.00		0%
Mansion House - Monday to Thursday	300.00	325.00	per event	8%
Mansion House - Friday	355.00	380.00	per event	7%
Mansion House - Saturday (includes Premier Package)	390.00	415.00	per event	6%
Garden Room Wednesday (NEW FEE)	0.00	149.00		n/a
Approved Venue - Monday to Thursday	415.00	440.00	per event	6%

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Approved Venue - Friday	470.00	495.00	per event	5%
Approved Venue - Saturday	505.00	530.00	per event	5%
Approved Venue - Sunday, Bank holidays	575.00	600.00	per event	4%
Commemorative certificate packs	11.00	11.00	per pack	0%
Save the Date Fee	30.00	30.00	per request	0%
Approved Premise Licensing	1,800.00	1,800.00	per licence	0%
Citizenship Ceremony (individual)	100.00	100.00	per event	0%
Citizenship ceremony (additional relative)	40.00	50.00	per person	25%
Certificate Fees				
Certificate Search Fees				
Search 1 year either side of date				
Search a further 5 years	10.00	10.00	per request	0%
Search a further 10 years	18.00	18.00	per request	0%
Same Day Service				
Standard Certificate - premium for issuing certificate on same day	10.00	10.00	per certificate	0%
Short Certificate - premium for issuing certificate on	10.00	10.00	per certificate	0%
Certificate Postage Costs - "signed for" delivery				
Administration Charge - Registrar Certificate	2.00	2.00	per envelope	0%
Administration Charge - Superintendent Certificate	2.00	2.00	per envelope	0%
Same day service certificates *	37.00	37.00		0%
Regular service applications *	13.00	13.00		0%
<i>* These total charges are made up of 2 elements - the certificate (statutory fee for Priority or Regular service) plus postage - see sections above</i>				
Private Water Supplies				
Risk Assessment (each assessment) - Up to 3 hours	£181.71 for up to 3 hours plus £60.75 for each additional hour or part thereof, up to a maximum of £500*	£189.00 for up to 3 hours plus £63.00 for each additional hour or part thereof, up to a maximum of £500*	per assessment	
Sampling (each visit)	£100*	£100*	per sample	0%
Investigation (each investigation)	£100* plus the analysis cost	£100* plus the analysis cost	per investigation	0%
Grant of an authorisation (each authorisation)	£100*	£100*	per authorisation	0%
Analysis (taken under regulation 10)	£25*	£25*	per analysis	0%
Analysis (taken during check monitoring)	Analysis cost up to £100*	Analysis cost up to £100*	per analysis	0%
Analysis (taken during audit monitoring)	Analysis cost up to £500*	Analysis cost up to £500*	per analysis	0%
<i>* Maximum permitted by regulation</i>				

Income Source	Current Charge (exc VAT) £	Proposed Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Fireworks - all year sales licence (set at statutory maximum)	500.00	500.00	per licence	0%
Ceremony Charges for Marriage and Civil Partnership				
Mansion House - Monday to Thursday	300.00	325.00	per event	8%
Mansion House - Friday	355.00	380.00	per event	7%
Mansion House - Saturday (includes Premier Package)	390.00	415.00	per event	6%
Garden Room Wednesday (NEW FEE)	0.00	149.00	per event	n/a
Approved Venue - Monday to Thursday	415.00	415.00	per event	0%
Approved Venue - Friday	470.00	470.00	per event	0%
Approved Venue - Saturday	505.00	505.00	per event	0%
Approved Venue - Sunday, Bank holidays	575.00	575.00	per event	0%
Register Office (simple ceremony)	46.00	46.00	per event	0%
Church/Chapel ceremony attendance	86.00	86.00	per event	0%
Legal notice of marriage or civil partnership	35.00	35.00	per notice	0%
Designated Office Notice (NEW FEE)	0.00	47.00	per notice	n/a
Certificate (issued at time of registration)	11.00	11.00	per certificate	0%
Certificate (issued within 28 days)	11.00	11.00	per certificate	0%
Citizenship Ceremonies	95.00	0.00	per event	-100%
Single Adult	35.00	0.00	per event	-100%
Same Day Service				
Certificate (from archive)	35.00	35.00	per certificate	0%
Regular Service				
Standard Certificate (from archive)	11.00	11.00	per certificate	0%
Short Certificate (from archive)	11.00	11.00	per certificate	0%
Legal Services				
Local Land Charges (LLC1 only)	6.00	6.00	per search	0%
Local Land Charges (NLIis LLC1))	4.00	4.00	per search	0%
Additional parcel fee (LLC1)	1.00	1.00	per search	0%

Mae'r dudalen hon yn wag yn



Report

Cabinet

Part 1

Date: 18 February 2022

Subject Verified KS4 and KS5 Pupil Outcomes 2021

Purpose Inform Cabinet of of Welsh Government: School Performance Reporting Arrangements for 2020-2021 - supporting renewal and reform.

Author Chief Education Officer

Ward All

Summary The report provides pupil performance data for Newport schools

Proposal Cabinet are asked to:

1. To acknowledge the position regarding pupil performance.
2. To consider any issues arising that the Cabinet may wish to draw to the attention of the Chief Education Officer

Action by Chief Education Officer

Timetable Not applicable

This report was prepared after consultation with:

- Cabinet Member for Education and Skills
- Chief Education Officer
- Chief Financial Officer
- Monitoring Officer
- Head of People and Business Change

Signed

Background

Welsh Government suspended the calculation and publication of Key Stage 4 and 5 and legacy sixth form performance measures for 2020 to 2021 and 2021 to 2022 academic years.

Furthermore, Welsh Government confirmed that qualification awards data will not be used to report on attainment outcomes at a school, local authority or regional consortium level and must not be used to hold schools to account for their learners' outcomes.

Changes to the accountability framework will impact on the information that both Local Authorities and regional consortia have access to during the academic year, 2021-2022.

Performance measures that were suspended due to the Pandemic

Schools and settings have experienced their own unique set of circumstances during the pandemic. There is no one size fits all model and schools have adopted differing approaches which are best suited to the needs and circumstances of their school communities. During this time, the LA commissioned EAS to support schools to reflect upon and refine their approaches to teaching and learning. There was no blueprint for what constituted effective distance and blended learning, nationally or internationally and it has been important to collaborate with schools, learning together.

It is important to note that many requirements for schools to report on a range of performance measures were suspended as a result of the pandemic. Welsh Government Information on suspended performance measures is available here: <https://gov.wales/sites/default/files/publications/2021-06/210621-update-on-welsh-government-data-releases-2021.pdf>, but a high level summary for school, LA and regional level data is included below: (*TBD = To be determined)

Data	2020/21 Reporting year*	2021/22 Reporting year*	2022/23 Reporting year*
All Wales Core Data Set (AWCDS) – contextual	Continue	TBD	TBD
Teacher Assessment Data – FP, KS2, KS3	Suspend	Suspend	TBD
Attendance Data	Suspend	Suspend	TBD
KS4 and 6 th form performance	Suspend	Suspend	Suspend
Value Added analyses (KS2-KS4 / KS3-KS4)	Suspend	Suspend	Suspend
Target Setting	Cease	-	-

The quality and effectiveness of teaching and learning at a classroom level is key. Whilst there is not the requirement on schools to report on a range of performance measures, schools have continued to focus on the progress of learners. Where practice uses effective and nuanced formative assessment strategies, schools and settings adapt teaching practice to meet the needs of individual learners and continue to consult and inform their wider stakeholders. These schools use a range of evaluative information and progress data to inform and refine future practice and provision, shaping their priorities for improvement.

What information did Elected Members historically receive on the context and performance of schools?

- Outcome data at end of FP, KS2, KS3, KS4, KS5 (where applicable) at school, LA, regional and national level.
- Comparative data with similar schools (e.g. families and benchmarking based on FSM %)
- Analysis of the performance of vulnerable learners (e.g. FSM)
- Value added / progress data (FP to KS2, KS2 to KS3, KS2-KS4)
- National test data (up to 2018)

- Annual target setting at individual pupil, school and LA level, including progress towards targets and outcomes against targets
- National categorisation outcomes
- Estyn inspection outcomes
- Schools Causing Concern progress updates
- Bespoke local authority reports on Distance and Blended learning in LA schools.

Reports on the above were prepared by the EAS for LA use in Scrutiny committees. Contextual and performance information available directly from WG, published in All Wales Core Data Sets and published on My Local School website. (This contained additional finance, staffing and pupil contextual information).

- LA Information on attendance, exclusions, finance, ALN, HR, EOTAS etc.

What information will Elected Members continue to receive on the context and performance of schools?

- Estyn inspection outcomes (from Spring Term 2022) and progress of schools in statutory categories (from Autumn Term 2021)
- Attendance information
- Exclusion information
- Contextual information (FSM %, All Wales Core Data set contextual data will be updated)
- My Local School with updated information including: (FSM%, SEN%, EAL% - 3 year rolling average covering 7 years)
- The progress of Schools Causing Concern (including those within the multi-agency approach and those within the regional Team Around the School approach)
- Local Authority information on Finance, Human Resources, Additional Learning Needs (ALN), Education Other Than at School (EOTAS).

What new information will Elected Members receive on the context and performance of schools?

SEWC directors have commenced discussions with EAS, around the full range of information that is currently available on the context and performance of schools. Further consultation will be required to identify the most relevant and meaningful information to share with elected members, recognising that once entering the scrutiny process, this information would be automatically made public.

Examples of information could include:

- Engagement and impact where appropriate of regional Professional Learning programmes, e.g. Senior and Middle Leadership programmes, Raising Attainment of Disadvantaged Youngsters (RADY) and Teaching Programmes.
- LA reports based on the outcomes of bespoke / thematic self-evaluation activity undertaken on a termly basis alongside the school (e.g. Curriculum for Wales, vulnerable learners)
- Case studies to exemplify practice worth sharing, including schools that deliver support on behalf of the Local Authority
- Engagement and impact where appropriate in the regional ALN transformational programmes and evaluations of readiness for individual schools.
- Aggregated Attendance information (to include a breakdown of vulnerable groups)
- School level exclusion information (to include a breakdown of vulnerable groups)

Why is the Accountability system changing? Creating a culture of trust and collaboration

One of the key reasons why the accountability system is changing in Wales, is because it is understood from research in many countries across the world that 'high-stakes' external accountability systems have

largely failed to lead to sustained improvement in schools, often due to an over-reliance on a narrow range of performance data and the behaviours that this drives within the school system.

Research evidences that:

“External accountability fails to motivate people; individualistic policies (standards and other methods to increase the quality of individuals) do not affect cultures; technology skims the surface; and ad hoc policies undercut coherence and focus. We all know what happens next. The end result is exhausted, discouraged teachers and leaders, stretched on the rack of contract accountability but not given the capacity – the time, resources or support – to make any of this really work.” (Fullan and Munby, 2012)

“Punitive accountability generates negative anxiety that stunts cognitive and emotional growth, while transparent, supportive specific feedback causes a degree of anxiety that has the right blend of pressure and support that moves us forward.” (Fullan 2019).

Since Graham Donaldson conducted the review of Curriculum and Assessment arrangements ‘Successful Futures’ in 2015, Wales has seen a number of reforms which have sought to address these challenges and begin to develop the conditions within which trust and collaboration can thrive. This is evident within the Schools as Learning Organisations approach, which provides a self-evaluation framework against which leaders can assess and begin to address the conditions that exist within schools to support a growth culture within schools.

This is also evident with the curriculum for Wales, which has sought to decouple assessment, the primary function of which is to ‘support the progression of each individual learner in relation to the 3-16 continuum’ (Curriculum for Wales guidance) from the accountability system. As the curriculum for Wales is introduced in 2022/3, schools will have greater autonomy in developing their own approaches to assessment and will not be required to report progress data at specified points in time e.g. at the end of the existing phases or key stages. Although the information derived from assessment of learner's progress will be utilised to support effective self-evaluation.

The recent Welsh Government Consultation (Assessment arrangements: subordinate legislation resultant of the Curriculum and Assessment (Wales) Act 2021 (now closed) proposed that:

“In contrast to the current approach to assessment, assessment in CfW is intrinsic to curriculum design and an indistinguishable part of teaching and learning. It should contribute to developing a holistic picture of the learner – their strengths, the ways in which they learn, and their areas for development – in order to inform next steps in learning and teaching. Importantly, assessment should not be used to make a one-off judgement on the overall achievement of a learner at a set age or point in time against descriptors or criteria on a ‘best-fit’ basis.”

“As a continuum of learning will replace the current phases and key stages, we will be moving away from end of phase and key stage summative teacher assessments taking place at the end of every year, towards a system where assessment is embedded into day to day practice and indistinguishable from teaching and learning.”

<https://gov.wales/assessment-arrangements-subordinate-legislation-resultant-curriculum-and-assessment-wales-act-2021>)

Curriculum For Wales

There will be a new curriculum for schools and funded non-maintained settings in Wales from September 2022, Curriculum for Wales (CfW). The new curriculum is designed to prepare young people to thrive in a future where digital skills, adaptability and creativity - alongside knowledge - are crucial. Fundamental to the new curriculum are the four purposes: the shared vision and aspiration for every child and young person. The aim of a school's curriculum is to support its learners to become:

- ambitious, capable learners, ready to learn throughout their lives

- enterprising, creative contributors, ready to play a full part in life and work
- ethical, informed citizens of Wales and the world
- healthy, confident individuals, ready to lead fulfilling lives as valued members of society.

School Improvement Guidance

'Robust evaluation and accountability arrangements to support a self-improving system' is one of the four enabling objectives of the National Mission. To be successful, it is crucial that all aspects of the schools' system are aligned with reform and support the new curriculum and its underlying principles. The OECD's report to Welsh Government, 'Achieving the new curriculum for Wales', emphasised this point. The report is clear that the accountability framework, along with school-leaving qualifications, need to align with the new curriculum principles in order to avert the risk that misaligned accountability and qualification measures undermine the curriculum.

In March 2020 Welsh Government consulted on the draft school improvement guidance. At this stage, the guidance is non-statutory, in order to provide schools and others in the education system time to test the new approaches to school improvement and accountability, and start to change and embed practice to support the transition to Curriculum for Wales in September 2022.

Welsh Government wants to ensure that the framework for evaluation, improvement and accountability drives behaviour and a culture that align to the new curriculum. The guidance therefore sets out clear expectations of the different bodies in the school system with regards to evaluation, improvement and accountability, alongside a vision for how the system as a whole should operate, in the context of Curriculum for Wales.

The new proposals aim to:

1. Strengthen the importance and effectiveness of self-evaluation and improvement planning by schools, which draws on a broad range of evidence
2. Focus on schools' self-evaluations and improvement priorities as the starting point for work with local authorities and regional consortia.
3. Consider school performance in its widest sense, with schools evaluated in their own context, supported by a broad range of evidence, bespoke improvement planning and support.
4. Ensure that the school's self-evaluation processes identify areas of strengths and priorities for improvement, which are drawn together in a single, strategic school development plan.
5. Build on schools' self-evaluations and development plans to work with local authorities and regional consortia to agree the additional support they need to improve.
6. Identify where schools have strengths and capacity to collaborate with other schools to support them

Summary of Key Points from Welsh Government:

- The calculation and publication of Key Stage 4 and legacy sixth form performance measures for 2020 to 2021 and 2021 to 2022 academic years is suspended.
- Qualification awards data will not be used to report on attainment outcomes at a school, local authority or regional consortium level and must not be used to hold schools to account for their learners' outcomes.
- There will be a direct impact on the usual data releases provided by the Welsh Government, with some releases suspended for one or more of the years disrupted by coronavirus or still to be determined.
- All schools and post-16 providers will continue to be required to undertake effective self-evaluation to support continuous improvement. This will involve schools, with support from local authorities and regional consortia, using the learner level information they have on attainment and other outcomes to reflect on and improve their existing arrangements.

- School categorisation will not take place in academic year 2021 to 2022. Regional consortia and local authorities will continue to work in partnership with schools to help provide them with the support they need to improve and to successfully implement our ambitious reforms.
- The School Performance and Absence Targets (Wales) Regulations 2011 were revoked in 2020, this means that schools are no longer required to set and publish targets.)

Appendix 1: Welsh Government: School Performance Reporting Arrangements Important Update (First published 10 August 2020, Updated 8 October 2021)

<https://gov.wales/school-performance-reporting-arrangements-covid-19-update>

Further to the changes made to the publication of qualifications awards data and performance measures for 2019 to 2020 and 2020 to 2021, the Minister for Education and the Welsh Language issued a written statement on 21 June 2021 announcing similar changes for the 2021 to 2022 school year.

(<https://gov.wales/written-statement-school-information-improvement-and-inspection-arrangements-supporting-renewal-and>)

In addition, The Relaxation of School Reporting Requirements (Wales) (Coronavirus) Regulations 2021 have been made to reduce burden on schools and local authorities for 2020 to 2021.

What are the key points?

- We have suspended the calculation and publication of Key Stage 4 and legacy sixth form performance measures for 2020 to 2021 and 2021 to 2022 academic years.
- Qualification awards data will not be used to report on attainment outcomes at a school, local authority or regional consortium level and must not be used to hold schools to account for their learners' outcomes.
- For post-16 performance measures, we will consider the best approach, in view of the range of providers and different types of programmes that are affected in different ways. The sector will be consulted, before any firm decision is taken, in order to consider what would be useful to help their own monitoring and quality assurance processes.
- There will be a direct impact on the usual data releases provided by the Welsh Government, with some releases suspended for one or more of the years disrupted by coronavirus or still to be determined. You can find a table below showing what information, with provisional timings, will be released by the Welsh Government. Where activities are marked to continue for 2021 to 2022 reporting, this is the planning assumption at the time of publication, which could be subject to change if these are affected by further disruption to school operations.
- All schools and post-16 providers will continue to be required to undertake effective self-evaluation to support continuous improvement. Our evaluation, improvement and accountability arrangements require consideration of a broad range of information relevant to a school's own context when undertaking self-evaluation and identifying improvement priorities. This will involve schools, with support from local authorities and regional consortia, using the learner level information they have on attainment and other outcomes to reflect on and improve their existing arrangements.
- School categorisation will not take place in academic year 2021 to 2022. Regional consortia and local authorities will continue to work in partnership with schools to help provide them with the support they need to improve and to successfully implement our ambitious reforms. Schools will not be assigned a published category as part of this support process.
- The Relaxation of School Reporting Requirements (Wales) (Coronavirus) Regulations 2021 came into force on 18 June 2021. These Regulations amend a number of other Regulations, which place duties on headteachers, governing bodies and local authorities to produce learner and school reports, as summarised below. (The School Performance and Absence Targets (Wales) Regulations 2011 were revoked in 2020, this means that schools are no longer required to set and publish targets.)

Regulations	Description of Regulations	Impact of Amending Regulations	Further details
The Head Teachers' Reports to Parents and Adult Pupils (Wales) Regulations 2011	Require headteachers to make a report available to all parents or adult pupils about the educational achievements of pupils, each school year.	Amended (content of reports to a "reasonable endeavours" basis)	For the 2020/21 school year, the requirement to produce a report in respect of all learners will remain an absolute duty. Duties imposed on headteachers in terms of the content of reports relating to the 2020/21 school year are to be treated as discharged, if the headteacher has used reasonable endeavours to discharge the duty.
The School Information (Wales) Regulations 2011	Require local authorities to publish a composite school prospectus and schools to publish their own individual prospectus, and prescribes the school information that must be included	Amended	Provision made to exclude data on authorised and unauthorised absences in respect of pupils registered at the school in the 2020/21 school year from being published in any school prospectus.
The School Governors' Annual Reports (Wales) Regulations 2011	Require school governing bodies to produce an annual report, including information about school performance against published targets.	Amended	Modified the content of reports produced in relation to the 2020 to 2021 academic year so that information may not be included in any school governors' report. The statutory duty for governing bodies to produce a report will remain. Information to be disapplied/excluded in relation to pupils registered at the school in the 2020 to 2021 school year: *the most recent Summary of Secondary School Performance (SSSP) *the number of authorised and unauthorised absences in the school year.
The School Performance Information (Wales) Regulations 2011	Provide for the reporting of teacher assessment and examination outcomes (from schools and governing bodies to local authorities and Welsh Ministers).	Amended	Removes the duties on governing bodies and local authorities to provide data to local authorities on teacher assessment outcomes for the pupils registered at schools in the 2020 to 2021 school year.

Financial Summary

This report is for information only

Risks

This report is for information only.

Links to Council Policies and Priorities

Corporate Plan

Education Service Plan

Wellbeing of Future Generation (Wales) Act 2015

Options Available and considered

Not applicable. This report is for information only.

Preferred Option and Why

Not applicable. This report is for information only

Comments of Chief Financial Officer

There are no financial implications to this report

Comments of Monitoring Officer

There are no legal issues arising from the report.

Comments of Head of People and Business Change

Reporting requirements agreed by the Welsh Government means that the calculation and publication of key educational performance measures for 2020/21 and 2021/22 has been suspended along with school categorisation processes. This means that qualification awards data will not be used to report on attainment outcomes at a school, local authority or regional consortium level and will not be used to hold schools to account for their learners' outcomes.

Education and learning remain hugely important for individual, family and societal wellbeing and the continuity of learning and the safe reopening of schools has been a key recovery priority for the City Council. All schools and post-16 providers will be required to undertake effective self-evaluation and accountability arrangements to support improvement. Schools will receive support from the Education services and regional consortia, using learner attainment data and other available outcomes to inform performance management and improve standards.

There are no direct human resources implications in this report

Comments of Cabinet Member

The interim Welsh Government performance measures, which focus on individual schools rather than aggregated local authority data, ensure that school leaders give equal importance to all subject areas and that the delivery of a quality broad and balanced curriculum for all learners is the priority of every school.

As a result of the Covid pandemic and changes to the process where grades were awarded in 2021 it is not possible to evaluate the outcomes of individual schools related to previous years. Officers continue to work closely with school leaders to evaluate the outcomes of individual schools to ensure each school receives the bespoke support they require from both the Local Authority and the Education Achievement Service (EAS).

Local issues

Not applicable.

Scrutiny Committees

These data have been shared with People Scrutiny as a briefing paper.

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.

An FEIA has not been prepared as this report is for information only.

Children and Families (Wales) Measure

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

Wellbeing of Future Generations (Wales) Act 2015

All local authorities have a long-term duty to develop a prosperous Wales by developing skilled and well-educated population in an economy which generates wealth and provides employment opportunities. Enabling and facilitating academic attainment for all learners provides a foundation for access to employment and helps break a cycle of deprivation.

Furthermore, regardless of the socio-economic demographic of an individual school community, all schools will be challenged and supported to improve pupil attainment with a view to create "more equal wales" that enables pupils to fulfil their potential no matter what their background or circumstances.

Improvement of pupil outcomes is supported by collaboration of schools, the Local Authority and the regional school improvement service (EAS) including the involvement of pupils, teachers, governors and wider community members.

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

Not applicable

Background Papers

Not applicable

Dated: 11 February 2022

Report content for Scrutiny: Newport City Council

Report Title: School Accountability Information 2021-2022

Purpose of this Report

To inform members of Welsh Government: School Performance Reporting Arrangements for 2020-2021 - supporting renewal and reform.

Background and Context

Changes to the accountability framework will impact on the information that both Local Authorities and the EAS will have access to during the academic year, 2021-2022.

There will be a new curriculum for schools and funded non-maintained settings in Wales from September 2022, Curriculum for Wales (CfW). The new curriculum is designed to prepare young people to thrive in a future where digital skills, adaptability and creativity - alongside knowledge - are crucial. Fundamental to the new curriculum are the four purposes: the shared vision and aspiration for every child and young person. The aim of a school's curriculum is to support its learners to become:

- ambitious, capable learners, ready to learn throughout their lives
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'Robust evaluation and accountability arrangements to support a self-improving system' is one of the four enabling objectives of the National Mission. To be successful, it is crucial that all aspects of the schools' system are aligned with reform and support the new curriculum and its underlying principles. The OECD's report to Welsh Government, 'Achieving the new curriculum for Wales', emphasised this point. The report is clear that the accountability framework, along with school-leaving qualifications, need to align with the new curriculum principles in order to avert the risk that misaligned accountability and qualification measures undermine the curriculum.

In March 2020 Welsh Government consulted on the draft school improvement guidance. At this stage, the guidance is non-statutory, in order to provide schools and others in the education system time to test the new approaches to school improvement and accountability, and start to change and embed practice to support the transition to Curriculum for Wales in September 2022.

Welsh Government wants to ensure that the framework for evaluation, improvement and accountability drives behaviour and a culture that align to the new curriculum. The guidance therefore sets out clear expectations of the different bodies in the school system with regards to evaluation, improvement and accountability, alongside a vision for how the system as a whole should operate, in the context of Curriculum for Wales. The new proposals aim to:

1. Strengthen the importance and effectiveness of self-evaluation and improvement planning by schools, which draws on a broad range of evidence

2. Focus on schools' self-evaluations and improvement priorities as the starting point for work with local authorities and regional consortia.
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5. Build on schools' self-evaluations and development plans to work with local authorities and regional consortia to agree the additional support they need to improve.
6. Identify where schools have strengths and capacity to collaborate with other schools to support them

Why is the Accountability system changing? Creating a culture of trust and collaboration

One of the key reasons why the accountability system is changing in Wales, is because it is understood from research in many countries across the world that 'high-stakes' external accountability systems have largely failed to lead to sustained improvement in schools, often due to an over-reliance on a narrow range of performance data and the behaviours that this drives within the school system.

Research evidences that:

“External accountability fails to motivate people; individualistic policies (standards and other methods to increase the quality of individuals) do not affect cultures; technology skims the surface; and ad hoc policies undercut coherence and focus. We all know what happens next. The end result is exhausted, discouraged teachers and leaders, stretched on the rack of contract accountability but not given the capacity – the time, resources or support – to make any of this really work.” (Fullan and Munby, 2012)

“Punitive accountability generates negative anxiety that stunts cognitive and emotional growth, while transparent, supportive specific feedback causes a degree of anxiety that has the right blend of pressure and support that moves us forward.” (Fullan 2019).

Since Graham Donaldson conducted the review of Curriculum and Assessment arrangements 'Successful Futures' in 2015, Wales has seen a number of reforms which have sought to address these challenges and begin to develop the conditions within which trust and collaboration can thrive. This is evident within the Schools as Learning Organisations approach, which provides a self-evaluation framework against which leaders can assess and begin to address the conditions that exist within schools to support a growth culture within schools.

This is also evident with the curriculum for Wales, which has sought to decouple assessment, the primary function of which is to 'support the progression of each individual learner in relation to the 3-16 continuum' (Curriculum for Wales guidance) from the accountability system. As the curriculum for Wales is introduced in 2022/3, schools will have greater autonomy in developing their own approaches to assessment and will not be required to report progress data at specified points in time e.g. at the

end of the existing phases or key stages. Although the information derived from assessment of learner's progress will be utilised to support effective self-evaluation.

The recent Welsh Government Consultation (Assessment arrangements: subordinate legislation resultant of the Curriculum and Assessment (Wales) Act 2021 (<https://gov.wales/assessment-arrangements-subordinate-legislation-resultant-curriculum-and-assessment-wales-act-2021>) (now closed) proposed that:

“In contrast to the current approach to assessment, assessment in CfW is intrinsic to curriculum design and an indistinguishable part of teaching and learning. It should contribute to developing a holistic picture of the learner – their strengths, the ways in which they learn, and their areas for development – in order to inform next steps in learning and teaching. Importantly, assessment should not be used to make a one-off judgement on the overall achievement of a learner at a set age or point in time against descriptors or criteria on a ‘best-fit’ basis.”

“As a continuum of learning will replace the current phases and key stages, we will be moving away from end of phase and key stage summative teacher assessments taking place at the end of every year, towards a system where assessment is embedded into day to day practice and indistinguishable from teaching and learning.”

Performance measures that were suspended due to the Pandemic

Schools and settings have experienced their own unique set of circumstances during the pandemic. There is no one size fits all model and schools have adopted differing approaches which are best suited to the needs and circumstances of their school communities. During this time, the region has supported schools to reflect upon and refine their approaches to teaching and learning. There was no blueprint for what constituted effective distance and blended learning, nationally or internationally and it has been important to collaborate with schools, learning together.

It is important to note that many requirements for schools to report on a range of performance measures were suspended as a result of the pandemic. Welsh Government Information on suspended performance measures is available here: <https://gov.wales/sites/default/files/publications/2021-06/210621-update-on-welsh-government-data-releases-2021.pdf>, but a high level summary for school, LA and regional level data is included below: (*TBD = To be determined)

Data	2020/21 Reporting year*	2021/22 Reporting year*	2022/23 Reporting year*
All Wales Core Data Set (AWCDS) – contextual	Continue	TBD	TBD
Teacher Assessment Data – FP, KS2, KS3	Suspend	Suspend	TBD
Attendance Data	Suspend	Suspend	TBD
KS4 and 6 th form performance	Suspend	Suspend	Suspend
Value Added analyses (KS2-KS4 / KS3-KS4)	Suspend	Suspend	Suspend
Target Setting	Cease	-	-

School based information

The quality and effectiveness of teaching and learning at a classroom level is key. Whilst the requirement on schools not to report on a range of performance measures, schools have continued to focus on the progress of learners. Where practice uses effective and nuanced formative assessment strategies, schools and settings adapt teaching practice to meet the needs of individual learners and continue to consult and inform their wider stakeholders. These schools use a range of evaluative information and progress data to inform and refine future practice and provision, shaping their priorities for improvement.

What information did Elected Members receive on the context and performance of schools?

- Outcome data at end of FP, KS2, KS3, KS4, KS5 (where applicable) at school, LA, regional and national level.
- Comparative data with similar schools (e.g. families and benchmarking based on FSM %)
- Analysis of the performance of vulnerable learners (e.g. FSM)
- Value added / progress data (FP to KS2, KS2 to KS3, KS2-KS4)
- National test data (up to 2018)
- Annual target setting at individual pupil, school and LA level, including progress towards targets and outcomes against targets
- National categorisation outcomes
- Estyn inspection outcomes
- Schools Causing Concern progress updates
- Bespoke local authority reports on Distance and Blended learning in LA schools.

Reports on the above prepared by the EAS for LA use in Scrutiny committees. Contextual and performance information available directly from WG, published in All Wales Core Data Sets and published on My Local School website. (This contained additional finance, staffing and pupil contextual information).

- LA Information on attendance, exclusions, finance, ALN, HR, EOTAS etc.

What information will Elected Members continue to receive on the context and performance of schools?

- Estyn inspection outcomes (from Spring Term 2022) and progress of schools in statutory categories (from Autumn Term 2021)
- Attendance information
- Exclusion information
- Contextual information (FSM %, All Wales Core Data set contextual data will be updated)
- My Local School with updated information including: (FSM%, SEN%, EAL% - 3 year rolling average covering 7 years)

- The progress of Schools Causing Concern (including those within the multi-agency approach and those within the regional Team Around the School approach)
- Local Authority information on Finance, HR, ALN, EOTAS.

What new information will Elected Members receive on the context and performance of schools?

SEWC directors have commenced discussions with EAS, around the full range of information that is currently available on the context and performance of schools. Further consultation will be required to identify the most relevant and meaningful information to share with elected members, recognising that once entering the scrutiny process, this information would be automatically made public.

Examples of information could include:

- Engagement and impact where appropriate of regional Professional Learning programmes, e.g. Senior and Middle Leadership programmes, RADY and Teaching Programmes.
- LA reports based on the outcomes of bespoke / thematic self-evaluation activity undertaken on a termly basis alongside the school (e.g. Curriculum for Wales, vulnerable learners)
- Case studies to exemplify practice worth sharing, including schools that deliver support on behalf of the EAS
- Engagement and impact where appropriate in the regional ALN transformational programmes and evaluations of readiness for individual schools.
- Aggregated Attendance information (to include a breakdown of vulnerable groups)
- School level exclusion information (to include a breakdown of vulnerable groups)

Summary of Key Points from Welsh Government:

- The calculation and publication of Key Stage 4 and legacy sixth form performance measures for 2020 to 2021 and 2021 to 2022 academic years is suspended.
- Qualification awards data will not be used to report on attainment outcomes at a school, local authority or regional consortium level and must not be used to hold schools to account for their learners' outcomes.
- There will be a direct impact on the usual data releases provided by the Welsh Government, with some releases suspended for one or more of the years disrupted by coronavirus or still to be determined.
- All schools and post-16 providers will continue to be required to undertake effective self-evaluation to support continuous improvement. This will involve schools, with support from local authorities and regional consortia, using the learner level information they have on attainment and other outcomes to reflect on and improve their existing arrangements.
- School categorisation will not take place in academic year 2021 to 2022. Regional consortia and local authorities will continue to work in partnership with

schools to help provide them with the support they need to improve and to successfully implement our ambitious reforms.

- The School Performance and Absence Targets (Wales) Regulations 2011 were revoked in 2020, this means that schools are no longer required to set and publish targets.)

Appendix 1: Welsh Government: School Performance Reporting Arrangements Important Update (First published 10 August 2020, Updated 8 October 2021)

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Further to the changes made to the publication of qualifications awards data and performance measures for 2019 to 2020 and 2020 to 2021, the Minister for Education and the Welsh Language issued a written statement (<https://gov.wales/written-statement-school-information-improvement-and-inspection-arrangements-supporting-renewal-and>) on 21 June 2021 announcing similar changes for the 2021 to 2022 school year.

In addition, The Relaxation of School Reporting Requirements (Wales) (Coronavirus) Regulations 2021 have been made to reduce burden on schools and local authorities for 2020 to 2021.

What are the key points?

- We have suspended the calculation and publication of Key Stage 4 and legacy sixth form performance measures for 2020 to 2021 and 2021 to 2022 academic years.
- Qualification awards data will not be used to report on attainment outcomes at a school, local authority or regional consortium level and must not be used to hold schools to account for their learners' outcomes.
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improvement guidance, setting out the Welsh Government’s plans for evaluation, improvement and accountability, will be published in the autumn.

- The Relaxation of School Reporting Requirements (Wales) (Coronavirus) Regulations 2021 came into force on 18 June 2021. These Regulations amend a number of other Regulations, which place duties on headteachers, governing bodies and local authorities to produce learner and school reports, as summarised below. (The School Performance and Absence Targets (Wales) Regulations 2011 were revoked in 2020, this means that schools are no longer required to set and publish targets.)

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Regulations	Description of Regulations	Impact of Amending Regulations	Further details
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The School Performance Information (Wales) Regulations 2011	Provide for the reporting of teacher assessment and examination outcomes (from schools and governing bodies to local authorities and Welsh Ministers).	Amended	Removes the duties on governing bodies and local authorities to provide data to local authorities on teacher assessment outcomes for the pupils registered at schools in the 2020 to 2021 school year.

Mae'r dudalen hon yn wag yn

Report

Cabinet

Part 1

Date: 18 February 2022

Subject **Welsh Language Strategy 2022-2027**

Purpose To approve the draft 5 year Welsh Language Strategy for Newport as required by the Welsh Language (Wales) Measure 2011 and Welsh Language Standards prior to submission to Council

Author Connected Communities Manager
Welsh Language Policy Officer

Ward All

Summary In accordance with the Welsh Language (Wales) Measure 2011 the Council is required to produce, and publish on our website, a 5-year strategy that sets out proposals to promote the Welsh language and to facilitate the use of the Welsh language more widely in the area.

We know that one of the main ways we can measure an increase in the number of Welsh speakers across Newport is through monitoring numbers of children being educated through the medium of Welsh. Therefore our 5 year targets as required by our Welsh Language Standards reflect those tangible measures set out in our Welsh in Education Strategic Plan (WESP).

The draft strategy for the period 2022-2027 is attached at Appendix 1.

Proposal **To approve the attached draft Strategy prior to submission to full Council in March.**

Action by Director, Transformation and Corporate Centre

Timetable Immediate

This report was prepared after consultation with:

- Cabinet Member Assets and Resources
- Member Champion – Welsh Language
- Cabinet Member for Education and Skills
- Welsh Language officer Implementation Group
- Welsh in Education Forum
- Fforwm Iaith
- Overview and Scrutiny Management Committee
- General Public

Background

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language by way of sub-legislation (Welsh Language Standards (No.1) Regulations 2015).

The Standards issued to Newport City Council are listed in 'The Newport City Council Compliance Notice – Section 44 Welsh Language (Wales) Measure 2011'. Standard 145 (below) requires the Council to produce and publish a five-year strategy setting out how we will promote and facilitate the use of Welsh:

“You must produce, and publish on your website, a 5-year strategy that sets out how you propose to promote the Welsh language and to facilitate the use of the Welsh language more widely in your area; and the strategy must include (amongst other matters)

- (a) a target (in terms of the percentage of speakers in your area) for increasing or maintaining the number of Welsh speakers in your area by the end of the 5 year period concerned,
- (b) a statement setting out how you intend to reach that target; and you must review the strategy and publish a revised version on your website within 5 years of publishing a strategy (or of publishing a revised strategy)”

Our previous strategy was agreed in 2017 for the period 2017-2022. The draft Strategy for the next five years includes both targets to increase the number of Welsh speakers within Newport, and a statement setting out how we will do this.

Proposed 5 year target for increasing or maintaining the percentage of Welsh speakers in Newport

We know that one of the main ways we can measure an increase in the number of Welsh speakers across Newport is through monitoring numbers of children being educated through the medium of Welsh. Therefore our 5 year targets as required by our Welsh Language Standards reflect those tangible measures set out in our Welsh in Education Strategic Plan (WESP). Newport's WESP has been agreed by Cabinet and will be shared with Welsh Government for agreement by September 2022.

The WESP sets out targets to increase the numbers of children in Welsh medium education. The council is required to increase the number of pupils in Welsh medium education by 6 percentage points over the next 10 years (by 2032). This will be an increase from 101 to 221 pupils.

The Strategy sets out the 5 and 10 year WESP targets which will enable this ambition to be met, across 7 outcome areas:

- Outcome 1: More Nursery children learning in Welsh
- Outcome 2: More reception class children learning in Welsh
- Outcome 3: More learners improve their Welsh language when moving from primary school to secondary school
- Outcome 4: More learners study for exams in Welsh
- Outcome 5: More learners use Welsh outside of the school classroom
- Outcome 6: An increase in classes for pupils with additional learning needs (ALN) learning in Welsh
- Outcome 7: More teachers and staff able to teach Welsh and in Welsh

The Strategy

The Strategy is not only about increasing the number of Welsh speakers in Newport, but about making the Welsh language inclusive and inspiring, supporting Welsh learners, and increasing the visibility of the Welsh language across the city. The Strategy also supports the delivery of Welsh Government's target of reaching a million Welsh speakers by 2050.

The Strategy introduces the council's wider vision for Welsh language in Newport – 'See, Hear, Learn, Use, Love' and includes actions aside from Education-focussed work to promote and facilitate the Welsh language across Newport. These actions are organised into 3 strategic themes – Communities and Culture, Education, and Employment and Skills. An action plan sets out key commitments across these themes.

The Strategy has been informed by our officer Welsh Language Implementation Group, our ongoing work with public sector partners, engagement with key stakeholders and consultation on the views that citizens in Newport hold on the Welsh language – as well as the work of our Education service and our new Welsh in Education Strategic Plan, agreed by Cabinet in January. The draft Strategy was made available for public comment on the council's website between the 24th January and 5th February.

We will continue to use existing governance structures to monitor the progress of our Strategy as we look to embed Welsh language across business-as-usual activities. This will include regular progress reports on key actions into our Welsh in Education Forum and our internal Welsh Language Implementation Group. The Welsh Language Forum will also play a key role in ensuring partners are engaged and working towards our vision for Welsh in Newport, and our Right Skills Board in embedding our work around employers and skills.

Annual reporting on progress against our key themes will be incorporated within our Welsh Language Annual Report which is published by the 31st March each year as required by our Welsh Language Standards.

Financial Summary (Capital and Revenue)

There are no additional staffing costs associated with the Welsh Language Strategy, and actions will be delivered using existing resources and budgets.

Risks

It is important to identify and manage any project or scheme's exposure to risk and have in place controls to deal with those risks.

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
That the Council is not compliant with the Welsh Language Standards in publishing the 5 year strategy.	H	L	This report proposes a draft strategy	Director, Transformation and Corporate Centre
That the proposals in the strategy are not delivered.	M	L	Monitoring will be arranged through existing governance structures	Director, Transformation and Corporate Centre

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

As well as meeting our requirements under our Welsh language Standards, the Strategy is deliberately aligned with a range of national and local strategies and objectives including:

- Welsh Government's Cymraeg 2050 – A million Welsh Speakers
- Well-Being of Future Generations Act (Wales) 2015 – Wellbeing Goal 'A Wales of vibrant cultures and thriving Welsh language'

- Mwy na Geiriau – Welsh Government's Strategy for Welsh in Health and Social Care
- Newport City Council's Welsh in Education Strategic Plan
- Newport City Council's Digital Strategy
- Newport City Council's Local Development Plan
- Welsh Government's Wales Language Technology Plan

Options Available and considered

The options available are:

1. To agree the draft before submission to Council in March
2. Not to agree the draft

Preferred Option and Why

Option 1 is the preferred option in order to meet our statutory requirements in a timely manner.

Comments of Chief Financial Officer

Approval of the Welsh Language Strategy will have no adverse financial impact, all associated costs will be met from existing budgets.

Comments of Monitoring Officer

The Council has a statutory duty in accordance with the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards to produce, and publish, a 5-year strategy that sets out proposals to promote the Welsh language and to facilitate the use of the Welsh language more widely in the area. The strategy must include targets for increasing or maintaining the numbers of Welsh speakers in the area and the delivery of the strategy must be kept under review. This is also consistent with the well-being goals and the sustainability objectives of the Well-being of Future Generations Act. The proposed strategy meets the requirements of the Standards and focuses, in particular, on Welsh language education, building on the existing principles of the Welsh in Education Strategic Plan.

Comments of Head of People and Business Change

This development of the Welsh Language Strategy for the City sets the strategic direction for the next 5 years. This report sets out the draft objectives for Cabinet and builds on existing work to develop Welsh language as evidenced in the annual reports. Development of Welsh language also forms part of our corporate and equalities priorities, and is a key element of the wellbeing objectives of the Well-being of Future Generations Act.

The strategy and action plan note the importance of working with partners to achieve the objectives,

The action plan includes steps to recognise and increase Welsh language skills within the Council's own workforce. These include a GCSE Welsh requirement for Apprentice candidates, use of the ALTE Welsh language skills framework and bilingual job advertisements

Scrutiny Committees

The draft Strategy was discussed at Overview Scrutiny and Management Committee on the 21st January 2022. Comments and responses are below:

Committee would like clarification on the figures of those fluent in Welsh, confident in Welsh and Welsh learners as they don't marry up precisely with the number of those said to have accessed the Contact Centre through the medium of Welsh.

Feedback on this part of the report (consultation results) was noted. The figures stated related to 2 different questions asked in the survey so were incongruous. Amendments have been made to provide clarity around this.

Committee stated that they would have liked to see parts of the report – perhaps headings and introductions – written bilingually as it would better represent the content of the report and the Council's aims with the Welsh language.

Feedback from the Committee was noted – the full Strategy will be published in both Welsh and English in line with the council's Welsh Language Standards.

Fairness and Equality Impact Assessment:

Summary of impact – Wellbeing of Future Generation (Wales) Act

A full Fairness and Equality Impact Assessment (FEIA) has been undertaken on the Welsh Language Strategy and is attached at Appendix 2. The key themes and actions that underpin them balance short term needs with the delivery of medium to long-term solutions over the course of the 5 year timescale, and were developed in consultation with internal and external stakeholders, including communities across Newport.

The Strategy identifies key challenges for the Welsh language in Newport, for example, employment and skills gaps, low conversion rates for Welsh learners moving from pre-school to primary school environments, and the perceived lack of visibility of the language across the city. The Strategy sets out how work will develop to prevent these problems from getting worse, and the resources/partnership work which enable this work to happen.

The Strategy is dependent on effective partnership work and contributes to the Wellbeing Goals of a prosperous Wales, a more equal Wales, a Wales of cohesive communities and a Wales of vibrant culture and thriving Welsh language.

Summary of impact – Equality Act 2010

The FEIA undertaken on the Welsh Language Strategy identifies positive impacts for people that share Protected Characteristics of age, race and disability. There were no negative impacts identified. There are particular positive impacts identified for pre-school and school aged children as a result of the Strategy's Education theme, and for ethnic minority communities who are prioritised for engagement within the Strategy.

Summary of impact – Socio-economic Duty

The Strategy has been identified as supporting the reduction of inequalities that may arise as a result of socio-economic disadvantage in the areas of work, participation and education. These areas directly relate to the key themes in the Strategy – Employment and Skills, Communities and Culture and Education.

The Strategy sets out a commitment to reach out to communities who may not traditionally engage with the Welsh language, including ethnic minority communities, refugees, asylum seekers and migrants, and those communities in Pillgwenlly, one of the most deprived areas in Newport. This commitment will help to ensure that the Welsh language is accessible to all, and everyone is offered an opportunity to lever the social, economic and educational benefits that it can offer.

Summary of impact – Welsh language

As this is a Welsh Language Strategy, a range of positive impacts have been identified for the Welsh language:

- Increasing and raising awareness of the Welsh language across all of Newport's diverse communities, ensuring it is inclusive and accessible to all
- Increasing the visibility of the Welsh language across Newport in community settings
- Encouraging partnership working and consistency between stakeholders in terms of the Welsh language in the workplace and potentially increase economic opportunities

- Ensuring communities in Newport are aware of the culture and history of Newport concerning the Welsh language and its importance in modern life; developing a sense of place and ownership,
- Increasing partnership work with stakeholders to develop shared learning, resources, and opportunities,
- Inspiring children and pupils to learn and use the language both in and out of school, as well as support or encourage parents/caregivers to invest in the language

Consultation

This Strategy has been informed by the people living in Newport, Welsh language stakeholders and feedback from internal and external partners. During 2021 we launched a number of community surveys to find out more about what people in Newport thought about the Welsh language, and inform the focus of our strategic themes. Around 600 responses were received and highlighted key areas that the strategy should address, including:

- A reluctance to learn Welsh, or see the value of learning Welsh
- Low perceived visibility of the Welsh language across the city
- A concern that people were being ‘forced’ to engage with the Welsh language
- Lack of awareness of Welsh language opportunities, activities and groups across the city
- A lack of confidence in using Welsh language skills

A full summary of survey responses is included in the Strategy and FEIA.

The Strategy was also made available for public comment between the 24th January and 5th of February. A number of comments were received and taken into account when finalising the Strategy for submission to Cabinet.

Background Papers

[Newport's Welsh Language Standards](#)

[Newport's draft Welsh in Education Strategic Plan](#)

[Cymraeg 2050: A million Welsh speakers](#)

Dated: 11 February 2022

Welsh Language 5 Year Promotional Strategy **2022 - 2027** **Newport City Council**



See



Hear



Learn



Use



Love

1. Introduction

Welcome to Newport City Council's second 5 Year Welsh Language Promotional Strategy, which sets out how the local authority will work with our partners to promote and facilitate the use of the Welsh language across the city.

This Strategy aims to meet our statutory requirements under Welsh language legislation, but also to support the Welsh Government's ambitious target for national growth – 1 million Welsh speakers by 2050 – by setting our own targets, underpinned by actions relevant to Newport.

The long-term aspiration of the council is to increase the number of Welsh speakers in Newport, raise awareness, and increase the visibility of the Welsh language across all of our communities. We want to offer opportunities for those with all levels of Welsh to practice and speak Welsh in a safe, friendly and supportive environment, and to engage with those who might not be aware of the language or its benefits.

As a local authority, we know that one of the main ways that we can increase the number of Welsh speakers is to develop the provision and uptake of Welsh medium education. Therefore this strategy is closely aligned to our new 10-year Welsh in Education Strategic Plan (WESP).

However, we also recognise that our Strategy needs to increase everybody's opportunities to use Welsh. Our work over the next 5 years is not only about increasing the number of children who are educated through the medium of Welsh, but will seek to inspire and support Welsh learners at all levels, and consider how our own workforce and service provision promotes and facilitates the use of Welsh.

Newport is a Welsh city with rich multicultural, multilingual communities. We want to celebrate the Welsh language as part of our shared identity, and increase opportunities for everyone to see, hear, learn, use and love our national language.

2. Legislative Context

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language by way of sub-legislation (Welsh Language Standards (No.1) Regulations 2015).

The standards issued to Newport City Council are listed in '[The Newport City Council Compliance Notice](#) – Section 44 Welsh Language (Wales) Measure 2011'. Standard 145 (below) requires the Council to produce and publish a five-year strategy setting out how we will promote and facilitate the use of Welsh.

You must produce, and publish on your website, a 5-year strategy that sets out how you propose to promote the Welsh language and to facilitate the use of the Welsh language more widely in your area; and the strategy must include (amongst other matters)

*(a) a **target** (in terms of the percentage of speakers in your area) for increasing or maintaining the number of Welsh speakers in your area by the end of the 5 year period concerned,*

*(b) a **statement** setting out how you intend to reach that target; and you must review the strategy and publish a revised version on your website within 5 years of publishing a strategy (or of publishing a revised strategy).*

This strategy includes a target to increase the number of Welsh speakers within Newport as well as specific actions to facilitate the use of the language in line with the Welsh Government's various Welsh language strategies, but in particular [Cymraeg 2050: A million Welsh speakers](#) which sets out a vision for achieving 1 million Welsh speakers by the year 2050:

"[in 2050] the Welsh language is thriving, the number of speakers has reached a million, and it is used in every aspect of life. Among those who do not speak Welsh there is goodwill and a sense of ownership towards the language and a recognition by all of its contribution to the culture, society and economy of Wales"

3. Policy Context

As well as meeting our requirements under our Welsh language Standards, this Strategy is aligned with a range of national and local strategies and objectives including:

- Welsh Government's Cymraeg 2050 – A million Welsh Speakers
- Well-Being of Future Generations Act (Wales) 2015 – Wellbeing Goal 'A Wales of vibrant cultures and thriving Welsh language'
- Mwy na Geiriau – Welsh Government's Strategy for Welsh in Health and Social Care
- Newport City Council's Welsh in Education Strategic Plan
- Newport City Council's Digital Strategy

- Newport City Council's Local Development Plan
- Welsh Government's Wales Language Technology Plan

Impact of COVID-19

This Strategy is also cognisant of the impact that the pandemic has had on opportunities for people in Newport to learn and use the Welsh language and access Welsh language services. Although some Welsh language provisions were able to adapt well to restrictions, for example by moving to online activities, the council's Community Impact Assessment which sought views from Welsh language partners recorded the following impacts:

- Welsh medium childcare services have been disrupted – many staff were furloughed and future funding arrangements remain unclear, compounded by a range of issues preventing children from returning to childcare settings.
- There is a likely negative impact on the number of children attending Welsh-medium nurseries, and as a result fewer admissions into Welsh-medium schools in the city.
- There has been a lack of engagement of children in Welsh medium schools in digital learning, and difficulties for English/other language speaking parents in supporting home learning.
- Children in English speaking families may have had little exposure to Welsh language during lockdown, affecting language acquisition.
- Parents applying for school places may see the Welsh language as an extra burden for children having to catch up in other key subjects.
- There have been limited opportunities for adult learners to practice Welsh skills, particularly if this usually occurred in informal community settings, or through the workplace.

4. Our 5 Year Targets

We know that one of the main ways we can measure an increase in the number of Welsh speakers across Newport is through monitoring numbers of children being educated through the medium of Welsh. Therefore our 5 year targets as required by our Welsh Language Standards reflect those tangible measures set out in our WESP.

The Council's WESP sets out targets agreed with Welsh Government to increase the numbers of children in Welsh medium education. The council is required to increase the number of pupils in Welsh medium education by 6 percentage points over the next 10 years (by 2032):

In 2021, 5.1% of all year 1 pupils were in Welsh-medium Education which is 101 pupils. By 2032, we would like this to be 11.1% of all year 1 pupils which will be around 221 pupils.

The WESP has been agreed by our Cabinet, and will be submitted to Welsh Government for approval before coming into effect from September 2022. Our WESP is split into 7 outcome areas to support this work, all which have a baseline, a 5 year target which this Strategy will support, and a 10 year target:

Outcome 1: More nursery children learning in Welsh		
Baseline	5 year target	10 year target
5.4% (84)	8.6% (136)	11.1% (175)
Maintained nursery children learning in Welsh ¹		

Outcome 2: More reception class children learning in Welsh		
Baseline	5 year target	10 year target
5.7% (113)	8.6% (171)	11.1% (220)
reception class children learning in Welsh		

Outcome 3: More learners improve their Welsh language when moving from primary school to secondary school		
Baseline	5 year target	10 year target
96%	96%	96%
learners improve their Welsh language when moving from primary school to secondary school		

Outcome 4: More learners study for exams in Welsh		
Baseline	5 year target	10 year target
100% (144)	100% (317)	100% (342)
of learners in Years 10-13 at Ysgol Gyfun Gwent Is Coed take an exam in Welsh		
93.6% (1624)	96.2% (1952)	96.3% (1941)
of learners take a GCSE in the subject of Welsh		
144	600	1000
learners study in Welsh and the subject of Welsh at Coleg Gwent (BI ²)		

Outcome 5: More learners use Welsh outside of the school classroom		
Baseline	5 year target	10 year target
Outcome 6: An increase in classes for pupils with additional learning needs (ALN) learning in Welsh		
Baseline	5 year target	10 year target
0	10	20⁴
dedicated ALN spaces for pupils learning in Welsh		

¹ Does not include Rising 3s

² Learning completed in a bilingual context

³ <https://hwb.gov.wales/curriculum-for-wales/siarter-iaith>

⁴ If not achieved by 5 years

Outcome 7: More teachers and staff able to teach Welsh and in Welsh		
Baseline	5 year target	10 year target
Working to help teachers and staff learn the skills they need for Welsh speaking jobs	Make sure all schools have enough staff able to speak Welsh when needed	Welsh-medium pupils coming back as teachers in Newport Schools
Survey to see who has Welsh language skills in schools	Use the survey results to plan what we need	-
6	12	12
----- Coleg Gwent staff able to teach fluently in Welsh		

5. Our Statement

Newport City Council will work with internal and external partners and stakeholders to increase the number of Welsh speakers in Newport in line with Welsh Government's vision laid out in Cymraeg 2050: A million Welsh speakers.

We will work closely with our partners (including members of our Welsh Language Forum and Welsh in Education Forum) to consistently and effectively promote and increase the use of Welsh in Newport.

Our Strategy, and its delivery plan, is structured around 3 core themes:

- Communities and Culture
- Employment and Skills
- Education

This is a strategy for everyone in Newport, and has been developed based on the views of the people of Newport, as well as engagement with key stakeholders. It is underpinned by a range of actions relating to our core themes.

Delivering the Strategy will rely on effective partnership working and shared responsibilities across public, private and voluntary sector organisations, who all contribute to establishing and celebrating Newport as a diverse city whose communities share a sense of Welsh identity.

Further information on our WESP, and how our Education targets will be met, is available [here](#)

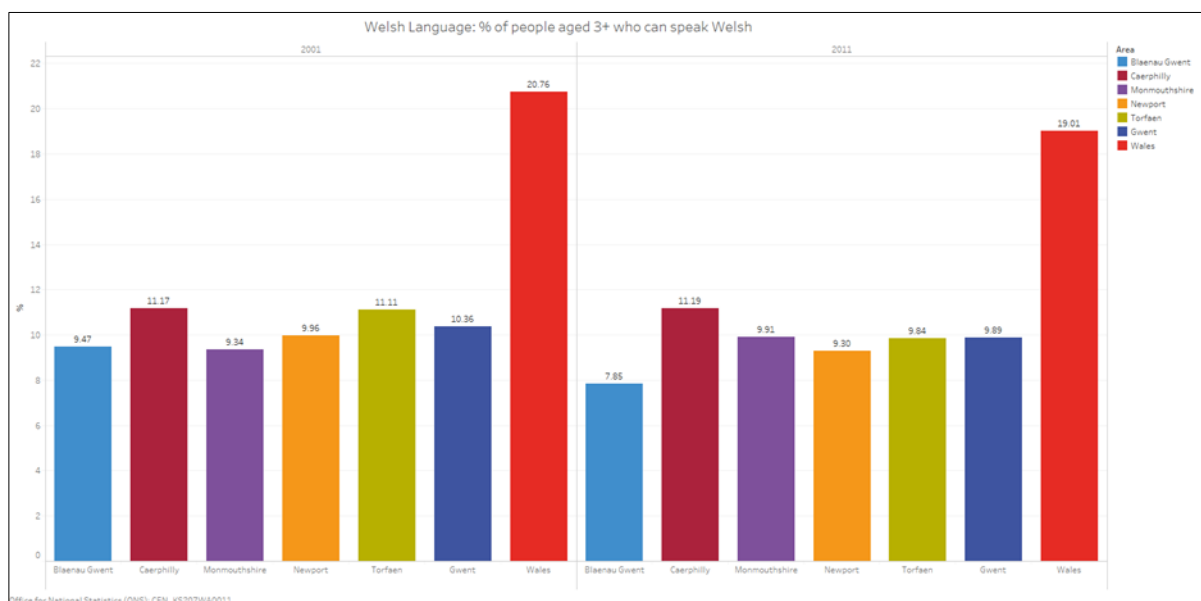
6. Newport's Welsh Language Profile

Welsh language is an important part of Newport's cultural identity and heritage and is used by many people each day in their homes, their communities and where they work. This section of our strategy draws on data from the last Census (2011),

however we recognise that new Census data will be available in 2022. We will review and update our action plans as necessary to reflect any changes to the linguistic profile of the city.

Population Data

The 2011 Census showed that the percentage of people aged 3+ who can speak Welsh in all areas across Gwent was below the Wales average (19.01%). This ranged from 11.19% in Caerphilly to 7.85% in Blaenau Gwent, although these figures may be significantly different at the next Census. In Newport, this figure was 9.96%



Between the 2001 Census and the 2011 Census there was a decrease of 0.7% in Welsh speakers aged 3+ in Newport, compared with a 1.8% decrease across Wales:

	2001				2011			
	Able to speak Welsh	Unable to speak Welsh	Total	% Able	Able to speak Welsh	Unable to speak Welsh	Total	% Able
Newport	13,135	118,685	131,820	10	13,002	126,847	139,849	9.3
Wales	582,368	2,223,333	2,805,701	20.8	562,016	2,393,825	2,955,841	19

In Wales, the Annual Population Survey (APS) also includes questions on people's ability in Welsh and how often they speak Welsh. Whilst Welsh Government is clear that Census data should be used to measure the number of Welsh speakers, it is useful to consider the APS to look at trends in the Welsh language between censuses. Historically a far greater number of people are recorded as being able to speak Welsh in the APS than in the Census, as shown in the following table:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Caerphilly	23.4	24.8	21.8	22.0	23.7	23.6	24.6
Blaenau Gwent	18.0	17.8	17.8	17.5	19.7	17.1	16.1
Torfaen	15.5	16.0	18.3	19.0	17.7	18.0	18.5
Monmouthshire	17.1	16.7	16.8	16.7	17.6	17.5	16.5
Newport	23.3	19.6	19.8	20.6	20.9	17.8	20.5
Wales average	27.8	27.3	28.8	29.0	29.8	28.4	29.1

Census data also indicated that in Newport, age groups between 20 and 39 have seen an increase in the proportion of Welsh speakers, whilst all age groups over 40 showed a reduction in the proportion of Welsh speakers as illustrated in the following table:

	2001 %	2011 %	% Diff	
Age 3 – 4	9.2	14.0	+4.8	↑
Age 5 – 9	36.3	34.8	-1.5	↓
Age 10 – 14	46.1	42.0	-4.1	↓
Age 15 – 19	21.4	23.0	+1.6	↑
Age 20 – 24	3.8	7.8	+4.0	↑
Age 25 – 29	3.4	4.9	+1.5	↑
Age 30 – 34	2.8	3.3	+0.5	↑
Age 35 – 39	2.6	3.1	+0.5	↑
Age 40 – 44	2.7	2.6	-0.1	↓
Age 45 – 49	2.8	2.4	-0.4	↓
Age 50 – 54	2.7	2.4	-0.3	↓
Age 55 – 59	2.6	1.9	-0.7	↓
Age 60 – 64	2.1	1.8	-0.3	↓
Age 65 – 69	2.9	1.7	-1.2	↓
Age 70 – 74	2.3	1.4	-0.9	↓
Age 75 – 79	2.6	2.0	-0.6	↓
Age 80 +	2.2	1.8	-0.4	↓
Total	10.0	9.3	-0.7	↓

Education Data

A. Welsh medium primary and secondary education

The table below sets out the numbers of pupils being educated in Welsh medium schools in Newport over the last 5 years which indicates an overall rise.

Although there is a decrease in primary school numbers, the opening of Ysgol Gymraeg Nant Gwenlli is expected to subsidise this loss over the next five years once the school moves to its permanent location in Pillgwenlly. Ysgol Bro Teyrnnon has also opened a temporary primary immersion unit on behalf of all primary schools within the Welsh Medium cluster.

At a secondary level, Ysgol Gyfun Gwent Is Coed has seen an annual increase in pupil numbers since its opening as Newport's first Welsh medium secondary school in 2016:

	16/17	17/18	18/19	19/20	20/21	21/22
Ysgol Gymraeg Casnewydd	355	360	377	386	379	377
Ysgol Gymraeg Ifor Hael	213	195	196	200	201	189
Ysgol Gymraeg Bro Teyrnnon	157	178	206	200	207	205
Ysgol Gymraeg Nant Gwenlli						7
Primary Pupil Total	725	733	779	786	787	778
Ysgol Gyfun Gwent Is Coed	81	159	248	351	451	505
Ysgol Gyfun Gwynllyw	234	217	179	149	92	50
Secondary Pupil Total	81	159	248	351	451	505
Pupil Total	1846	2001	2233	2423	2568	2616

B. Maintained nursery places

PLASC Year	2017		2018		2019		2020		2021	
Cohort	1624		1595		1634		1628		1564	
WM Pupils/%	79	4.9%	78	4.9%	76	4.7%	96	5.9%	84	5.4%
Places Available	110		112		112		112		112	
Places filled	71.8%		69.6%		67.9%		85.7%		75.0%	

Table excludes rising 3 pupils.

Ysgol Gymraeg Nant Gwenlli opened its seedling site with 48 part time nursery places available in September 2021 - therefore for the 2021/22 academic year there are 160 part-time Welsh-medium Nursery places available across Newport, 94 of which have been allocated⁵. This number is expected to increase by PLASC 2022 when Spring Term Rising 3 places will have been filled.

C. Non-maintained Nursery Places & Mudiad Meithrin Provisions

⁵ Correct at 28/06/2021

Newport has 3 Mudiad Meithrin provisions, Cylch Meithrin Brynglas and Cylch Meithrin Y Delyn for 19 and 38 children respectively and a new provision at Caerleon. Brynglas and Y Delyn are also registered to care for 2-year-olds and those eligible for Childcare Offer for Wales, therefore any of the filled places may include those children.

Cylch Meithrin Y Delyn became Newport's first Welsh-medium non-maintained playgroup and was able to deliver Foundation Phase Nursery education from February 2021. Cylch Meithrin Brynglas was also registered as a non-maintained provider from September 2021. As with the childcare offer, any non-maintained place filled will be included against the maximum number the setting is registered for.

		November 2020	June 2021
Cylch Meithrin Brynglas	Take up	11	13
	Registered Places	19	19
	Places filled	57.9%	68.4%
Cylch Meithrin Y Delyn	Take up	15	23*
	Places Available	38	38
	Places filled	39.5%	60.5%

*5 receive a non-maintained funded place

The number of nursery aged children progressing into Welsh education in Newport falls below the national average, and has reduced from 75% to 59.2% between 2019 and 2020. A variety of influencing factors can be identified, including the location of Welsh medium primaries compared to Meithrin groups, the impact of COVID-19 and the lack of rising 3 places in Welsh medium primary schools.

The transfer rate between Welsh medium primary schools and Welsh medium secondary schools remains high, at around 97% due to small cohort sizes.

7. Our Consultation

This Strategy has been informed by the people living in Newport, Welsh language stakeholders and feedback from internal and external partners. During 2021 we launched a number of community surveys to find out more about what people in Newport thought about the Welsh language, and inform the focus of our strategic themes. Around 600 responses were received.

Key findings from our **SNAP community survey** indicated that:

- 55% of respondents could not speak or understand Welsh
- 6% of respondents could speak or understand Welsh
- 14% of respondents indicated that they could speak Welsh but did not think it was good enough to use
- 8% of respondents were learning Welsh

- 55% of non-Welsh speaking respondents indicated that nothing could encourage them to learn Welsh
- 30% of non-Welsh speaking respondents indicated that free Welsh lessons could encourage them to learn Welsh
- 18% of non-Welsh speaking respondents indicated that hearing more Welsh in the community, or being given opportunities to use Welsh socially could encourage them to learn Welsh

Of those who had contacted the council in Welsh:

- 25% of respondents had accessed the council's Contact Centre through the medium of Welsh
- 25% of respondents had accessed Education services through the medium of Welsh
- 50% of respondents had accessed another service through the medium of Welsh⁶

- 73% of respondents were aware that the council has statutory responsibilities in relation to the Welsh language
- When asked when and where they saw or heard the Welsh language, most respondents said that they hardly saw Welsh in Newport, and when they did, this was mainly on public signage

⁶ Responses from separate questions within the survey therefore total more than 100%

- 57% of respondents indicated that they did not think it was important to have opportunities to use or hear Welsh in the community compared to 43% who did
- 84% of people indicated they were not aware of any Welsh speaking community groups or activities in Newport

Key findings from our **Bus Wifi survey** indicated that:

- 72% of respondents did not speak Welsh
- 28% of respondents did speak Welsh
- Around half (54%) of respondents had learned Welsh at school
- Of those who learned Welsh at school, only 16% of respondents still use their language skills
- 28% of respondents who learned Welsh at school indicated they no longer use their skills because they have forgotten, or because they lack confidence
- Welsh speaking respondents indicated that they were most likely to use Welsh at college, followed by home, school and work
- 48% of non-Welsh speaking respondents indicated that nothing would encourage them to learn Welsh
- 22% of non-Welsh speaking respondents indicated that they may be encouraged to learn Welsh through work
- 19% of non-Welsh speaking respondents indicated that family connections may encourage them to speak Welsh
- 32% of respondents indicated that they would choose Welsh medium education for their children, compared to 43% who would not, and 25% who did not know
- 50% of respondents did not know that the council has a strategy to promote the Welsh language
- 53% of respondents reported never hearing Welsh in Newport, 29% occasionally, and 18% frequently

It's lovely to hear Welsh spoken when I'm out and about. This happens in Cardiff and Welsh speaking areas of Wales and it encourages me to speak Welsh too.

Language is connected to a sense of belonging, identity and community and therefore important. I'd like to learn to have basic conversations in Welsh, and to have a 'rough' understanding of information in Welsh on signs and so on

In work, I feel it's used as a tool to exclude. Recruitment schemes favour language over ability. I do not feel the current policies in place to safeguard the language do so in a positive and inclusive way.

[the Welsh language] is being promoted far too much considering the actual demand that exists in the general population. Whilst I would never prevent someone learning or speaking Welsh out of choice, it should remain just that, a choice

I think there are very limited free opportunities for people from minority backgrounds to learn Welsh, especially migrants, asylum seekers and refugees or those who may have missed the opportunity in primary or high school

I don't use the Welsh language but am currently learning it. I think it is an important part of Welsh culture and identity. People have a right to use their preferred language in all aspects of their life

It's one of the oldest languages in Europe and should be nurtured to continue and thrive. I attended Welsh medium education from 3 to 13 but haven't had much opportunities to use it since then so my language skills are rusty.

8. Our Vision for Welsh in Newport

Our vision for the Welsh language is:

“See, Hear, Learn, Use, Love”

Everyone in Newport can use, see and hear Welsh as a living language in all parts of life across the city

Welsh Language Strategy Themes

We have identified 3 strategic themes to deliver our vision, considering our consultation findings, the linguistic profile of the city, our existing Welsh language priorities and our aspirations for Welsh language growth.

Theme 1: Communities and Culture

This theme focusses on increasing awareness of the Welsh language across our communities, normalising Welsh so that it is heard and seen outside of formal environments like school, college or the workplace.

With over 90% of parents of children in Welsh medium education being non-Welsh speakers, we cannot rely on our work with schools for effective language transmission, and need to consider other ways of increasing visibility.

This theme also looks to engage non-traditional users of Welsh, including our ethnic minority communities, and broaden our community partnerships. We want to widen the partners that we work with to promote the Welsh language, building on our work with Newport’s Welsh Language Forum and engaging other local stakeholders, like sports teams and public sector partners.

We will:

- ✓ Work with local stakeholders and community groups to promote Welsh as a living language in Newport
- ✓ Create and support social opportunities for people to use and develop their Welsh language skills
- ✓ Promote Welsh as a language for all
- ✓ Develop a Newport aware of its Welsh language culture and history
- ✓ Develop a sense of place steeped in Welsh language and Culture
- ✓ Ensure that communities can access council services in Welsh or English equally
- ✓ Promote bilingualism as something that is completely natural
- ✓ Seek to protect and nurture the Welsh language for future generations to use and enjoy

Theme 2: Education

This theme ensures that Welsh language activities across the city align with, and supports the achievements of targets set out in our WESP. We want all families to be aware of Welsh medium education options across Newport, and to understand the benefits of receiving a bilingual education.

This theme will also focus on supporting parents of children in Welsh medium education, particularly those who are non-Welsh speakers.

We will:

- ✓ Help to inspire pupils to use and develop their Welsh outside the classroom
- ✓ Promote the benefits of learning and using Welsh in both Welsh and English medium schools
- ✓ Support non-Welsh speaking parents of children in Welsh medium education
- ✓ Seek to increase the number of children in Welsh medium education
- ✓ Work with colleagues in Further and Higher Education across Newport to look at potential opportunities to promote the benefits of learning Welsh and learning opportunities
- ✓ Work with stakeholders, colleagues, and the Welsh in Education Forum (WEF) members to close the gaps in Welsh medium skills across early years and education

Theme 3: Employers and Skills

Our final theme considers the example that the council should set as an organisation which values and supports the use of the Welsh language. We want to create an environment where Welsh and English are treated and viewed equally and staff feel empowered to use and develop their Welsh language skills.

We will also work with our Regional Public Service Board partners to ensure a consistent approach to developing Welsh-speaking workforces that are fit for purpose, and work together to address skills gaps across the city.

We will:

- ✓ Work with partners to promote Welsh language as a skill across a range of sectors
- ✓ Help develop and create opportunities for people to use and develop their Welsh in the workplace
- ✓ Work with stakeholders to promote the benefits of learning Welsh to students and pupils across Newport
- ✓ Embed our Welsh Language Skills Policy into relevant Council processes, which will aid the Council with its workforce planning and use of Welsh internally
- ✓ Work with partners to embed the same linguistic measuring profile across the public sector to help Welsh speakers when applying for jobs
- ✓ Create supportive and safe spaces for people with all levels of Welsh to develop their skills at work

9. Our Action Plans

To ensure that our Strategy is delivered effectively, we have developed action plans for each of our core themes. These plans will be monitored through internal and external governance structures and reported on as part of our Welsh Language Annual Report. Actions are indicative of our planned work, but may be amended to respond to meet new and emerging challenges, and are not exhaustive.

A. Communities and Culture

Priority	Action	Lead Partners / Responsibility
Create and support social opportunities for people to use and develop their Welsh language skills	Develop a 'Communities Can' project with the Dragons to provide opportunities for people to use Welsh in a variety of contexts (Year 1)	NCC Dragons County AFC Menter Iaith Casnewydd Urdd Mudiad Meithrin
	Work with County AFC to increase awareness of Welsh on matchdays and around culturally specific dates (Year 1-5)	
	Continue to support Gŵyl Newydd – Newport's annual Welsh language festival (Year 1-5)	
	Develop a sustainable Welsh in the Community Grant Scheme (Year 1-5)	
Promote Welsh as a language for all	Develop and promote a Parents' Booklet in a range of community languages which promotes the benefits of Welsh medium education (Year 1-5)	NCC

	Create opportunities for non-traditional audiences to see, hear, learn and use the Welsh language, considering opportunities to bring together different communities, for example through intergenerational projects (Year 1-5)	WEF & Promotion Group members Stakeholders
Work with stakeholders and community groups to promote Welsh as a living language	Continue to support the Welsh Language Forum and review its membership on an ongoing basis to ensure new connections (Year 1-5)	NCC Menter Iaith Casnewydd Urdd Gŵyl Newydd Dragons County AFC GAVO
	Work with a range of community partners to engage minority ethnic communities with the Welsh language (Year 1-5)	
Promoting bilingualism / multilingualism as something completely natural	Develop and promote a range of resources which showcase the benefits of a bilingual/multilingual society (Year 1-5)	NCC Welsh Language Forum
Increase the visibility of Welsh across the City to reflect the Welsh identity of Newport	Work with a range of community partners to increase the visibility of Welsh language at social, sporting and cultural events across the city (Year 1-5)	NCC Welsh Language Forum Dragons Newport AFC Newport Live

B. Employment and Skills

Priority	Action	Lead Partners / Responsibility
Embed our new Welsh Language Skills Policy into relevant Council processes	Adopt and implement the Welsh Language Skills Policy, including the introduction of Clear Welsh principles and the ALTE framework (Year 1 and 2), alongside GCSE Welsh requirements for Apprentice candidates and bilingual job advertisement.	NCC
Promote Welsh language as a skill	Work with a range of partners to develop consistent approaches to attracting, recruiting, retaining and developing Welsh speaking employees across sectors (Year 1-5)	Right Skills Board Careers Wales RPSB members Welsh Language Forum members
	Work with a range of partners to address skills gaps across sectors, for example, Education and early years (Year 1-5)	
Create supportive and safe spaces for people with all levels of Welsh to develop their skills at work	Work with a range of partners to ensure organisations across Newport are effectively signposting to existing provision (Year 1)	Menter Iaith Casnewydd NCC Right Skills Board
	Help develop and create opportunities for people to use and develop their Welsh in the workplace (Year 1-5)	
	Establish a working group reporting to the Right Skills Board to assess current opportunities across partner organisations and make and implement recommendations. To include exploration of opportunities across the private sector. (Year 1 and 2)	

C. Education

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Priority	Action	Lead Partners / Responsibility
Promote the benefits of Welsh medium education across communities in Newport	Continue to communicate and promote the benefits of Welsh medium education to parents (Year 1 - 5)	NCC WEF Mudiad Meithrin
	Identify communities in Ysgol Gymraeg Nant Gwenlli catchment area and target multilingual promotional activities (Year 1 - 5)	
	Further publicise the immersion centres available at Welsh medium primaries, include the benefits of the immersion centres in Nant Gwenlli (move from temporary location at Bro Teyron) and Ysgol Gyfun Gwent Is Coed as part of the Becoming Bilingual packs (Year 1 and 2)	
	Work alongside English medium schools to assist their progression through the Cymraeg Campus accreditations (Year 1-5)	
	Create resources which promote Welsh medium nursery provisions available in Newport (Year 1 and 2)	
	Support and develop Early Years and pre-school provision and continue to work with stakeholders such as Mudiad Meithein (Years 1-5)	
Support parents of children in Welsh medium education.	Continue to signpost parents to resources which promote Welsh medium education, developing specific materials where appropriate and ensuring these appeal to diverse audiences including speakers of other languages and parents/guardians of children with ALN (Year 1-5)	NCC WEF Coleg Gwent

	Liaise with English for Speakers of Other Languages (ESOL)L services to promote an appropriate level of Welsh language education resources (Year 1 and 2)	
Support the development of a workforce that will help support and deliver the WESP	Ensure secondary school pupils are aware of the benefits of bilingualism/ multilingualism and that schools are able to promote Welsh medium education as a career path (Year1-5)	NCC WEF Careers Wales Right Skills Board
	Develop promotional campaigns for Welsh medium early years and teaching careers in Newport (Year 1 and 2)	
	Ensure that existing English medium school staff are provided with the opportunity to learn a basic level of Welsh (Year 1-5)	

10. Monitoring Progress

We will continue to use existing governance structures to monitor the progress of our Strategy as we look to embed Welsh language across business-as-usual activities. This will include regular progress reports on key actions into our Welsh in Education Forum and our internal Welsh Language Implementation Group.

The Welsh Language Forum will also play a key role in ensuring partners are engaged and working towards our vision for Welsh in Newport, and our Right Skills Board in embedding our work around employers and skills.

Annual reporting on progress against our key themes will be incorporated within our Welsh Language Annual Report which is published by the 31st March each year as required by our Welsh Language Standards.

11. Working with Partners

The success of this Strategy is dependent on effective partnership working, and this section sets out our key partners, and the role that they will play in delivering our priorities. We will continue to expand the range of partners that we work over the life of this strategy, and this list is not exhaustive.

Grŵp Deddf

Grŵp Deddf is a network of Welsh Language Officers from across public sector organisations with a duty to comply with Welsh Language legislation and provide Welsh language services. Our South East Wales group meets regularly to share good practice develop regional consistency.

Fforwm Iaith / Welsh Language Forum

Fforwm Iaith Casnewydd is an external forum attended by a range of key stakeholders from across the public and voluntary sectors. The group aims to create a forum for partnership working and the dissemination of good practice. We have engaged Forum members in the development of both our WESP and this Strategy.

Menter Iaith Casnewydd

Menter Iaith Casnewydd seek to increase opportunities for people of all ages and backgrounds to use or learn the Welsh language within their local community, employment and training. Menter Iaith have a number of projects across Newport which help engage communities with the Welsh language.

Mudiad Meithrin

Mudiad Meithrin is the main provider of Welsh Medium early years care and education in the voluntary sector in Wales. Its aim is to give every young child in Wales the opportunity to benefit from early years and education experiences. The organisation employs 200 staff nationally, and an additional 1500 staff work in Cylchoedd Meithrin (Welsh Medium playgroups) throughout Wales.

Coleg Gwent

Coleg Gwent is Newport's further education college and the main provider of adult Welsh medium education within the county. The council works in partnership with the college to deliver our Welsh language classes and to develop further opportunities to promote Welsh language acquisition.

University of South Wales / Coleg Cymraeg Cenedlaethol

The University of South Wales offers a wide range of courses over a number of campuses, one of which is based in Newport city centre. They are an important partner in helping students and pupils to transition to their next stage of learning and continue to use their Welsh.

Cymraeg i Blant (CiB)

Cymraeg i Blant are funded by Welsh Government and coordinated by Mudiad Meithrin. The project focuses on increasing the number of nursery age children that are able to speak Welsh. It shares information, advice and offers support to parents on the benefits of bilingualism, the importance of introducing Welsh to children as early as possible and the advantages of Welsh medium education.

The Urdd

The Urdd, as a Welsh medium youth organisation, is focused on giving young people the opportunity to develop as well rounded individuals. Within Newport, the Urdd works closely with our Welsh medium schools, offering a range of activities to pupils throughout the year. The Urdd is the principle organiser of the annual Eisteddfod, but also organises residential and sporting activities for young people.

Aneurin Bevan University Health Board (ABUHB)

We aim to work closely with colleagues from ABUHB through a variety of channels including the Mwy na Geiriau Forum, our OneNewport Right Skills Board and directly with their Welsh Language Unit.

Newport Live

Newport Live delivers high quality sports and arts activities for children, families, schools and community groups across Newport and manages the Riverfront Theatre. The Riverfront is a vital asset to Newport, and as well as promoting and hosting Welsh language productions and events, has hosted and supported Gŵyl Newydd, Newport's up and coming Welsh language festival.

Gwent Police and the Police and Crime Commissioner (PCC)

The PCC for Gwent and the Chief Constable for Gwent Police share a commitment to working towards provision of a bilingual public service. This supports the Welsh Language Commissioner's vision for the Welsh language to be central to everyday life in Wales and creation of a society where Welsh can be used in an increasing number of contexts.

Dragons Rugby

Dragons Rugby are one of Wales four professional regions and play in a number of high level competitions and host a number of international players. Playing at Rodney Parade in the heart of Newport, they are a vital part of the community. In 2019 Newport City Council signed a Community Partnership with the Dragons to support the promotion of Welsh as a living language across Newport.

Newport County AFC

County AFC now share Rodney Parade with the Dragons. County in the Community Trust is one of 72 league clubs affiliated to The Football League Trust, delivering sporting projects and schemes for everyone in Newport, Monmouthshire and Torfaen. The Council are working with County AFC to try to raise awareness of the Welsh language across the city as a community language.

The Welsh in Education Forum (WEF)

This group is made up of senior Education officers, partners and school representatives. The WEF provides a formal channel of communication between the council, its maintained schools and other stakeholders with an interest in Welsh medium education, and supports the delivery of the WESP. The WEF plays a key role in consulting on any developments in relation to Welsh medium education in Newport.

12. Further information

For further information on our Welsh language work in Newport, or to comment on this Strategy, please email nccequality@newport.gov.uk

Fairness and Equalities Impact Assessment (FEIA)

This is an integrated Impact Assessment which aims to ensure Newport City Council makes decisions which are fair, take account of relevant evidence, and seek to secure the best outcomes for our communities. **An FEIA should be used to inform the first steps of decision-making, at concept stage, not when a decision is already made, or at the point when it cannot be influenced.** This impact assessment considers our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

The FEIA process is not intended to prevent decisions being made, but to ensure we have considered their potential impact. An FEIA also helps us to focus on how we can reduce any negative impacts, and provides us with evidence that we have met our legal duties.

For support to complete your FEIA, please contact the [Connected Communities Team](#)

What do we mean by Fairness?

The Newport Fairness Commission is an independent body which advises the council on the best use of resources and powers to achieve the fairest outcomes for local people. The Fairness Commission has established four **Principles of Fairness** which should be considered as part of any decisions that the council make – the questions below are useful to reflect on before you start your FEIA.

Equity	Are people being treated in a consistent way, whilst acknowledging their differences (for example, need, barriers to accessing services)?
	Will the gap between those with more, and those with less be reduced?
	Have the interests of different groups affected (including minority or disadvantaged communities) been taken into account?
Priority	Have the needs of the most disadvantaged and vulnerable across the city been given priority?
	Have you considered possible indirect consequences for minority/disadvantaged communities when other priorities are directing decisions?
Inclusion	Will the voices of all those affected by your decision be heard?
	Are people able to participate in and shape a service, as well as receiving it?
	Have you considered the impact of your decision on the relationship between communities, and the spaces they share?
Communication	Are decisions being made transparently and consistently?
	How will decisions be communicated to people who are affected in a clear way, with the opportunity for feedback?

Part 1: Identification

Name of person completing the FEIA	Hywel Jones/Donald Mutale
Role of person completing the FEIA	Welsh Language Officer/Equalities Officer
Date of completion	13/01/21
Head of Service who has approved this FEIA	Rhys Cornwall

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1. What is being assessed? *(Please double click on the relevant box(es) (X) and select 'checked' as appropriate)*

- New or revised policies, practices or procedures (which modify service delivery or employment practices)
- Service review or re-organisation proposals which affect the community and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- Decisions affecting service users, employees or the wider community including (de)commissioning or revising services
- New project proposals affecting staff, communities or access to the built environment
- Public events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Service Boards
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other *please explain in the box below:*

2. Please describe the overall aims, objectives and intended outcomes of your decision

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language by way of sub-legislation (Welsh Language Regulation (No.1) Standards 2015). The standards issued to Newport City Council are outlined in 'The Newport City Council Compliance Notice – Section 44 Welsh Language (Wales) Measure 2011'.

Newport City Council has a statutory duty to comply with Welsh Language Standards, which under Standard 145 requires the Council to produce and publish a five-year strategy setting out how we will promote and facilitate the use of Welsh.

Welsh Language Standard 145 states:

You must produce, and publish on your website, a 5-year strategy that sets out how you propose to promote the Welsh language and to facilitate the use of the Welsh language more widely in your area; and the strategy must include (amongst other matters)

- a) a target (in terms of the percentage of speakers in your area) for increasing or maintaining the number of Welsh speakers in your area by the end of the 5-year period concerned,*
- b) a statement setting out how you intend to reach that target; and you must review the strategy and publish a revised version on your website within 5 years of publishing a strategy (or of publishing a revised strategy).*

This strategy includes a target to increase the number of Welsh speakers within Newport and specific actions to facilitate the use of the language in line with the Welsh Government's Welsh Language Cymraeg 2050: A million Welsh speakers. The target for the percentage of Welsh speakers in Newport will mirror the prescribed targets in the Council's Welsh in Education Strategic Plan (WESP) until a further review in 2022 when key statistics from the 2021 Census for Wales are released. Census statistics will provide current data on Welsh speakers and Welsh language skills in Newport. This data will enable the review of targets and updating of action plans to reflect any changes to the linguistic profile of the city.

3. Who are the main stakeholders who may be impacted by your decision and what data do you hold on them? Consider communities of place (people who live in the same geographic area) and communities of interest (people who share particular characteristics but may live in different geographic areas). Stakeholders may include residents, local businesses, community groups, staff or partners.

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The main stakeholders who this strategy may impact are:

- Welsh speakers and Welsh Language Stakeholders
- Black, Asian, and other Ethnic Minority people in Newport
- Public Services with the local authority
- External Partners
- All usual residents of Newport

Part 2: Engagement

When completing this section, you need to consider whether you have sufficient information about the views and experiences of people who your decision will impact upon. If you don't, you may need to undertake a period of engagement/consultation before continuing. An FEIA is a live document, so can be updated with consultation findings, and amended as needed during the decision-making process.

The council has a duty to consult and engage with people who may experience inequalities as a result of your decision. This includes people **who share Protected Characteristics** (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and people who **have lived experience of socio-economic disadvantage**. The council's Youth Promise also requires us to ensure **all young people in Newport are listened to and included in decisions affecting them**.

The council also has a duty to ensure that any consultation is available bilingually (in Welsh as well as English), and you may like to consider any other community languages that are spoken by people who may be impacted by your decision. Below are some questions that should be included in any public consultation relating to a decision which may impact on the use of Welsh language in Newport:

1. Do you believe that the proposed decision/policy will have a positive or negative effect on opportunities to use the Welsh language?
2. If you think it will have a negative effect, what steps could we take to lessen or remove this and improve positive effects?
3. Do you believe that the proposed decision/policy will treat the Welsh language less favourably than the English language?

1. How have you engaged with people who may be affected by your decision (the stakeholders you have identified)?

An extensive multi-method consultation process was undertaken in the development of this strategy to increase the impact, range, and input from communities across Newport. These processes involved engagement with stakeholders, members of the public and other relevant parties.

Our "Vision for Welsh in Newport" was created following a workshop and engagement with those responsible for delivering Council services and compliance with those statutory obligations. This vision was then presented for comment to the Welsh Language Implementation Group and used to develop the 3 strategic themes which form the basis of the strategy.

Public Engagement was undertaken via Bus Wifi and SNAP surveys to capture perceptions and attitudes towards the Welsh language across the proposed themes in the Strategy, promoted and shared through the usual Council networks and processes. The consultation focussed on engaging Newport residents who may not already be engaged with the Welsh language and around 600 responses were received.

Stakeholders who form part of the Fforwm Iaith were also sent the link to the SNAP and presented with the proposals for the revised Strategy at the most recent Fforwm Iaith meeting, held in June 2021. The draft Strategy was also published on the council's website for public comment between 24th January and 5th February.

The Education theme within the strategy is based around the council's Welsh in Education Strategic Plan (WESP), recently approved by Cabinet, and developed following in-depth consultation and engagement with the relevant stakeholders ahead of a period of public consultation.

The Employment and Skills theme has been informed by engagement with the council's Right Skills Board, with a related proposal presented to the Public Service Board for consideration. A smaller working group inclusive of the council, Gwent Police, Aneurin Bevan University Health Board and Coleg Gwent have drafted and been consulted on the Welsh language work programme in this area, alongside other stakeholders and interested parties in Newport.

The Strategy also contains a review of the current position in relation to the Welsh Language profile of Newport, using the data currently available, excluding the Census 2021 figures, as they are yet to be released.

2. What do you know about the views or experiences of people who may be affected by your decision?

Consultation findings

Key findings from the SNAP survey indicated that:

- 55% of respondents could not speak or understand Welsh
- 6% of respondents could speak or understand Welsh
- 14% of respondents indicated that they could speak Welsh but did not think it was good enough to use
- 8% of respondents were learning Welsh

- 55% of respondents indicated that nothing could encourage them to learn Welsh
- 30% of respondents indicated that free Welsh lessons could encourage them to learn Welsh
- 18% of respondents indicated that hearing more Welsh in the community, or being given opportunities to use Welsh socially could encourage them to learn Welsh

- 25% of respondents had accessed the council's Contact Centre through the medium of Welsh
- 25% of respondents had accessed Education services through the medium of Welsh
- 50% of respondents had accessed another service through the medium of Welsh

- 73% of respondents were aware that the council has statutory responsibilities in relation to the Welsh language
- When asked when and where they saw or heard the Welsh language, most respondents said that they hardly saw Welsh in Newport, and when they did, this was mainly on public signage
- 57% of respondents indicated that they did not think it was important to have opportunities to use or hear Welsh in the community compared to 43% who did
- 84% of people indicated they were not aware of any Welsh speaking community groups or activities in Newport

Key findings from our Bus Wifi survey indicated that:

- 72% of respondents did not speak Welsh
- 28% of respondents did speak Welsh

- Around half (54%) of respondents had learned Welsh at school
- Of those who learned Welsh at school, only 16% of respondents still use their language skills
- 28% of respondents who learned Welsh at school indicated they no longer use their skills because they have forgotten, or because they lack confidence

- Welsh speaking respondents indicated that they were most likely to use Welsh at college, followed by home, school and work

- 48% of non-Welsh speaking respondents indicated that nothing would encourage them to learn Welsh
- 22% of non-Welsh speaking respondents indicated that they may be encouraged to learn Welsh through work
- 19% of non-Welsh speaking respondents indicated that family connections may encourage them to speak Welsh

- 32% of respondents indicated that they would choose Welsh medium education for their children, compared to 43% who would not, and 25% who did not know

- 50% of respondents did not know that the council has a strategy to promote the Welsh language
- 53% of respondents reported never hearing Welsh in Newport, 29% occasionally, and 18% frequently

The consultation report on our WESP can be found [here](#)

Demographics

Bus Wifi Survey:

Ethnicity	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	378	69.36%
White - Irish	24	4.40%
Any other White ethnic background	17	3.12%
Gypsy or Irish Traveller	6	1.10%
White & Asian	19	3.49%
White & Black Caribbean	11	2.02%
White & Black African	9	1.65%
Indian	14	2.57%
Pakistani	7	1.28%
Bangladeshi	7	1.28%
Chinese	0	0.00%
Any other Asian ethnic background	3	0.55%
Black African	12	2.20%
Black Caribbean	3	0.55%
Any other Black ethnic background	3	0.55%
Arab	6	1.10%
Any other ethnic group or background	3	0.55%
Any other mixed or multiple ethnic background	2	0.37%
Prefer not to say	21	3.85%

Age?	Number of people	Percentage of people
Under 18 years old	73	13.39%
18-24 years old	154	28.26%
25-34 years old	109	20.00%
35-44 years old	75	13.76%
45-54 years old	63	11.56%
55-64 years old	35	6.42%
65-74 years old	14	2.57%
75 years or older	11	2.02%
Prefer not to say	11	2.02%

SNAP Survey:

Ethnicity?	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	44	89.80%
White - Irish	0	0.00%
Gypsy or Irish Traveller	0	0.00%
Other White	2	4.08%
White & Black Caribbean	0	0.00%
White & Asian	0	0.00%
White & Black African	0	0.00%
Other Mixed	0	0.00%
Indian	0	0.00%
Pakistani	0	0.00%
Bangladeshi	1	2.04%
Other Asian	0	0.00%
Black African	1	2.04%
Black Caribbean	0	0.00%
Other Black	0	0.00%
Arab	0	0.00%
Chinese	0	0.00%
Other ethnic group	0	0.00%
Prefer not to say	1	2.04%

Age?	Number of people	Percentage of people
Under 18 years old	0	0.00%
18-24 years old	0	0.00%
25-34 years old	2	4.26%
35-44 years old	7	14.89%
45-54 years old	6	12.77%
55-64 years old	10	21.28%
65-74 years old	11	23.40%
75 years or older	9	19.15%
Prefer not to say	2	4.26%

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Part 3: Assessment

This section requires you to assess the potential impact of your decision on a range of groups who may experience specific disadvantages. Your assessment should be supported by evidence – either from your own engagement/consultation, similar or previous engagement, what you already know about the people who access your service, or from local and national sources of information.

Useful documents which set out information about how communities are impacted by inequalities include [EHRC – Is Wales Fairer?](#) and the council’s [COVID-19 Community Impact Assessment](#). Your decision may have both positive and negative impacts – if this is the case, please place a cross in both boxes.

1. Impact on people that share Protected Characteristics

[Protected Characteristics](#) are defined under the Equality Act 2010, and describe groups of people who are protected from discrimination, either in the workplace, or through the provision of goods and services. The council must consider how decisions may impact on people differently because of a protected characteristic, and how any negative impact could be reduced. National guidance on assessing equality impacts and the Public Sector Equality Duty can be found [here](#). You can also access further advice and examples of positive and negative impacts [here](#).

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Protected characteristic	Impact:			<p>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</p> <ol style="list-style-type: none"> Promote equal opportunity across different groups Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation
	Positive	Negative	Neither	
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This strategy aims to increase the awareness, knowledge, and Welsh language skills of everyone in Newport, including people of different age groups. The actions outlined in this plan include activities working across education, employers, and the community that will positively impact people of all ages. Work around the education theme will particularly benefit children of pre-school and school age and their families. A focus on increasing the visibility of Welsh in informal settings, i.e. outside school, college and work, will improve the opportunities for older people who may not be in education or employment to engage with the language.</p>

Protected characteristic	Impact:			<p>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</p> <ol style="list-style-type: none"> 1. Promote equal opportunity across different groups 2. Promote community cohesion 3. Help eliminate unlawful discrimination/ harassment/ victimisation
	Positive	Negative	Neither	
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Targets in our WESP include a focus on the increased provision of ALN classes through the medium of Welsh, increasing the opportunities for disabled children, and children with additional needs, to access Welsh medium education.
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
Marriage or civil partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
Pregnancy or maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
Race	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This Strategy aims to increase the awareness, knowledge, and Welsh language skills of everyone in Newport. A number of specific actions relate to increasing engagement with Welsh language across our minority ethnic communities, including refugees, asylum seekers and migrants. Around 10% of Newport's population is from an ethnic minority background, with this rising to nearly 50% in some of our most diverse areas, like Pillgwenlly. During the implementation of this Strategy, Ysgol Gymraeg Nant Gwenlli (YGNG) will move to its permanent location in the Pillgwenlly ward of Newport. The Strategy supports the promotion of Welsh medium education amongst ethnic minority communities, as well as highlighting broader benefits including social inclusion and employment.
Religion or Belief or non-belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.

Protected characteristic	Impact:			Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to: <ol style="list-style-type: none"> Promote equal opportunity across different groups Promote community cohesion Help eliminate unlawful discrimination/ harassment/ victimisation
	Positive	Negative	Neither	
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
Sexual Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.

2. Impact on Welsh Language

The Welsh Language (Wales) Measure specifies that for all policy decisions, the council must consider the effects (both positive and negative) on the Welsh language. For further guidance on Welsh language considerations see [here](#).

	Impact:			
	Positive	Negative	Neither	
Welsh Language	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The proposed Strategy has a direct positive impact on the Welsh language. This Strategy aims to increase the number of Welsh speakers within Newport and outlines specific actions to facilitate the use of the language in line with the Welsh Government's Welsh Language Cymraeg 2050: A million Welsh speakers.</p> <p>This Welsh Language Strategy will positively impact the Welsh language by:</p>

	Impact:			
	Positive	Negative	Neither	
				<ul style="list-style-type: none"> • Increasing and raising awareness of the Welsh language across all of Newport's diverse communities, ensuring it is inclusive and accessible to all • Increasing the visibility of the Welsh language across Newport in community settings • Encouraging partnership working and consistency between stakeholders in terms of the Welsh language in the workplace and potentially increase economic opportunities • Ensuring communities in Newport are aware of the culture and history of Newport concerning the Welsh language and its importance in modern life; developing a sense of place and ownership, • Increasing partnership work with stakeholders to develop shared learning, resources, and opportunities, • Inspiring children and pupils to learn and use the language both in and out of school, as well as support or encourage parents/caregivers to invest in the language



1. Please describe how you have ensured your engagement has considered the view of Welsh speakers in Newport and the impact of your decision on the Welsh language.



We have engaged and consulted Welsh language stakeholders such as the Welsh Language Forum (Fforwm Iaith Casnewydd) in the development of this strategy to capture the views of Welsh speakers across Newport. The forum is attended by a range of key stakeholders from across the public and voluntary sectors. The group aims to create a forum for partnership working and disseminating good practice. Stakeholders who form part of the Fforwm Iaith were sent the link to the SNAP survey and presented the proposals for the revised Strategy at the most recent Fforwm Iaith meeting. 14% of SNAP survey respondents could speak, or were learning Welsh. 28% of Bus wifi survey respondents stated they could speak Welsh.


The Education theme of this strategy mirrors work set out in the the Welsh in Education Strategic Plan. Newport’s Welsh in Education Forum (WEF) members contributed towards the shaping the Council’s ongoing commitment to developing Welsh-medium education across Newport before the WESP went out to public consultation. There are a large proportion of Welsh speakers as members of the WEF who have been fully involved in sharing their views.

3. The Sustainable Development Principle

The Well-being of Future Generations Act puts in place a sustainable development principle which helps organisations consider the impact they could have on people living in Wales in the future, and ensure they are focused on tackling long-term challenges. Below, consider how your decision promotes, advances, or contradicts the [5 ways of working](#) which underpin the sustainable development principle. You can access further guidance on considering the sustainable development principle [here](#).

<p>Long term</p> 	<p><i>The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.</i></p>	<p>This Strategy will be operational for 5 years (2017 -2022). It includes 5 year targets to increase the number of Welsh speakers within Newport and supports the Welsh Government's commitment to work towards one million Welsh Speakers by 2050 (Cymraeg 2050). The Strategy's focus is on achieving long term improvements to the numbers of Welsh speakers, visibility of, and engagement with the Welsh language across Newport and safeguarding the Welsh language for future generations.</p>
<p>Prevention</p> 	<p><i>Putting resources into preventing problems occurring or getting worse</i></p>	<p>The Strategy identifies key challenges for the Welsh language in Newport, for example, employment and skills gaps, low conversion rates for Welsh learners moving from pre-school to primary school environments, and the perceived lack of visibility of the language across the city. The Strategy sets out how work will develop to prevent these problems from getting worse, and the resources/partnership work which enable this work to happen.</p> <p>We will use existing governance structures to monitor the progress of our Strategy as we look to embed the Welsh language across business-as-usual activities. This will include regular progress reports on key actions into our Welsh in Education Forum and our internal Welsh Language Implementation Group.</p> <p>This plan will be subject to annual reporting on progress against our key themes within our Welsh Language Annual Report, published by the 31st of March each year in line with our Welsh language standards.</p>

<p>Integration</p> 	<p><i>Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.</i></p>	<p>This Strategy supports a number of Wales' wellbeing goals:</p> <ul style="list-style-type: none"> • A prosperous Wales – promoting the Welsh language as a key skill for employers, and maximising employment opportunities for Welsh speakers in areas experiencing skills gaps • A more equal Wales – ensuring that the Welsh language continues to be viewed, and treated on an equal basis to the English language • A Wales of more cohesive communities – establishing the Welsh language as a unifying aspect of Welsh, and Newport identity • A Wales of vibrant culture and thriving Welsh language – the Strategy sets out a clear vision for a city that will see, hear, learn, use and love the Welsh language <p>The Strategy also supports a number of the council's Wellbeing Objectives in a similar manner:</p> <ul style="list-style-type: none"> • To build cohesive and sustainable communities • To improve skills, educational outcomes and employment opportunities
<p>Collaboration</p> 	<p><i>Working together to deliver objectives.</i></p>	<p>The success of this strategy depends on effective partnership working with stakeholders to deliver our priorities. Feedback from key partners such as Fforwm Iaith Casnewydd (Welsh Language Forum Newport) and other partners has been critical in developing our WESP and this Strategy.</p> <p>The Strategy sets out the remit and role of our existing partners. We will continue to expand the range of partners that we work with over the life of this strategy to increase collaboration with groups, organisations and communities who may not already be engaged with our Welsh language work.</p>

<p>Involvement</p> 	<p><i>Involving those with an interest and seeking their view - ensuring that those people reflect the diversity of the area.</i></p>	<p>The Strategy, and this FEIA, sets out the consultation and engagement that has been undertaken in developing this Strategy, as well as the way in which partners and communities will play a role in monitoring the progress of our work. The Welsh Language Forum will also play a key role in ensuring partners are engaged and working towards our vision for Welsh in Newport, and our Right Skills Board in embedding our work around employers and skills.</p>
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4. Socio-economic Duty

The [Socio-economic Duty](#) is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

A 'strategic decision' is defined by Welsh Government as a decision **which affects how the council fulfils its statutory purpose over a significant period of time and does not include routine 'day to day' decisions.** Strategic decisions include:

- Corporate plans
- Setting wellbeing, equality and other strategic objectives
- Changes to, or development of public services
- Strategic financial planning
- Strategic policy development

If you do not think your decision meets this definition, and you do not plan on carrying out a Socio-economic Duty Assessment in this section, please provide your rationale below. Any decision which is presented to a Cabinet Member, at Cabinet or Council will be viewed as a strategic decision.

N/A

If your decision does meet the definition, please consider the impact of your decision on the socio-economically disadvantaged groups, and areas of inequality that may arise from socio-economic disadvantage contained in the matrix below. The groups listed are not exhaustive and you should consider any additional groups relevant to your decision who may experience socio-economic disadvantage in the following ways:

- **Low Income/Income Poverty** - cannot afford to maintain regular payments such as bills, food, clothing, transport etc.
- **Low and/or no Wealth** - enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provisions for the future
- **Material Deprivation** - unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, hobbies etc.)
- **Area Deprivation** - where you live (rural areas), where you work (accessibility of public transport)
- Socio-economic Background – for example, parents' education, employment and income

Indicate a positive or negative impact, or both where they apply, and the severity of this impact by coding the sections of the grid based on the below. *If there is no/neutral impact, please leave blank.*

Negative Impact		Positive Impact	
N1	Negative impact – mild	P1	Positive impact – mild
N2	Negative impact – moderate	P2	Positive impact – moderate
N3	Negative impact – significant	P3	Positive impact – significant
N4	Potential for negative impact (but unsure)	P4	Potential for positive impact (but unsure)

Areas of inequality that may arise from socio-economic disadvantage – definitions
Education :The capability to be knowledgeable, to understand and reason, and to have the skills and opportunity to participate in the labour market and in society
Work : The capability to work in just and favourable conditions, to have the value of your work recognised, even if unpaid, to not be prevented from working and to be free from slavery, forced labour and other forms of exploitation
Living Standards : The capability to enjoy a comfortable standard of living, in appropriate housing, with independence and security, and to be cared for and supported when necessary.
Justice, Personal Security and Community Safety : The capability to avoid premature mortality, live in security, and knowing you will be protected and treated fairly by the law
Health : The capability to be healthy, physically and mentally, being free in matters of sexual relationships and reproduction, and having autonomy over care and treatment and being cared for in the final stages of your life
Participation : The capability to participate in decision making and in communities, access services, know your privacy will be respected, and express yourself

Groups	Areas of inequality						
	Living Standards	Work	Health	Education	Justice and community safety	Participation	Physical Environment
Children living in poverty				P2		P1	
Low income households without dependent children		P2				P1	
Unemployed young people		P2		P2		P1	
Long term unemployed		P2				P1	
Homeless households						P1	
Refugees, migrants and asylum seekers		P1		P1		P1	
Deprived neighbourhoods - WIMD rank in 10% most deprived LSOA		P1		P2		P1	

People on Universal Credit / income related benefits		P2				P1	
Adults with no qualifications or low qualifications		P1		P1		P1	
People living in low quality housing or in Houses of Multiple Occupation						P1	

1. What evidence do you have about socioeconomic disadvantage and inequalities of outcome in relation to this decision?

The Strategy is anticipated to reduce inequalities of outcome for several groups that are likely to experience socio-economic disadvantage against the areas of education, employment and participation.

The Strategy will reduce potential inequalities of outcome in participation by creating, supporting and developing opportunities for individuals to see, hear, use and learn the Welsh language across a number of activities, in formal settings like work and education, but also in local communities. The aim of the Strategy is to increase the inclusivity of the Welsh language and engage and increase participation, particularly for non-traditional Welsh language audiences. This includes people living in those areas of the city that may experience socio-economic disadvantage. Our work with partners and investment in Welsh language projects should also increase opportunities that are available for little, or no cost.

The Strategy will reduce potential inequalities of outcome in education by increasing opportunities for pupils to learn Welsh, practice their language skills and hear / see the language in Newport outside an educational setting across the city. With more than half of Britain's Black children living in poverty, and Pillgwenlly being our most ethnically diverse, and deprived ward, the opening of our new Welsh medium school in Pillgwenlly demonstrates a commitment to making Welsh language investments which provide opportunities to those experiencing multiple disadvantages. We have also committed to improve Welsh language provision for children with additional learning needs. Evidence suggests that these children are more likely to also experience socio-economic disadvantage.

The Strategy will reduce potential inequalities of outcome in work by supporting people to upskill, learn or develop their Welsh language skills. It will increase the number of potential employees for organisations looking to grow their Welsh language workforce, and open new opportunities for those children and adults learning Welsh. Being bilingual, or multi-lingual has been shown to have cognitive benefits, increase employability and potential earnings.

The Welsh Language Strategy and its strategic themes are deliberately aligned with Newport's wellbeing objectives, to build cohesive and sustainable communities, and to improve skills, education and employment opportunities. The Strategy contributes to the Wellbeing Goals of a prosperous Wales, a more equal Wales, a Wales of cohesive communities and a Wales of vibrant culture and thriving Welsh language.

2. Please describe how you have ensured your engagement has considered the views of people living in Newport who are affected by socio-economic disadvantage.

This strategy has been informed by the people living in Newport, Welsh language stakeholders and feedback from internal and external partners. In 2021 we launched community surveys to find out more about what people in Newport thought about the Welsh language. Public engagement and consultation were undertaken via a Bus WIFI survey and a SNAP survey, promoted and sent through the Council's networks. These activities captured perceptions and attitudes to the Welsh language from a wide range of people, including people living in those areas of Newport which experience socio-economic disadvantage. Survey results were used to inform the focus of our strategic themes in the Welsh Language Strategy.

3. Does this decision contribute to a cumulative impact?

This decision does not contribute to a negative cumulative impact as all outcomes will be positive.

Part 3: Actions and Outcomes

Considering any negative impacts that you have identified, indicate below how you will reduce these, increase the potential for positive impacts, and how you will monitor those impacts. Further guidance on how to complete your action plan can be found [here](#).

IMPACT ON PEOPLE THAT SHARE PROTECTED CHARACTERISTICS			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner
IMPACT ON WELSH LANGUAGE			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner

SOCIO-ECONOMIC IMPACTS			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner
SUSTAINABLE DEVELOPMENT PRINCIPLE			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner

Once your FEIA is complete, please forward to nccequality@newport.gov.uk



Report

Cabinet

Part 1

Date: 18 February 2022

Subject Western Gateway Partnership - Update

Purpose To update Cabinet on progress with the Western Gateway partnership and the potential benefits to Newport.

Author Acting Head of Regeneration, Investment and Housing

Ward All

Summary The Western Gateway is a strategic partnership that aims to deliver an economic powerhouse, driving growth on both sides of the Severn. The partnership is comprised of Local, County and Combined Authorities in England and Wales, Local Economic Partnerships, City Deals, University and business representatives. As one of the five cities in the partnership, Newport is a key player in the success of the Western Gateway and seeks to capitalise on the benefits of greater collaboration. A report on the Western Gateway partnership was last presented to Cabinet in July 2020 and this report provides an update on the work and activity of the partnership.

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:

- 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 with an estimated combined economy of £107bn. Since then, membership of the partnership board has been broadened to include representatives from local economic partnerships, universities, businesses and the Cardiff Capital Region. The board aims to develop a strong economic and environmental partnership through collaboration and cooperation in order to deliver greater regional growth compete as well as compete with other powerhouses in the UK.

A report on the Western Gateway partnership was last presented to Cabinet in July 2020 and since that time the partnership has been developing and building upon its stated vision of 'Propelling a greener, fairer, stronger Britain'.

Independent Economic Review

An Independent Economic Review was undertaken in Autumn 2021 and considered the Western Gateway's economic strengths and opportunities and how these could be led and coordinated to drive the region's economic development. Three themes were identified:

- Innovation - the UK Government has an ambitious target to increase public R&D spend by an additional £9bn per year by 2024/25.,
- Net Zero - cutting emissions by 80% to 2050 is a core policy of Welsh Government and the UK Government has legally committed to reducing emissions to Net Zero by 2050. £12bn of support has already been ringfenced to achieve this.
- Connectivity - is a Welsh and UK Government priority. This alignment offers the opportunity for physical connectivity and integration of public transport in support of objectives such as Levelling Up, Net Zero and Connecting the Union.

These themes have been agreed and progressed into the following workstreams.

Net Zero - Decarbonising energy generation at scale

- Tidal energy: unlocking the Tidal Energy potential of the Severn Estuary.
- Hydrogen Ecosystem: understanding the Hydrogen strengths, capabilities, and activities across the Western Gateway, in both the public and private sector.
- STEP Fusion: supporting the Western Gateway Severn Edge bid which has made it through to the last five sites.

Connectivity

- Strategic rail infrastructure: mapping the 2050 'ideal' national and regional rail network in the Western Gateway area to understand where the gaps exist, what the carbon savings could be from achieving a mode-shift, and what the economic benefits would be for the region.

Innovation and investment

- Exploring potential for Innovation Funds.

Communications and Events

The partnership board are committed to improving the profile and prominence of the Western Gateway through targeted communications and events. A key event will be the Inaugural Conference which is

due to be held on 8th March 2022 at the ICCW, Newport and a series of business breakfast. A wider Communications and Engagement plan is also being developed to ensure that we have reach SMEs and micro-businesses as well as the area's most high-profile leaders and businesses. The website will be redesigned and rebranded and a new prospectus developed.

The partnership board are also keen to have a presence at prominent international events, including MIPIM, where the opportunities of the region can be promoted to international companies and investors. The Western Gateway will be hosted on existing stands occupied by the West of England Combined Authority (WECA) and Cardiff Capital Region/Cardiff. There is also interest in having a dedicated area at UKREiiF (UK Real Estate Investment and Infrastructure Forum). As part of the Western Gateway, Newport will have a presence at these events and promotional material is being developed to showcase Newport to an international and influential audience.

Governance

The partnership operates under Standing Orders and Terms of Reference which were agreed in March 2020. An updated Terms of Reference has been agreed by the Board, a copy of which is contained in Annex A. This updated document refers to a key function of the Board being to agree workstream priorities, terms of reference and workstream stage-gates. This aligns with the work being undertaken by the partnership and ensures appropriate governance.

The Western Gateway is principally funded by a capacity payment from the Department for Levelling Up, Housing and Communities. £800,000 has been allocated for 2021/22 and is issued in two instalments. subject to meeting agreed milestones. 2022/23 funding is being sought from the Spending Review and an annual financial contribution. The delay in publishing the Levelling Up White Paper means that the Western Gateway's FY22/23 settlement is not yet known. However through discussions it is clear that there is an expectation that partners contribute to the Western Gateway budget as a demonstration of commitment, as happens in other powerhouse partnerships. A £10,000 contribution is therefore being requested from partnership members, excluding business, university and the District Authority representatives.

The Western Gateway is hosted by South Gloucestershire Council which is the accountable body for the partnership and therefore responsible for the budget. Secretariat staff are also employed across three local authority areas. It is recognised that there exist liabilities for partner authorities should the partnership collapse. Whilst this risk is considered very low, until an ongoing budget is secured from the Spending Review, these liabilities remain. A draft Indemnity Agreement has been provided for comment and whilst acceptable in principle, the details are being negotiated with the support of the Head of Law and Standards.

Risks and Issues

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	L	L	There will inevitably be some overlap, but work for the	Acting Head of RIH

done with Cardiff Capital Region			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.	
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

* Taking account of proposed mitigation measures

Financial Summary (Capital and Revenue)

- The costs and financial implications:
When the partnership was first formed all partners contributed a sum of £20,000 each. Other funding was provided by UK Government. Further funding is expected to be provided by UK Government but a contribution of £10,000 per annum is being requested from all member Councils.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)		10,000	10,000	10,000	
Net Costs (Savings)		10,000	10,000	10,000	
Net Impact on Budget					

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

The report is intended to provide an update and information on the progress of the Western Gateway Partnership, the priorities in terms of workstreams and an update on governance and financial contribution.

Preferred Option and Why

N/A

Comments of Chief Financial Officer

The Western Gateway Partnership has the potential to drive the economy forward through collaboration with various organisations in both England and Wales. Consideration has been given to this arrangement and, in addition to the funding expected from UK government, a provision has been included in the budget proposals for 22/23 which would cover the Newport City Council contribution to the partnership.

The Indemnity Agreement mentioned in the report would pass on obligations and liabilities to all partners in relation to the activities of the Partnership and the risks and opportunities they bring. In that respect, they are no different to other partnerships the Council participates in, such as the Cardiff City Region partnership. These potential liabilities range from the low level and easily identifiable liabilities such as the winding down costs of the Partnership, if that happened; to much more complicated issues, for example, those risks associated in making investments and guarantees in pursuit of its objectives. It is too early to quantify these latter issues as they have not been developed. Therefore, in due course, the indemnities may well become significant but as said, are no different to other partnerships the Council participates in. In this respect, good governance, including how the Partnership identify and manage risks will be key.

Cabinet should be aware that this therefore adds a further level of inherent risk and opportunities in its participation in economic partnerships, adding to those already in the Cardiff City Region and the potential financial indemnities associated with these.

Comments of Monitoring Officer

The Council's continued participation in the Western Gateway Partnership is consistent with its general economic well-being powers under section 2 of the Local Government Act 2000 and the principles of sustainability and collaboration under the Well-Being of Future Generations Act.2015.

The "partnership" operates under Standing Orders and Terms of Reference which were agreed in March 2020 and have now been updated to agree work-stream priorities. The proposed changes do not alter the legal basis of the governance structure and simply provide greater clarity in relation to the delivery of future priorities. The "partnership" does not constitute a legal Joint Committee, as there are other independent members represented on the partnership board and only local authorities can exercise functions through a Joint Committee, such as the Cardiff Capital Region. Therefore, the Partnership Board cannot take formal decisions, as such, in the same way that councils delegate certain decision-making to Joint Committees. At the moment, the Council's only financial commitment is the £10k annual membership contribution and everything else on the work programme is covered-off by the available grant. Anything that would require further financial or other commitment by the Council or the other partners in relation to future projects would need to be reported back and agreed by the individual organisations.

Because the "partnership" has no separate legal status, then South Gloucestershire Council is acting as the host authority and accountable body for the purposes of employing staff and managing the budget. However, as with other accountable body arrangements, South Gloucestershire Council will need a full indemnity for the other partner organisations to ensure that all liabilities that it incurs on behalf of the

partnership are shared equally, to the extent that they are not covered by available grant funding. At present, the only contingent liabilities would be in relation to any unavoidable redundancy costs incurred by the host authority and any other winding-up costs in the event that the partnership was discontinued and, therefore, the financial risks of the shared indemnity are small. The risks would increase significantly if further joint investments and guarantees were required for specific projects, subject to available grant funding, but that would need to be assessed at the appropriate time. There are on-going discussions regarding the need for further specific indemnities for individual officers and members, as that should already be covered by the indemnities and insurances provided by their individual authorities. However, the final terms of the proposed legal indemnity can be agreed by statutory officers in accordance with delegated powers and the detailed terms do not need to be formally approved by Cabinet.

Comments of Head of People and Business Change

This report is an update from the Western Gateway and from an HR perspective there are no staffing implications.

The report fully considers the Wellbeing of Future Generation (Wales) Act, Equality Act 2010, Socio-economic Duty and the Welsh Language (Wales) Measure 2011. The Western Gateway partnership has the potential to bring many well-being benefits for the communities of Newport.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

(a) The Well Being of Future Generations (Wales) Act 2015.

The Well-Being of Future Generations (Wales) Act 2015 ('the Act') is about improving the social, economic, environmental and cultural well-being of Wales. The Act places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language and is globally responsible. In discharging their respective duties under the Act, each public body listed in the Act (which includes the Welsh councils comprising the Western Gateway Partnership) must set and publish wellbeing objectives. These objectives will show how each public body will work to achieve the vision for Wales set out in the national wellbeing goals. The wellbeing duty also requires the councils to act in accordance with a 'sustainable development principle'. This principle requires the councils to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Through our agreement to be part of the Western Gateway Partnership, the Council has taken account of the 5 ways of working and has:

- looked to the long term - the Partnership provides a long-term collaborative arrangement which creates a long-term platform for regional growth and investment.
- focused on prevention by understanding the challenges faced within the region and how these can be addressed.
- delivered an integrated approach to achieving the 7 national well-being goals -

- worked in collaboration with others to find shared sustainable solutions – the Partnership is based on principles of collaboration and finding opportunities and sustainable solutions at a regional level.
- involved a range of stakeholders from different sectors.

(b) Equality Act 2010 and social-economic duty

The collaborative arrangements for the economic growth of the western gateway region are consistent with equalities and socio-economic duties. Whilst the partnership is not subject to the same statutory responsibilities as local authorities in relation to discharging public sector equalities and socio-economic duties, members of the partnership are and this responsibility is reflected in the decisions made.

A Fairness and Equalities Impact Assessment has not been completed as this report is for information only.

(c) Welsh Language (Wales) Measure 2011 and Welsh Language Standards;

Whilst the partnership is not subject to the same statutory responsibilities as local authorities in relation to the Welsh Language, other Welsh Council members are and the Partnership ensures that responsibilities in relation to the Welsh language are discharged.

Background Papers

Annex A: Terms of Reference



Terms of Reference
October 2021.docx

Cabinet Report 22 July 2020



Western Gateway -
The Newport Perspe

Dated: 11 February 2022



Report

Cabinet

Part 1

Date: 18 February 2022

Subject Newport City Council Covid-19 Response and Recovery Update

Purpose To present to Cabinet an update on the Council's progress being made towards recovering services and supporting Newport's communities as part of its Strategic Recovery Aims.

Author Chief Executive
Head of People and Business Change

Ward All

Summary Since the last report in January, Wales is now seeing the community spread of the Omicron variant. Since the festive period, the case rate has been falling and the Welsh Government has set out a programme to ease the restrictions taking Wales back to Level 0 by the end of the month.

Newport Council's Gold team has continued to monitor the situation across the City and in Council. Some Council services have seen disruption due to staff absences and also increasing demand and services are taking necessary action to manage the situation.

The report also includes a summary of activity across Council services in January 2022.

Proposal To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Action by Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Gold Recovery Group
- Corporate Management Team

Signed

Background

Since the last Cabinet Report on [14th January 2022](#), Newport Council and its partners have continued to monitor the Covid-19 cases in the city through its role at the multi-agency Gwent Incident Management Team the Council's Emergency Response and Recovery Group (Covid Gold) and liaison with Welsh Government (WG), Public Health Wales (PHW) and ABUHB partners.

Wales Covid-19 Update (January/February)

Since the last Covid update, the case rate in Wales has fallen significantly from 2,300 cases per 100,000 population to around 500 cases. Omicron remains the most prominent variant in Wales. In Newport the case rate remains above 1,000 cases per 100,000 population but this is expected to reduce further over the next few weeks. Further information can be obtained from the [Public Health Wales Dashboard](#).

Hospital settings across Wales and Gwent continue to report significant pressures on services as they manage covid pressures but also the winter pressures that are faced by the NHS. These impacts on NHS services are also having an impact on the transfer of care into social services. The vaccination programme to boost and also ensure those that haven't been vaccinated is continuing. To date over 2.3 million have received at least two doses with over 1.7 million receiving a booster.

Since the Welsh Government took Wales into Alert Level 2 on 26th December, restrictions have been eased back to Level 0 since 28th January. However, the Welsh Government continues to strongly advise people to take lateral flow tests before seeing others, self-isolating if people display symptoms and to wear face coverings when entering indoor venues and/or on public transport. Mobile testing units remain in place across Newport to enable residents to take their PCR tests.

Newport City Council Update

Since the last update the Council's Gold team has been responding and coordinating as necessary the response to the changes in restrictions. Throughout January, service areas across the Council have been reporting additional pressures with staff resources and additional demand on key services. Social Services continues to report regularly on the ongoing pressures with staffing and allocating packages of care to service users. This included a [joint statement](#) from Gwent's health and social care services to families and the community to help and support services during this challenging time.

For all other staff in Newport the message remains for staff (where they can) to work from home. With the new variant communications have been issued to provide staff updates on the WG restrictions. This message equally applied to Members and access to the Civic Centre and democratic functions will continue to be undertaken virtually.

Risk assessments are in place for all the work that we do, and these take into consideration work environment and task, health and safety legislation and current Government guidance. In this way we can ensure that staff can safely undertake their duties, protecting both themselves and people they work with. For the 5,500 staff employed by Newport City Council (including schools) approximately 1,200 have been regularly working from locations other than their usual place of work (including home working). The remaining staff and the services that they deliver have continued in line with the risk assessments in place and Government guidance during the pandemic.

Where appropriate we have enabled teams to resume activity previously being undertaken from home as and when required. This has been possible because of the work done with service areas, Health and Safety, staff and Trade Unions to put in place robust risk assessment arrangements. We will continue this process over the coming months, whilst monitoring and responding to changes in the infection rates within the population. Services such as libraries and face to face customer services are currently operational and are providing in-person activity.

NCC and Welsh Government Support

At this difficult point in time, Newport Council is aware that many households and businesses in Newport will be concerned about self-isolating, money worries and/or need support. The Welsh Government, Newport Council and the third sector offer a range of services to households and businesses. Many of the Council's services can be found on the Newport Council [website](#). Some of these services include:

- **[Food Bank Support](#)** – The Council pledged an additional £100k for local foodbanks and community initiatives to apply.
- **[Winter Fuel Support Scheme](#)** - to support households with winter fuel bills and applications will be open until midnight on 28th February 2022. Welsh Government
- **[Covid-19: Self-isolation support scheme](#)** – supporting people on low income and cannot work from home who have to self-isolate.
- **[Council Tax and Benefits](#)** – The team is available to offer support to households and businesses struggling to pay their Council Tax, and also can assist in signposting to other organisations offering money / debt support
- **[NDR Business Support](#)** – Newport Council is offering Non Domestic Rate Grants and Welsh Government have announced a package of financial support for businesses and two of these schemes will be implemented by the Council’s Business support and revenues teams. Both schemes are now open with eligible businesses having to apply or register for support. Details are posted on the Council’s website with eligibility and application details.

A summary of the Council’s activity since the last Cabinet Report is outlined below with a full update provided in appendix 1.

Strategic Recovery Aim	Summary of Council’s activities to 1 st February 2022
Strategic Recovery Aim 1 – Supporting Education & Employment	<ul style="list-style-type: none"> • Education services continuing to support school and home learners and schools. • The Welsh Government team is working closely BT and with local authorities across Wales to address issues with broadband connectivity.
Strategic Recovery Aim 2 – Supporting the Environment and the Economy	<ul style="list-style-type: none"> • Works are nearing completion on strategic regeneration schemes including the indoor market, Market Arcade, and Chartist Tower. • The Council’s Climate Change Plan was out for public consultation and until 31st December. Public consultation on the Council’s Climate Change Plan is now closed, and a final version will be considered by cabinet.
Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens	<ul style="list-style-type: none"> • Regulatory Services continuing to support businesses and enforcement action where there is non-compliance. • Guidance continues to be updated to align with the Welsh Government’s rule changes.
Strategic Recovery Aim 4 – Supporting Citizens post Covid-19	<ul style="list-style-type: none"> • Participatory Budgeting Programme now well underway with a significant amount of bids received from a range of community projects • £100k committed to support foodbanks/food projects across Newport respond to additional winter demand, fund currently open to bids • £35k provided to Welsh language community projects via small grants to address gaps in Welsh service provision arising as a result of COVID-19 • 4 EU citizen projects awarded small grants to assist with cohesion and integration • Information continues to be provided to communities in accessible formats (e.g. translation of COVID-19 pass information into community languages) • Community tensions meeting (LA/Police) now stood up to weekly to respond to community concerns in light of changing restrictions and increased infection levels

Financial Summary (Capital and Revenue)

The Council’s financial (revenue and capital) update is reported separately as part of the Council’s regular budget reports to Cabinet. The Covid-19 impact(s) are considered in the finance reports and are closely monitored as part of the Council’s financial management processes.

Risks

Through the Council's Risk Management process, the Covid risk has been monitored every quarter to the Council's Cabinet and Audit and Governance Committee. Below is the latest update taken from Quarter 2 (July to September '21) 2021/22 risk report update. Quarter 3 update to be provided in December.

Risk Title / Description	Risk Impact score of Risk if it occurs* (1-5)	Risk Probability of risk occurring (1-5)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Covid 19 Pandemic	5	4	See Report on action being undertaken by the Executive Board, CMT and Gold group to manage the Council's response.	Executive Board

Links to Council Policies and Priorities

Corporate Plan 2017-22
Strategic Recovery Aims

Options Available and considered

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio briefings.

Comments of Chief Financial Officer

Welsh Government have been supporting local authorities through the pandemic with a Hardship Fund intended to reimburse for all Covid related spend over and above existing budgets and within a set criteria. The fund also includes loss of income compensation; again, within a set criteria. The fund ran for the entire 20/21 financial year and will continue until the end of March 2022, albeit with a reduced scope for the second half of this financial year. In addition, where relevant, Welsh Government have provided specific grant funding to fund particular costs arising. This means that, overall, the financial impact of the pandemic upon the Council has been largely mitigated and this remains the case while restrictions are being reintroduced, which in turn places further pressure on services, as a result of concerns over the spread of the Omicron variant.

Close monitoring of the financial issues arising, as a result of Covid, will continue throughout the year and will be reported as part of the regular monitoring process. All activities up to December detailed in this report have either been funded via core budgets, specific grants or the Hardship Fund. To date, and in a similar vein to 2020/21, an overall underspend against the revenue budget is being projected. However, the underlying reasons for the underspend are not solely due to the effects of the pandemic and are largely one-off in nature. Also, there are a number of service pressures contained within the position and, therefore, this means that the medium term outlook remains challenging. Because of this, it will be important to identify and quantify any lasting financial impact of the pandemic, particularly in light of the Hardship Fund ending in March 2022.

The draft settlement for local authorities in Wales was released on 21st December and the proposed budget for 22/23 has been produced which includes consideration of certain long lasting issues as a result of the pandemic.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report, which provides an update on the actions taken to deliver the Council's Covid-19 Response and Strategic Recovery Aims and progress since the previous report. Any legal issues will be picked up at the appropriate time as part of the operational delivery of the individual actions, within service areas.

The concerns about transmission of the Omicron variant and the move to alert level 2 in Wales as from 27th December has impacted on the work of Environmental Health and Trading Standards teams in managing clusters, containing transmission, and enforcing compliance with the new Covid restrictions. Previously, the Covid response work had been scaling-down and regulatory staff had been able to resume other enforcement work, but the high transmission rates and new restrictions have required a re-focusing on the Covid work. In particular Environmental Health were required to provide additional support for care settings during this period, as Public Health Wales were unable to cope with the increased numbers of outbreaks. As the Omicron variant has now become the dominant strain of the virus, the TTP team have had to reduce backward tracing in light of increased case numbers. Enforcement staff are re-engaged in Covid inspection work and carried out programmed inspections over the Christmas and New Year period to check compliance, particularly in licenced premises and close contact businesses, such as hairdressers and barbers. It was pleasing that most premises inspected were compliant with the Covid restrictions. The subsequent tail-off of cases in January and the phased relaxation of the restrictions, testing and self-isolation requirements, will require a further review of the Covid-response work.

Comments of Head of People and Business Change

The Council's existing Gold structure is closely monitoring and reporting on the impacts of the new variant and restrictions on Council services. The Human Resource team will closely monitor and report on staffing levels to the Gold group that will assist in identifying risk areas in the Council.

The Council maintains a policy for staff where they can work from home and for front-line staff to take necessary measures to maintain social distancing. There is likely to be an impact on the delivery of services and may require resources to be diverted and support key front-line services.

Scrutiny Committees

Not Applicable

Fairness and Equality Impact Assessment:

The areas covered in this report demonstrate the progress being made against the Strategic Recovery Aims which also support the Council's Corporate Plan 2017-22.

In consideration of the sustainable development principle, 5 ways of working:

Long Term – The progress reported against the Strategic Aims support the long term aims of the Council to improve people's lives.

Preventative – The preventative work outlined in the report support the Council's approach to minimising future Covid 19 outbreaks and as necessary provide targeted support to those that need it. Re-establishing services in line with necessary legislation and regulation enables the Council to operate in the new normal.

Integration – The Strategic Recovery Aims have been integrated with the Council's Wellbeing Objectives set in the Corporate Plan as well as Service Plans. Recommendations from the Community Impact Assessment will also shape how the Council can improve the delivery of services across communities.

Involvement – Included in this report are actions to involve Newport's communities to provide assurance and shape the way in which services are being delivered by the Council. Their feedback and involvement in the process will enable the Council to consider how services are delivered in the long term.

Collaboration - The actions in the report are being undertaken in collaboration with partners from the Council's Public Services Board but also strategic partners within each service area. The collaborative work enables the Council to share resources and build expertise and knowledge.

Consultation

Not Applicable

Background Papers

Cabinet Report (Strategic Recovery Aims) – July 2020

Corporate Plan 2017-22

Strategic Recovery Aims

[Responding to the 'New Normal' Report to Overview and Management Scrutiny Committee](#)

Dated: 11 February 2022

Strategic Recovery Aim 1 – Supporting Education & Employment.

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.

Supports Wellbeing Objective 1 – To improve skills, education and employment opportunities.

Strategic Aim Step	February 2022 Update (By Exception)
<p>Tudalern 2022</p>	<p>Education Welfare Officers work closely with schools to identify pupils who are persistent absentees and provide support to help improve rates of attendance. During the period 01.09.21 – 31.11.21 there were 1,176 primary school pupils with rates of attendance lower than 80%. Of these, 76 had attendance rates lower than 50% with 10 having a rate of attendance that fell below 20%. During the same period there were 1,528 secondary school pupils with rates of attendance lower than 80%. Of these, 239 had attendance rates lower than 50% with 69 having a rate of attendance that fell below 20%.</p> <p>Education Welfare Officers continue to work closely with schools to support improved individual learner level attendance</p> <p>As of 31st December 2021, 194 children were known to be electively home educated in Newport. The Senior Education Welfare Officer leads on the work to ensure that home educating families are supported and that a programme of regular visits to home educating families is in place. Welsh Government grant funding has been used to introduce a Family Liaison Officer for Home Educating families who has provided extra capacity for this work.</p>
<p>Support schools to enhance and develop digital skills; digital teaching and learning platforms; and enhanced support for digitally excluded learners.</p>	<p>Issues with broadband connectivity are ongoing and continue to pose concerns for many schools in Newport. The Welsh Government PSBA team is working closely BT and with local authorities across Wales to address these issues. They recognise the unsatisfactory level of connectivity that some schools are experiencing and the disruption this is having on teaching and learning. The Welsh Government has instigated a full review of this incident with the interim report from this review expected by the end of January 2022.</p> <p>The project to migrate school users of @newport.gov.uk emails to Hwb using the @newportschools.wales domain is ongoing.</p>
<p>Support and enable people that are digitally excluded to access community IT programmes, Council services and other public services.</p>	<p>Requests for devices for younger children needing access to speech and language sessions are being met. Digital services continue to be issued for service users with lack of IT equipment. Language line is accessed for those families who require language support.</p>
<p>Support people who have been affected by unemployment to access new opportunities through training and re-employment required for post Covid 19 businesses.</p>	<p>Work is currently ongoing with DWP and Serco (prime contractor) on a regeneration of the Restart Contract due to lower than predicted referrals. The criteria for referrals to the Restart Contract has been broadened from the 17th of January to help with the eligibility numbers.</p>

Strategic Recovery Aim 1 – Supporting Education & Employment.

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.

Supports Wellbeing Objective 1 – To improve skills, education and employment opportunities.

Strategic Aim Step	February 2022 Update (By Exception)
<p>Ensure our diverse communities are appropriately supported through tailored interventions specific to their needs, including consideration of language, culture and points of access.</p>	<p>Digital devices continue to be issued for service users with lack of IT equipment. Language line is accessed for those families who require language support.</p> <p>Practitioners from diverse communities are being recruited to help engage and offer services in areas of high minority ethnic population. Within the health strand of Flying Start a lead role is currently being created to work with special interest groups.</p> <p>Delivery of play scheme in Welsh is currently in the early stages of planning to be rolled out in the East geographical area. £35k has been provided to Welsh language community projects via small grants to address gaps in Welsh service provision arising because of Covid.</p> <p>4 EU citizen projects have been awarded small grants to assist with cohesion and integration. Information continues to be provided to communities in accessible formats e.g translation of Covid pass information into community languages. Community tensions meeting (LA/Police) meet weekly to respond to community concerns in light of changing restrictions and increased levels of infection.</p>

Tudalen 299

Strategic Recovery Aim 2 – Supporting the Environment and the Economy

Understand and respond to the impact of Covid19 on the city's economic and environmental goals to enable Newport to thrive again.

Supports Wellbeing Objective 2 – To promote economic growth and regeneration whilst protecting the environment.

Strategic Aim Step	February '22 Update (By Exception)
<p>Maintain our focus on regenerating Newport to deliver existing and new investment projects.</p>	<p>Planning permission was granted for the new leisure and wellbeing project on 3rd November and represents a positive step in the delivery of the Newport Knowledge Quarter. Works are nearing completion on strategic regeneration schemes including the indoor market, Market Arcade, and Chartist Tower.</p>
<p>Enable and support the construction industry to re-establish the supply of new and affordable housing.</p>	<p>The authority continues to work with Housing Association partners to facilitate the delivery of affordable housing via the Social Housing Grant Programme.</p>
<p>Enable and support businesses to re-establish normal operations whilst maintaining</p>	<p>In relation to COVID Restrictions officers carried on the Level Zero inspection work through the early weeks of December 2021. Then for the end of December, the COVID Compliance enforcement work refocused on two separate areas namely, licensed/hospitality trade and general retail premises. In relation to hospitality, new rules came into force</p>

Strategic Recovery Aim 2 – Supporting the Environment and the Economy

Understand and respond to the impact of Covid19 on the city's economic and environmental goals to enable Newport to thrive again.

Supports Wellbeing Objective 2 – To promote economic growth and regeneration whilst protecting the environment.

Strategic Aim Step	February '22 Update (By Exception)
<p>the health and safety of their workers and customers.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 300</p>	<p>on 26 December 2021. The new rules include track and trace details, wearing of face masks when walking through the premises, table service only and limits to 6 people per table. Licensing Officers ensured each business received the guidance on compliance from Welsh Government via email correspondence. Visits were also undertaken on 29 and 30 December 2021 and continued last week. 76 were completed in the high priority premises. In relation to general retail, new rules came into force on 26 December 2021. The new rules include renewed social distancing and maximum capacities. Trading Standards Officers carried out visits to businesses on 29, 30 and 31 December 2021. 126 visits were completed. The feedback from the inspection teams is that the sectors were quieter than normal, and that compliance was good.</p> <p>In relation to Tobacco Control and Operation CeCe it had previously been reported that recent seizures resulted in an estimated 340,00 cigarettes were seized, and the value was £425,00. Officers have now catalogued the seized items. The revised figure of the seizure value at full market price would be approximately £579,000 and the seizure amounts to 1,041,561 cigarettes and 115.65kg of hand rolling tobacco. This is the largest single seizure of illicit tobacco in Wales in 2021.</p> <p>Officers continue to carry out business enforcement work; issues under scrutiny; licensed premises adherence to conditions; rogue traders active at people's homes; and age restricted products to children and others. Routine food standards work continues; the emerging threat is a high proportion of businesses failing to deploy an adequate allergens protection system.</p>
<p>Enable and support businesses to prepare for future trade arrangements resulting from Brexit negotiations.</p>	<p>See EU transition Cabinet Report. The Council is making arrangements with the successful organisations to deliver their Community Renewal Fund projects over the next six months. These projects will provide employment opportunities to disadvantaged groups into self-employment, creative and film industry and other areas of skills / re-training.</p>
<p>Protect and improve the environment, including air quality and decarbonisation of the city for its residents, businesses, and visitors.</p>	<p>The Council's Climate Change Plan was out for public consultation and until 31st December. The results are now being collated ahead of report to Cabinet. Public consultation on the Council's Climate Change Plan is now closed, and a final version will be considered by cabinet.</p> <p>Wales Govt grant funding awarded for the installation of low carbon heating at three sites. One installation is to be completed by 31st of March and the others later in 2022.</p>
<p>Continuing support and safe delivery of the Council's City services including waste, cleansing and highways.</p>	<p>The Council's City Services have seen an increase in staff absences due to positive covid cases and self-isolation, but services continue to operate as normal.</p>

Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens	
Promote and protect the health and wellbeing of people, safeguarding the most vulnerable, and building strong, resilient communities	
Supports Wellbeing Objective 3 – To enable people to be healthy, independent and resilient	
Strategic Aim Step	February '22 Update (By Exception)
Support people to remain living independently in their homes and communities.	<p>Adult services continue to monitor and review all packages of care in the community supporting citizens to stay in their own homes. The RAG rated assessment tool ensures that the most vulnerable are supported as a priority. Brokerage have engaged with our providers in meaningful discussions to ensure care is provided to the most vulnerable. We have managed to secure some block contracts with a couple of domiciliary care providers and residential home providers for immediate care when required.</p> <p>The number of Packages of care have remained stable between 32 and 34 for the last few weeks, and as soon as they are allocated, they are back filled with more demand. Compared to our regional partners, our figures are much lower than neighbours by 50% waiting for packages of care.</p> <p>The workforce pressures continue across social care internally and externally and requires robust management each day to ensure staff are available where they are needed.</p>
<p>Fully restore Children and Adult services, supporting partners that have been impacted by Covid 19 and ensuring service users and staff are supported and protected.</p>	<p>The loosening up of the pandemic restrictions across the community continues to pose problems across social care workforce. The reduction of self -isolation when initial positive LFT's has not provided the additional resources as was hoped due to the evidence from our internal workforce. Staff are continuing to test positive on days 9 and 10, so may be non- symptomatic but cannot return due to positive LFT's.</p> <p>The additional Covid recovery funding and winter pressure funds through WG and RPB continues to be required to ensure we obtain as much flexibility with obtaining a workforce that engage while the pressures are significant.</p> <p>Recruitment and retention are a National issue and while we continue to explore a wide range of options to attempt to recruit and retain staff it is going to continue to be a challenging arena for many months to come.</p>
Assess the impact and the long-term sustainability of the social care sector in Newport informing future service requirements.	<p>Continued local and regional work with our partners to ensure the most vulnerable are supported to live within their own homes is a priority for Adult services.</p> <p>Home First initiative based in the RGH is actively supporting citizens to have their medical needs attended to and returned home as soon as possible. Ability to work in partnership with frailty and reablement services ensures a wide range of professionals are accessed, physio, social work, OT etc.</p> <p>The future drivers for this to continue and to enable citizens to remain at home before reaching hospital is an on-going development and relies on community provision across the care sector. This we know is under strain at the moment.</p>

<p>Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens Promote and protect the health and wellbeing of people, safeguarding the most vulnerable, and building strong, resilient communities</p>	
<p>Supports Wellbeing Objective 3 – To enable people to be healthy, independent and resilient</p>	
<p>Strategic Aim Step</p>	<p>February '22 Update (By Exception)</p>
<p>Safeguard and support children and young people to remain safely with their families.</p>	<p>The increased numbers of referrals to our front door is a service pressure and the complexity of the referrals and individual needs requires expert assessment and partnership working with Police and health and Education colleagues and prevention services.</p> <p>The ability of the safeguarding Hub to prioritise and work collaboratively with partners to ensure full lateral checks and communication between services is a positive and pro-active resource.</p>
<p>Improve opportunities for Active Travel and work towards improved air quality.</p>	<p>Following the submission of the Active Travel Network map we were informed that Newport had been awarded £750K of Core Allocation fund to develop and improve active travel routes across the city. In addition to this funding we have applied to the Main Active Travel Fund for other money to complete schemes developed this financial year.</p> <p>The five key segments of the Devon Place to Queensway bridge were lifted into place on Christmas Day. Work is now progressing with the fabrication of the steps and ramps and the ground works for the foundations into which the ramp supports will be fixed.</p> <p>Surfacing works were completed on the Gaer fort route and the lighting installation will commence shortly. The route will be available for use while the lighting is being installed.</p> <p>The surfacing work for the Bettws Canal link has commenced and the towpath will have to be closed intermittently over the next two months, for works to be undertaken. In January a new bridge design (for implementation next year) will be submitted for planning permission. Work has started on the Tredegar to St David's link as have ground investigation works for the fourteen locks bridge.</p> <p>Design works for links at NISV, Lliswerry Ponds, Sorrel Drive, Albany street, Bassaleg school, Queenshill , Mill street connections, City Centre Cycle ways and storage facility (GAP project) are underway with schemes moving towards implementation in the new financial year.</p>
<p>Regulate businesses and support consumers / residents to protect and improve their health.</p>	<p>In relation to COVID Restrictions officers carried on the Level Zero inspection work through the early weeks of December 2021. Then for the end of December, the COVID Compliance enforcement work refocussed on two separate areas namely, licensed/hospitality trade and general retail premises. In relation to hospitality, new rules came into force on 26 December 2021. The new rules include track and trace details, wearing of face masks when walking through the premises, table service only and limits to 6 people per table. Licensing Officers ensured each business received the guidance on compliance from Welsh Government via email correspondence. Visits were also undertaken on 29 and 30 December 2021 and continued last week. 76 were completed in the high priority premises. In relation to general retail, new rules came into force on 26 December 2021. The new rules include renewed social distancing and maximum capacities. Trading Standards Officers carried out visits to businesses on 29, 30 and 31 December 2021. 126 visits</p>

Tudalen 302

Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens	
Promote and protect the health and wellbeing of people, safeguarding the most vulnerable, and building strong, resilient communities	
Supports Wellbeing Objective 3 – To enable people to be healthy, independent and resilient	
Strategic Aim Step	February '22 Update (By Exception)
	<p>were completed. The feedback from the inspection teams is that the sectors were quieter than normal, and that compliance was good.</p> <p>In relation to Tobacco Control and Operation CeCe it had previously been reported that recent seizures resulted in an estimated 340,00 cigarettes were seized, and the value was £425,00. Officers have now catalogued the seized items. The revised figure of the seizure value at full market price would be approximately £579,000 and the seizure amounts to 1,041,561 cigarettes and 115.65kg of hand rolling tobacco. This is the largest single seizure of illicit tobacco in Wales in 2021.</p> <p>Officers continue to carry out business enforcement work; issues under scrutiny; licensed premises adherence to conditions; rogue traders active at people's homes; and age restricted products to children and others. Routine food standards work continues; the emerging threat is a high proportion of businesses failing to deploy an adequate allergens protection system.</p>
Work with key partners to safely re-open cultural and leisure facilities including the promotion of the city's parks, open spaces and coastal paths.	Libraries, Museums and Art Galleries remain open within in current Covid guidelines.
Sustain a safe, healthy and productive workforce.	The Council's message remains for Council staff to work from home (where they can). The Council has also updated its guidance for staff working in the office to meet the Welsh Government's rules. Ongoing communications are in place to remind staff about self-isolation, social distancing and undertaking risk assessments.

Strategic Recovery Aim 4 – Supporting Citizens post Covid-19	
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.	
Supports Wellbeing Objective 4 – To build cohesive and sustainable communities	
Strategic Aim Step	February '22 Update (By Exception)
Work together with our partners to reduce poverty, address homelessness and support our	Welsh Govt hardship funding continues to be used to support the additional pressures on temporary accommodation due to the extended duty to accommodate anyone presenting as homeless. We continue to work in partnership with

Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

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.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February '22 Update (By Exception)
<p>most vulnerable people as a priority.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 304</p>	<p>Registered Social Landlords to provide suitable, affordable move on accommodation, however supply remains a challenge.</p> <p>Take up of additional funding to prevent homelessness for those living in the private rental sector who have rent arrears due to the pandemic has been low to date. However, eligibility for this scheme has been widened. The Housing and Homelessness teams continue to face challenges regarding recruitment. This is a sector wide issue.</p> <p>Delays amongst the construction of Social Housing Grant funding schemes developed in partnership with Housing Associations will impact on the delivery of affordable housing within the city. Increased labour and material costs are impacting on the delivery of the Disabled Facility Grant programme with longer contractor/material lead times.</p> <p>£100k has been made available to foodbanks and food projects across Newport with the fund currently being open to bids. The Council is working in partnership with GAVO to recruit a Food Sustainability Co-ordinator to look at longer term preventative work in relation to food poverty, working closely with third sector partners.</p>
<p>Assess and address the inequalities that Covid 19 has highlighted or contributed to within our communities.</p>	<p>Inequalities highlighted by COVID-19 are included in the focus of work ongoing to embed the Socio-economic Duty in council decision-making processes. This will ensure longer term planning and policy aims to reduce inequalities that have arisen as a result of both socio-economic disadvantage and encourage more effective engagement with those groups who are affected by council decisions. The council is also refreshing its Covid-19 Community Impact Assessment to better understand enduring or emerging inequalities since its development.</p>
<p>Identify, develop and seek to sustain any positive developments emerging during the crisis.</p>	<p>More than ever, it has been important for us to develop engaging communications content that would improve our reach on such platforms in what was a particularly saturated environment.</p> <p>Our move towards using more graphical representations, animations and video content has been supported with additional training and upskilling of the team. In addition, we have just appointed an additional resource within the communication team with a specific focus on creating digital content. This will allow us to produce more content in-house and further develop our communication offering.</p> <p>The NCC and One Newport annual reports are now published highlighting a range of positive work in the last year.</p>

Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

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.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February '22 Update (By Exception)
Developing opportunities for people to access suitable and affordable housing.	The Social Housing Grant Programme is funding the development of over 500 new affordable housing units with several schemes' due completion within the current financial year. However, delivery schedules are impacted by issues with materials and labour, along with associated increased costs.
Deliver a community cohesion programme that effectively responds to community tensions and creates a shared sense of identity across the city.	<p>The council's Connected Communities Team continues to meet regularly with policing and other partner colleagues to monitor and respond to emerging community tensions. Funding from the community cohesion work programme has been utilised to support the second round of Participatory Budgeting and the team are engaging minority and marginalised communities across the city to ensure they are able to access and engage with the programme and its funding opportunities.</p> <p>EU and Welsh Language community grant schemes are now in place with funds allocated to support grassroots groups to build resilience, cultural awareness and promote positive community relations across the city.</p>
<p>Prevent and address instances of antisocial behaviour (ASB) impacting upon the residents and the business community of Newport.</p> <p>305</p>	<p>Trading Standards continue to investigate two cases where alcohol/cigarettes were sold to children. Reports will be compiled for consideration under the council's enforcement policy.</p> <p>Trading Standards and the Partnerships Team have held discussions relating to the use of call-blockers. These are devices that will prevent ASB in the form of nuisance phone calls to vulnerable individuals.</p> <p>Trading Standards are developing a 'Responsible Retailers' scheme. The prime objective of the scheme is to encourage off-licences to adopt good practices in relation to sales of alcohol and similar products.</p> <p>Licensing Officers remain active in improving the practices of businesses that facilitate drunken misbehaviour in communities and the city centre. Meetings and audits have been carried out at key venues.</p> <p>Youth Justice Service now has an established presence on the panel. The lead officer is liaising with the M4 corridor property consultant with a view to secure a 'pop up' type premise in Newport city centre for YJS and other ASB agencies to use. This will provide opportunities to engage children and try and identify what informs their antisocial behaviour and what could divert them away from it. Operation Aston will be part of this if we can secure it.</p>
Re-establish Community Regeneration facilities and services where it is safe to do so for staff and its service users.	All hubs open and operating in accordance with risk assessments. Hubs continue to deliver a range of services which are delivered on an appointment basis. Risk Assessments are frequently updated with new guidance or advice is provided. Community centres are operational, similarly on a risk assessed basis and in line with latest restrictions.
Develop opportunities for community involvement participation and engagement.	The Covid Recovery Fund to support grass roots groups and projects has been launched with significant interest from communities. The participatory budgeting approach will be adopted to help build social capital, deliver social value and bottom-up recovery. The steering group will be assessing bids in January.

Strategic Recovery Aim 4 – Supporting Citizens post Covid-19

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.

Supports Wellbeing Objective 4 – To build cohesive and sustainable communities

Strategic Aim Step	February '22 Update (By Exception)
	We are currently running engagement to support budget decisions here.



Report

Cabinet

Part 1

Date: February 2022

Subject Post EU Transition (Brexit) Update for Newport City Council

Purpose To present an update to Cabinet on the impact of leaving the European Union on Newport Council services and Newport's communities and economy.

Author Chief Executive
Head of People and Business Change

Ward All

Summary Since the UK left the European Union in December 2020 the UK and Wales has been adjusting to the trade arrangements and reacting to the wider global economic impacts and Covid restrictions. For businesses and households across Newport and Wales the last year has been very challenging as it has seen the overall cost of living increase. These impacts are affecting low-income households with the cost of living due to increases in the cost of food, goods, and energy prices. In response the Council's Cabinet has committed £100k to support food banks in Newport. The Welsh Government also announced a £51.7m Winter package that will give households on certain benefits a contribution to mitigate some of these costs.

Newport Council continues to face ongoing pressures on the cost of goods and services as increases in costs are being passed onto the consumer. The Council alongside other sectors are also facing pressures on staffing and recruiting staff into key roles especially in Social Services, housing & support, and City Services.

Since the deadline passed for EU and EEA citizens to apply for EU Settled Status, the Home Office (31st October 2021) has received 6.2m applications and have concluded 5.9m applications. 52% of applications have been granted Settled status with 42% granted Pre-settled Status. The remaining 7% have either been refused, withdrawn or invalid claims. There is no data available for the current status of claims in Newport.

Proposal To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Action by Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service and officer 'Task and Finish' group.

Signed

Background

Since the UK left the European Union in December 2020 the UK and Wales has been adjusting to the trade arrangements and reacting to the wider global economic impacts and Covid restrictions. For businesses in Wales and Newport the last year has been challenging as they have had to operate within the requirements of the Covid restrictions but have seen increasing costs on goods and services delivered. Inevitably, these costs are being passed onto the consumer. For households (especially those on low incomes) across Newport and Wales the cost of living has significantly increased especially with the cost of food, fuel and energy (electricity and gas). The key economic facts in February 2022:

- The [inflation rate \(Consumer Price Index\)](#) rose by 4.8% in the last 12 months in November 2021 and is expected to remain at this rate over the first six months of the year.
- [Pay rolled employment](#) is above pre Covid-19 pandemic levels in all English regions, Scotland, Wales, and Northern Ireland.
- The [employment rate \(aged 16 to 64 to November 2021\)](#) for Wales is at 74.1% which remains lower than the UK average of 75.5%.
- [Vacancies](#) for October to December 2021 rose further to over 1.2 million with hospitality continuing to experience large number of vacancies. Also, the health and social work also reported increases in vacancies which is also being experienced by providers in Newport and Gwent.
- The [unemployment rate](#) is 3.4% in comparison to the UK rate of 4.1%. The inactivity rate (16- to 64-year-olds) in Wales (23.3%) remains higher than the UK rate of 21.3%.

Newport Council continues to face ongoing pressures on the cost of goods and services as increases in costs are being passed onto the consumer. The Council alongside other sectors are also facing pressures on staffing and recruiting staff into key roles especially in Social Services, housing & support, and City Services.

At December's Cabinet meeting, the Council announced an additional £100k to be distributed across the City's foodbanks and groups to help support increasing pressures on some of the city's most vulnerable households. Foodbanks and community groups are now able to apply for this funding using the link [here](#). In addition to this, Newport Council alongside its public sector / not for profit partners have a range of services and support packages in place to support those that may be struggling or need advice and guidance. Below are some of the services offered by Newport Council and partners found on Newport Council's [website](#). Some of these services include:

- [Winter Fuel Support Scheme](#) - to support households with winter fuel bills and applications will be open until midnight on 28th February 2022. The Welsh Government has also committed an additional £100 per household to support them during this period.
 - 7,104 applications have been received with 6,253 approved and 642 declined.
- [Covid-19: Self-isolation support scheme](#) – supporting people on low income and cannot work from home who have to self-isolate.
- [Council Tax and Benefits](#) – The team is available to offer support to households and businesses struggling to pay their Council Tax, Non Domestic Rates and also can assist in signposting to other organisations offering money / debt support.
 - Non Domestic Rate Grants have received 630 applications with a 510 paid totalling over £1.3m

Position of Non-UK Citizens living in Newport and Wales

Newport Council recognises the benefits that all of residents that have come to live, work and contribute towards making Newport a multi-cultural place to live. The value that citizens from the EU and the wider world have contributed towards public, private and not for profit organisations has and will continue to be vital for our economic and cultural growth.

For the city's EU citizens and communities, the requirement to obtain EU Settlement Scheme (EUSS) status has been challenging but Newport has seen a high number of residents obtaining either settled or pre-settled status. The Home Office continue to receive late applications from any EU citizen who has 'reasonable grounds' for missing the deadline. Reasonable grounds include a serious medical condition, where a parent or guardian has failed to apply on behalf of a child, or where a person is isolated or digitally excluded and has not been able to access the application system.

EU citizens who were resident in the UK after the 31st December but haven't made an application no longer have their rights protected, including the right to live, work, study and access benefits and services in the UK. If an EU citizen is identified by someone in Immigration Control who may be eligible for the EUSS, they will be given 28 days to make a late application. From mid-September Department of Work and Pensions also suspended benefits for all EEA citizens who do not apply for EUSS within 28 days of reminder letters.

It is anticipated that the number of families and individuals presenting as needing support to due restrictions of their rights and entitlements will continue to increase over the coming months. The council have established a multi-disciplinary hardship solutions group to respond to this demand, as well as other cases where people have no recourse to public funds due to precarious migration status (for example, asylum seekers who have received a negative decision on their claim).

This period, the council has awarded small grants to 4 community projects focussed on supporting EU citizens. Awards made to TGP Cymru, Settled, Newport Mind and the Newport Sudanese Community will continue to support late applications to be made to the EUSS, assist people who are still awaiting the outcome, or appealing decisions against an application, and promote integration and cohesion across local communities.

The council's Connected Communities team continue to support and signpost EU/EAA citizens and their family members to specialist support services that are able to make late applications to the EUSS, challenge negative decisions and provide advice around rights and entitlements.

These services, provided by voluntary sector organisations including CAB, TGP Cymru, Newport Mind, Settled and Newfields Law are funded by the Welsh Government and Home Office until the end of March 2022. There is no indication that services will continue to be funded after this, which presents a significant risk to available support for EU/EAA citizens and is likely to result in an increased demand on local authority resources.

In December, the team also engaged around 200 EU community members through a series of community events for St Nicholas Day. The events celebrated this important calendar date with our Polish, Hungarian Czech and Slovak communities, and provided further opportunity to signpost people to support. A community survey was also launched to explore perceptions of Newport, and Wales, following UK exit from the EU. Key findings included:

- 85% of EU citizens felt happy, or very happy living in Newport
- 35% of EU citizens said things had changed for the worse since Brexit (racism, insecure status, cost of living)
- 65% agreed they felt safe living in Newport
- 49% agreed that they Newport is their home
- 45% agreed that people in Newport are welcoming

The council's hardship solutions group continues to see an increase in referrals for individuals and families who are experiencing significant challenges due to their migration status and limited/lack of access to public funds. Without specialist support to regularise status and ensure support is in place, numbers of people facing hardship will increase, alongside risks of exploitation.

Financial Summary (Capital and Revenue)

As part of the Council's financial monitoring process, the Council's Finance team are identifying, monitoring and reporting where appropriate, any impacts on budgets due to Covid-19 and Brexit.

Risks

The Council's Post EU Transition risk is recorded on the Council's Corporate Risk Register which is presented to Cabinet and Audit Committee every quarter. The Quarter three risk score is detailed below:

Risk Title / Description	Risk Impact score of Risk if it occurs* (1-5)	Risk Probability of risk occurring (1-5)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Post EU Transition	4	2	See Report.	Head of People & Business Change

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan
Strategic Recovery Aims

Options Available and considered

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider and note the contents of the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Comments of Chief Financial Officer

As commented in previous reports, the lasting financial impact of Brexit is still uncertain, however, there are emerging issues, as referenced in this report, which have the potential to impact upon both capital and revenue budgets. Whilst no significant financial impact has been explicitly reported to date, increased costs and delays to schemes have been identified as part of the Capital Programme, which are partly due to increased costs of materials and challenges with the availability of labour. During the remainder of the year, budget / service managers, with finance team colleagues, will continue to monitor on a regular basis and any issues arising will be highlighted through the regular monitoring processes.

Should there be any impacts, on the in-year revenue budget in particular, it will be necessary to manage these from within existing resources and any overall Council underspend, as there are no specific reserves or contingencies for Brexit, aside from the following:

- £828k was allocated in the 2021/22 revenue budget for increased adult social care costs in relation to market stability, Covid recovery and Brexit;
- additional funds were set aside from the 20/21 underspend and added to the Council's 'general risk' reserve which could contribute towards this risk, amongst others. Details are included within the 2020/21 revenue budget outturn report.

Officers will continue to explore the possibilities of accessing the various grants that are being made available to public bodies in supporting the potential impact of the new arrangements. In addition, as part of the medium-term financial planning process, consideration will be given to any Brexit-related financial pressures that may need to be funded within the Council's budget.

It should be noted that both the distribution of the Winter Fuel Payments and oversight of the Community Renewal Fund will place an additional requirement upon the Council in terms of the administration and governance needed but this is fully funded through Welsh Government grant so there will be no adverse budgetary impact. In addition to this, an announcement was made at December's Cabinet meeting to contribute £100k to local community food banks and this will be funded through the overall Council underspend currently being forecast in 21/22.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report, which provides an update for Cabinet regarding the Council's Brexit preparations. The specific risks associated with the withdrawal have now been mitigated by the belated trade deal, subject to ratification by the member states. However, despite the agreement regarding no tariffs and quotas on imported and exported goods, there is still remaining uncertainty regarding the impact on other areas, such as services and data security. Any legal implications for existing contracts for supplies, services and care provision, data security matters and any regulatory enforcement issues, particularly in relation to port health, will be addressed once the details of the trade agreement are clarified and implemented in national legislation. Despite the non-imposition of tariffs and quotas, additional port health checks will be required in terms of certifying compliance with new Regulations. Environmental Health officers have now been trained to undertake import and export food health certificate checks, and this will have significant resource implications once the port activity increases. Local business advice and support is also being provided in relation to Brexit compliance. The UK Shared Prosperity Fund and the implementation of the Internal Markets legislation will have implications in terms of public sector contracts and procurement also equivalent state-aid, fair competition requirements.

Comments of Head of People and Business Change

The Council's Brexit Task and Finish officer group is continuing to monitor the people aspects of support required and regular updates will continue to be provided by finance, regulatory and other supporting services. The Council and its partners remain committed to support EU/EAA citizens as outlined in the Report.

Scrutiny Committees

The Council's Audit Committee receives regular risk register updates on the Council's Risk Register which includes the Brexit Risk.

Fairness and Equality Impact Assessment:

Not applicable as this is an information only report

Wellbeing for Future Generations

There is potential long-term impacts of post EU and single market Trade Negotiations which could affect the future demand on our services to provide the necessary support, advice and guidance. There may also be opportunities that could arise, and the Council will need to make preparations to accordingly. In preparation we have been working collaboratively across the Council and with our partners to make sure that our services to prevent any scenario where services are disrupted and to provide resilience across the City and to our local partners.

We have also been involving our stakeholders and where necessary providing the necessary advice and guidance to those that need our support. We will continue to monitor and report where necessary any impacts which Brexit could have on the delivery of our services.

Consultation

Not Applicable

Background Papers

Welsh Government website '[Preparing Wales to leave the EU](#)'

Welsh Local Government Association '[Brexit Website](#)'

Newport City Council's '[Brexit Webpage](#)'

Dated: 9th February 2022

Appendix 1 – Summary of ongoing Council Activity

Theme	Progress of Activity completed by Newport Council to 1 st February 2022
Social Services and Education	<ul style="list-style-type: none"> • Education Welfare Officers and schools were reminding parents to apply to EUSS prior to the deadline. In September Education Welfare Officers will be supporting schools to identify any pupils that have not returned to school as a result of returning to their home country. • All schools were reminded to inform EU families of the need to apply and offered further support from Newfield's Law who have been commissioned by Welsh Government to work within schools • The council has engaged Newport MIND to support all eligible children who are looked after to apply to the EUSS • Maindee Primary School collaborating with Compass to deliver a project supporting Roma children and their families to improve their understanding and knowledge of the Roma community, their history and traditions. This work is also supporting the identification of community leaders and influencers to support this work.
Policy and Partnership Team	<ul style="list-style-type: none"> • The Council received additional funding for 2021/22. This funding is being used to support two officers to support Migration work and additional work related to Brexit. • Remaining funding will be used to support services with any Brexit / Covid work in 2021/22.
Local Community (Community Cohesion) <ul style="list-style-type: none"> • EU Settled Status / EU communities • Food Poverty • Homelessness (EU Citizens) • Community cohesion 	<ul style="list-style-type: none"> • The Council continues to lead a city-wide food project network and has engaged with a range of foodbanks to assess current and expected demand over the winter period. Foodbanks report an increase in demand as a result of energy price rises and changes to Universal Credit as well as continued challenges associated with the pandemic. The council has committed £100,000 to support food projects to meet additional demand over the winter months. • The Connected Communities Team worked with local Hungarian, Polish, Czech, and Slovak communities in early December to celebrate St Nicholas Day. Community events across the city reached around 200 families who were signposted to appropriate support and received information on the EUSS. A community survey on perceptions of the city and council services was also distributed. • The work of our Community Cohesion officers continues to focus on post-Brexit rights and access to key services in the City for EU citizens • Complex migration cases continue to present to the council for support, and this is expected to continue • The council are aware of a growing number of EU and non-EU nationals who are finding themselves with no recourse to public funds as a result of EUSS outcomes, and the hidden demand for support which is at present masked by extended COVID duties which require LAs to house people with no recourse to public funds, as well as the current restrictions on private evictions. • We continue to provide free school meals to any family that is identified as having no recourse to public funds • Hardship Group has been established to consider complex migration cases and develop organisational policy in relation to NRPF • A weekly partnership drop in for EU communities continues to be co-ordinated and supported by the council • A bi-monthly EU Citizens forum continues to bring services providing support to EU citizens to maintain a cohesive response to emerging issues.

Theme	Progress of Activity completed by Newport Council to 1 st February 2022
	<ul style="list-style-type: none"> • Some delays with the construction of Social Housing Grant funded schemes developed in partnership with Housing Associations. Increased labour and material costs impacting the delivery of Disabled Facilities Grant Programme and possible impact on affordable housing in the city. • EU Community Grant Scheme launched and awarded 4 projects with funding • EU citizens' rights cards distributed to community venues across Newport

Mae'r dudalen hon yn wag yn

Report

Cabinet

Part 1

Date: 18 February 2022

Subject Cabinet Work Programme

Purpose To report and agree the details of the Cabinet's Work Programme.

Author Governance Team Leader/Cabinet Office Manager

Ward All Wards

Summary The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The current work programme runs to May 2022, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Proposal To agree the updated work programme.

Action by Cabinet Office Manager /Governance Team Leader

Timetable Immediate

This report was prepared after consultation with:

- Chief Officers
- Monitoring Officer
- Head of Finance
- Head of People and Business Change

Background

The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The Wales Audit Office's Corporate Assessment of Newport City Council, published in September 2013, highlighted the need to "strengthen committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up". Since that report was published, these monthly reports have been introduced to provide Cabinet with regular updates on its work programme, and the opportunity to comment upon and shape its priorities as an executive group. The Democratic Services team have also been working to improve the links between this and other work programmes under its management (e.g. Council, Scrutiny, Audit) to ensure the various programmes are properly coordinated.

The current work programme runs to May 2022, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Financial Summary

There is no direct cost to adopting a programme of work.

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?
No action taken	M	L	Work programming arrangements are in place to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.	Head of Democratic Services
The process is not embraced by report authors and members	M	M	If there is proliferation of unplanned or late items, the opportunity to ensure work programming is timely, meaningful, informative, and transparent, balanced, monitored, and joined up will diminish	Head of Democratic Services

Links to Council Policies and Priorities

These proposals will help the Council provide the best possible service to members and will provide information to the public and elected members.

Options Available and considered

- To adopt the process and adopt or amend the work programme
- To consider any alternative proposals raised by Cabinet members
- To take no action

Preferred Option and Why

To adopt the proposals which should help to ensure work programming arrangements are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

Comments of Chief Financial Officer

There are no financial implications in adopting a programme of work.

Comments of Monitoring Officer

There are no legal implications in adopting a programme of work.

Staffing Implications: Comments of Head of People and Business Change

There are no specific staffing implications in adopting a programme of work.

Comments of Cabinet Member

The Chair has approved the report for consideration by cabinet.

Local issues

There are no local issues as this report relates to the Council's processes

Scrutiny Committees

Monthly update reports allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny team and Members are currently developing new ways of working through the new Committees, and continually reviewing the work programmes to focus more on risk, and ensure all scrutiny activity has a defined purpose and constructive outcome.

Equalities Impact Assessment and the Equalities Act 2010

This does not apply to this procedural report.

Children and Families (Wales) Measure

This procedural report does not impact on Children and Young People although certain reports contained in the programme may do and will need appropriate consultation and comment when they are presented to cabinet.

Wellbeing of Future Generations (Wales) Act 2015

This is a procedural report but reports contained within the programme will need to show how consideration has been given to the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act.

Crime and Disorder Act 1998

This does not apply to this procedural report

Consultation

As set out above

Background Papers

[Newport City Council Corporate Assessment](#), Wales Audit Office (September 2013)

[Newport City Council – Corporate Assessment Follow Up 2015](#), Wales Audit Office (May 2015)

Dated: 26 January 2022

Tudalen 317

Mae'r dudalen hon yn wag yn

Cabinet

Work Programme: June 2021 to May 2022

Meeting	Agenda Items	Lead Officer
Cabinet 02/06/21	<ul style="list-style-type: none"> ▪ School Reorganisation Proposal to Expand Bassaleg School ▪ Corporate Risk Register Update (Q4) ▪ Welsh Language Annual Report ▪ Levelling Up Fund ▪ UK Community Renewals Fund ▪ Covid Update Report ▪ Brexit Update Report ▪ Work Programme 	<ul style="list-style-type: none"> ▪ CEdO ▪ HP&BC ▪ HP&BC ▪ HRIH ▪ HP&BC ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Council 29/06/21	<ul style="list-style-type: none"> ▪ Council Appointments ▪ Management Restructure Report ▪ PSPO 	<ul style="list-style-type: none"> ▪ DSM ▪ CX ▪ HL&R
Cabinet 07/07/21	<ul style="list-style-type: none"> ▪ 2020/21 Treasury Management Year End Report ▪ 2020/21 Revenue Budget Outturn ▪ 2020/21 Capital Outturn and Additions ▪ Responding to the New Normal Report ▪ MIM Strategic Partnership Agreement ▪ Covid Update Report ▪ Brexit Update Report ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ HoF ▪ HP&BC ▪ CEdO ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Council 20/07/21	<ul style="list-style-type: none"> ▪ Council Appointments ▪ 2020/21 Treasury Management Year End Report ▪ Regional PSB Report 	<ul style="list-style-type: none"> ▪ DSM ▪ HoF ▪ HP&BC
Cabinet 08/09/21	<ul style="list-style-type: none"> ▪ Revenue Budget Monitor ▪ Capital Budget Monitor ▪ Corporate Risk Register Update (Quarter 1) ▪ Annual Safeguarding Report ▪ Covid Update Report ▪ Brexit Update Report ▪ PSB Summary of Business ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ HP&BC ▪ SD People ▪ CX/HP&BC ▪ CX/HP&BC ▪ HP&BC ▪ GTL
Council 28/09/21	<ul style="list-style-type: none"> ▪ Council Appointments ▪ Scrutiny Annual Report 	<ul style="list-style-type: none"> ▪ DSM ▪ HL&R
Cabinet 13/10/21	<ul style="list-style-type: none"> ▪ Corporate Plan Annual Report ▪ Replacement LDP – Feedback on Integrated Sustainability Appraisal and proposed next steps ▪ Strategic Equality Plan Annual Report ▪ Covid Update Report 	<ul style="list-style-type: none"> ▪ HP&BC ▪ HRIH ▪ HP&BC ▪ CX/HP&BC

	<ul style="list-style-type: none"> ▪ Brexit Update Report ▪ PSB Summary of Business ▪ Work Programme 	<ul style="list-style-type: none"> ▪ CX/HP&BC ▪ HP&BC ▪ GTL
Cabinet 10/11/21	<ul style="list-style-type: none"> ▪ Revenue Budget Monitor ▪ Capital Budget Monitor and Additions ▪ Annual Report on Compliments, Comments and Complaints Management 2020 ▪ Covid Update Report ▪ Brexit Update Report ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ Customer Services Mgr ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Council 23/11/21	<ul style="list-style-type: none"> ▪ Council Appointments ▪ City Centre PSPO ▪ Strategic Equality Plan Annual Report ▪ Democratic Services Annual Report ▪ Standards Committee Annual Report 	<ul style="list-style-type: none"> ▪ DSM ▪ HL&R ▪ HP&BC ▪ HL&S ▪ HL&S
Cabinet 15/12/21	<ul style="list-style-type: none"> ▪ Treasury Management Report ▪ Corporate Risk Register Update (Quarter 2) ▪ AW Certificate of Compliance ▪ New Normal Report ▪ Director of Social Services Annual Report ▪ Covid Update Report ▪ Brexit Update Report ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HP&BC ▪ HP&BC ▪ HP&BC ▪ SD - People ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Cabinet 14/01/22	<p><u>Budget:</u></p> <ul style="list-style-type: none"> ▪ 2022/23 Revenue Draft Budget and MTFP: Final Proposals ▪ Revenue Budget Monitor ▪ Capital Budget Monitor ▪ Welsh National TOMs for Social Value ▪ Mid-Year Performance Analysis 2020/21 ▪ Update report on CCR/CJC working arrangements ▪ Welsh in Education Strategic Plan – 2021/2025 ▪ Brexit Update ▪ Covid Recovery ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ HoF ▪ HoF ▪ HP&BC ▪ CX/SDT&C/HL&R/ HoF/PPIM ▪ CEo ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Council 25/01/22	<ul style="list-style-type: none"> ▪ Council Appointments ▪ 2021/22 Treasury Management 6 monthly report ▪ Council Tax Reduction Scheme ▪ Director of Social Services Annual Report ▪ Gambling Act 2005 – Statement of Principles ▪ Schedule of Meetings 2022/23 ▪ Mayoral Nomination 2022/23 	<ul style="list-style-type: none"> ▪ DSM ▪ HoF ▪ HCS ▪ SD – People ▪ HL&S ▪ GTL ▪ GTL

Cabinet 18/02/22	<ul style="list-style-type: none"> ▪ 2022/23 Capital Strategy and Treasury Management Strategy ▪ 2022/23 Revenue Final Budget and MTFP: Final Proposals ▪ Verified Key Stage 4 and 5 Pupil Outcomes ▪ 21st Century Schools - deferred ▪ Welsh Language Five Year Strategy ▪ Western Gateway ▪ Covid Recovery Update ▪ Brexit Update ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ CEoO ▪ CEoO ▪ HP&BC ▪ HRIH ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Council 01/03/22	<u>Budget:</u> <ul style="list-style-type: none"> ▪ Council Appointments ▪ 2022/23 Council Tax and Budget ▪ 2022/23 Capital Strategy and Treasury Management Strategy ▪ National Non-Domestic Rates: Discretionary Relief: High Street Relief Scheme 2022-23 ▪ Welsh Language Five Year Strategy ▪ Climate Change Strategy ▪ Regional Population Needs Assessment – Social Services and Wellbeing Act 	<ul style="list-style-type: none"> ▪ DSM ▪ HoF ▪ HoF ▪ HoF ▪ HP&BC ▪ HP&BC ▪ SD - SS
Cabinet 09/03/22	<ul style="list-style-type: none"> ▪ Pay and Reward Statement 2022/23 ▪ EAS Business Plan 2020/21 ▪ Band B SOP ▪ Revisions to the SEW EAS Collaboration and Members Agreement (the CAMA) ▪ Corporate Risk Register Update (Quarter 3) ▪ Climate Change Plan ▪ Covid Recovery Update ▪ Brexit Update ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HP&BC ▪ CEoO ▪ CEoO ▪ CEoO ▪ HP&BC ▪ HP&BC/D E&S ▪ CX/HP&BC ▪ CX/HP&BC ▪ GTL
Cabinet 06/04/22	<ul style="list-style-type: none"> ▪ Annual Corporate Safeguarding Report ▪ Replacement LDP Feedback on Growth Options and Vision/Objectives ▪ Covid Recovery Update ▪ Brexit Update ▪ PSB Summary Document (for information/awareness) ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HC&YPS ▪ HRIH ▪ CX/HP&BC ▪ CX/HP&BC ▪ For info ▪ GTL
Council 26/04/22	<ul style="list-style-type: none"> ▪ Council Appointments ▪ Pay and Reward Statement 21/22 	<ul style="list-style-type: none"> ▪ DSM ▪ HP&BC
May 2022	Local Elections	
Council 17/05/22	<u>AGM:</u> <ul style="list-style-type: none"> ▪ Council Appointments ▪ IRP Annual Report 	<ul style="list-style-type: none"> ▪ DSM ▪ HL&R

Mae'r dudalen hon yn wag yn