

# Agenda



## Pwyllgor Rheoli Trosolwg a Chraffu

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Dyddiad: Dydd Gwener, 4 Chwefror 2022

Amser: 10.00 am

Lleoliad: Virtual Meeting

At: Cynghorwyr: L Lacey (Cadeirydd), P Hourahine, M Al-Nuaimi, Y Forsey, C Ferris, M Evans and F Hussain

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Eitem	Wardiau Dan Sylw
1	<u>Ymddiheuriadau</u>
2	<u>Datganiadau o ddiddordeb</u>
3	<u>Cofnodion y Cyfarfod Diwethaf</u> (Tudalennau 3 - 8)
4	<u>Cyllideb 2022-23 a Chynllun Ariannol Tymor Canolig</u> (Tudalennau 9 - 56)
5	<u>Casgliad Adroddiadau Pwyllgorau</u> Following the completion of the Committee reports, the Committee will be asked to formalise its conclusions, recommendations and comments on previous items for actioning.
6	<u>Adroddiad Cynghorydd Craffu</u> (Tudalennau 57 - 62) <ul style="list-style-type: none"><li>a) Forward Work Programme Update (<b>Appendix 1</b>)</li><li>b) Actions Arising (<b>Appendix 2</b>)</li><li>c) Information Reports (<b>Appendix 3</b>)</li></ul>

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Digwyddiad Byw

[To watch the live meeting please click here](#)

# Draft Minutes

## Overview and Scrutiny Management Committee

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Date: 21<sup>st</sup> January 2022

Time: 10am

Venue: Microsoft Teams Meeting

Present: Councillors L Lacey (Chair), P Hourahine, M Al-Nuaimi, Y Forsey, C Ferris, M Evans, Rhys Cornwall (Strategic Director for Transformation and Corporate), Joanne Gossage (Service Manager Environment and Leisure), Heather Powell (Connected Communities Manager), Hywel Jones (Language Policy Officer), Connor Hall (Scrutiny Officer), Anne Jenkins (Governance Team Leader), Samantha Schanzer (Governance Support Officer)

Apologies: Jennie Judd, Cllr Hussain

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### 1. Apologies for Absence

Jennie Judd and Councillor Hussain.

### 2. Declarations of Interest

None.

### 3. Minutes of the Previous Meeting: held 29<sup>th</sup> October 2021

The committee asked that the Cllr C Evans be named on page 3 to avoid confusion.

The minutes of the previous meeting held 29<sup>th</sup> October 2021 were **accepted as a true and accurate record**.

### 4. Welsh Language 5 Year Strategy

#### Invitees:

Rhys Cornwall – Strategic Director for Transformation and Corporate

Heather Powell – Connected Communities Manager

Hywel Jones – Language Policy Officer

The Strategic Director introduced the report.

The Strategic Director informed committee that it was now out of the consultation phase but that they were still taking comments.

The Strategic Director informed committee that the timeline for the report was for it to go to Cabinet in February and Council in March.

The Connected Communities Manager noted that there were some specific regulations required under the current standards including a target for growth in Welsh speakers in Newport, which aligned with the Welsh and Education Strategic Plan. The Connected Communities Manager informed committee that these centred around 3 strategic themes – education, visibility and engagement. The Connected Communities Manager informed committee that this was out for consultation, being sent to Welsh language partners and live on the Newport City website on Monday. The Connected Communities Manager highlighted that a reception survey had also been taken over the summer.

### **Questions:**

A comment was made on the lack of Welsh used in the report

Did the demand for Welsh schools meet up with the provision of places?

- The Language Policy Officer informed committee that there had been a planning and school places meeting the previous day and this was a long standing item on its agenda. At present, they were just under prescribed in primary, but provision would be there until 2032, though was being reviewed on an ongoing basis.
- The Language Policy Officer informed committee that they were trying to increase uptake for the new Welsh language school in Pillgwenlly.

What costs were incurred through translation and other Welsh Language initiatives?

- The Strategic Director informed committee that they would be happy to provide actual figures for this.
- The Strategic Director informed committee that when they were originally given the Welsh Language Standards that applied to Newport, part of the process of consultation with the Local Authority was around the proportion of the costs of implementing some of those standards, primarily regarding translation costs. The Strategic Director informed committee that the current budget for translation was £101,100 per year and was the bulk of the cost associated with the implementation of these standards. The Strategic Director informed committee that this doesn't consider any development of Welsh education provision as that is included in the Education Capital Programme for schools. The Strategic Director informed committee that other costs included provision for the Language Policy Officer and a Promotion Officer for the Welsh language.

- The Strategic Director informed committee that there was work being undertaken to recruit more Welsh speaking staff and to encourage staff to learn Welsh.
- The Connected Communities Manager felt that the wording of the question relating to the statistics on Welsh speakers in Newport and the contact centre's engagement with Welsh speakers could be reworked.

What were the plans to increase visibility, engagement, and employment for Welsh speakers?

- The Connected Communities Manager highlighted the need to increase visibility within the Council despite current standards ensuring translation of documents, dual language email signatures and out of office messages etc. The Connected Communities Manager also noted that there was also a need to increase visibility outside of the council for members of the community to interact with the Welsh language outside of settings they would expect to see Welsh used such as schools and colleges. The Connected Communities Manager informed committee that they were focused on looking at community partnerships that were not traditionally Welsh language partners to encourage this. The Connected Communities Manager cited the Newport Gwent Dragons were going to offer bilingual match programmes and increase Welsh language visibility on match days as a step to encourage Welsh in less formal settings.
- The Language Policy Officer noted that the work being done was to increase visibility of Welsh within the community. The Language Policy Officer noted that there were two strands to their approach in addressing skills and employment; internally where staff would be encouraged to learn and use Welsh within the Council, how to employ more Welsh speakers into the council, and increasing visibility of Welsh within the Council. The Language Policy Officer noted that the other strand was working with the Right Skills Board and public sector partners to increase the Welsh language as a skill. The Language Policy Officer informed committee that this would tie in with the Welsh Education Strategic Plan promoting it within all schools, not just Welsh speaking schools. The Language Policy Officer informed committee that a small group that would report back to the Welsh Service Board. The Language Policy Officer also hoped that there would be a resulting standardised way of measuring skills in Welsh.
- The committee member asked for an explanation regarding work done for the private sector.
- The Language Policy Officer informed committee that the private sector aren't subject to the same standards, but that they were working to incentivise them.

## **5. Parks – Dog Control PSPO**

### **Invitees:**

Joanne Gossage (Service Manager Environment and Leisure)

The Service Manager introduced the report. The Service Manager noted that the report had been amended and that they had engaged with stakeholders regarding the amended report and were able to construct a comprehensive consultation exercise. The Service Manager explained that banners and notices had been produced and the consultation exercise had been linked through social media and the Newport City Council website. The Service Manager informed committee that the report would be shown to Cabinet Members before being brought back to the committee.

The Service Manager informed committee that over 3000 people viewed the PSPO page and there was engagement from all wards in city.

A committee member noted that there had been a good number of responses and commended the team for using such a varied approach to collecting consultation feedback.

### **Questions:**

In what way would the PSPO be enforced?

Are there plenty of bins available for dog walkers to place waste in?

- The Service Manager noted the purpose of the PSPO was not to be draconian. The Service Manager felt that the phrasing used within the order would be used to dissuade people from certain activities and become self-policing to an extent. The Service Manager felt that measures should be proportionate and only increase in severity when absolutely necessary.
- The committee member asked whether there was staff to enforce the order.
- The Service Manager informed committee that softer measures were for Council officers to enforce, whereas persistent problems could be referred to Community Safety Wardens, Dog Wardens or the Police to monitor those problems.
- The committee member asked whether there would be on the spot fines.
- The Service Manager confirmed that there would be.

How would the service area recommend the public report violations of the order?

- The Service Manager informed committee that if the order was successful, provision would be made within the existing website and contact centre to report issues.

Whether signage would be erected to inform the public of the order?

- The Service Manager confirmed that it was being formally advertised in all park spaces.

How should residents report dog bites?

- The Service Manager confirmed it was a police matter.

Would there be any further provision of waste bins?

- The Service Manager informed committee that they had reviewed this and placed more bins on sites as they had had additional funding from the Welsh Government. The Service Manager encouraged committee to inform her if there were any specific sites they wished the team to review for bin provision.

If too many pitches were being marked out?

- The Service Manager informed committee that pitches are booked within sports seasons through an existing system with Newport Live. The Service Manager appreciated that sometimes booked events are called off or rescheduled but that they only marked pitches as per diary bookings and for the benefit of the public.

Whether the bins being installed were general use or specifically dog waste bins?

- The Service Manager confirmed that most bins are general use.

What was being done regarding dogs on cycle paths?

- The Service Manager informed committee that cycleways are all shared use unless on a dedicated highway and that pedestrians had right of way over bicycles.
- The committee member agreed that all parties should be mindful but felt that dogs were unpredictable and provision for dogs being on leads on some paths would be beneficial.
- The Service Manager explained that the onus was on the owner to control the dog when using shared routes or highways and did not feel that there should be restrictions placed on owners to have dogs on leads. The Service Manager informed committee that there was signage to encourage responsibility.

## **6. Conclusion of Committee Reports**

### **Welsh Language Strategy**

- Committee would like accurate costing figures on all aspects of the Welsh Language Strategy.
- Committee would like the statistics as to number of Welsh speakers and how many are accessing Contact Centre through the medium of Welsh clarified.
- The Committee recommended that more of the report be written in Welsh to reflect its content.

### **Parks PSPO**

- The use of social media and the number of responses were praised by the Committee.

For both reports, the committee were overall very happy with the content, format and clarity of the reports.



# Scrutiny Report

## Overview and Scrutiny Management Committee

### Part 1

Date: 4<sup>th</sup> February 2022

### Subject 2022/23 Budget and Medium Term Financial Projections

Author Scrutiny Adviser

The following have been invited to attend for this item:

Role / Areas of responsibility	Lead Officer
Budget Overview and Process	Meirion Rushworth, Head of Finance
Budget Public Engagement	Rhys Cornwall, Strategic Director

## Section A – Committee Guidance and Recommendations

### 1 Recommendations to the Committee

The Committee is asked to:

- (i) Consider:
  - the process undertaken for this year's Draft budget proposals;
  - the public engagement undertaken for this year's Draft budget proposals;
- (ii) Determine if it wishes to make any comments on the budget process or the public engagement to the Cabinet;
- (iii) Endorse the comments made by the Performance Scrutiny Committee – People, and Performance Scrutiny Committee – Place and Corporate to be forwarded to the Cabinet.

### 2 Context

- 2.1 In accordance with the Council's Constitution, the Cabinet is required to consult on the proposals, before recommending an overall budget and required council tax to the Council for approval in February. Scrutiny Committees must be consulted as part of this process. The timetable for the consultation on the budget is as follows:

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

### Structure of Scrutiny of the Budget Proposals

- 2.2 Each Committee will meet to discuss the budget proposals in detail and formulate comments relating to their portfolio:

Committee	Date	Role
Performance Scrutiny Committee - Place and Corporate	24 January 2022	Savings proposals within the Place and Corporate Service Areas
Performance Scrutiny Committee - People	25 January 2022	Savings proposal within the People Service Areas
Overview and Scrutiny Management Committee	4 February 2022	<ul style="list-style-type: none"> <li>• Coordination of comments from all Scrutiny Committees</li> <li>• Comments on the budget process</li> <li>• Comments on public engagement</li> </ul>

- 2.3 The Cabinet approved the following Draft 2022-23 Budget proposals for consultation at the meeting held on 14 January 2022:
- The budget investment proposals in Appendix 1 (summary table)
  - The proposed increases to fees and charges in Appendix 4 of the Cabinet Report.
  - **The proposed school funding position for 2022/23 in Section 3, paragraphs 3.11 to 3.18.** (A link to the full Cabinet Report and Appendices is provided, in Section 7 of this report.)
- 2.4 The draft proposals have been considered by the relevant Scrutiny Committees as per the schedule in paragraph 2.2 above. Recommendations from the Place and Corporate Committee on 24 January and the People Committee on 25 January are being reported to this Committee Meeting.
- 2.5 The role of the Overview and Scrutiny Management Committee is to coordinate the comments from Scrutiny to ensure that there are no overlaps in what is being recommended, and ensure that scrutiny as a whole provides a cohesive and consistent response to Cabinet.
- 2.6 **The Committee also has overall responsibility for comments on the budget process and public engagement, and may wish to draw out key themes from the two Scrutiny Committees' comments to highlight any overarching issues on the budget to the Cabinet.**

### 3 Information Submitted to the Committee

3.1 The following information is attached for the Committee's consideration:

**Appendix 1** - Cabinet Report – 2022-23 Budget and Medium Term Financial Projections

**Appendix 2** - Comments from the Performance Scrutiny Committee - Place and Corporate

**Appendix 3** - Comments from the Performance Scrutiny Committee - People

3.2 **The Cabinet report (Appendix 1) contains background information on the budget setting process, financial planning assumptions as well as outlining the budget process and planned consultation. This is the focus of the Overview and Scrutiny Management Committee's consideration of the budget.**

### 4. Suggested Areas of Focus

#### Role of the Committee

**The role of the Committee in considering the report is to:**

- **Assess and make comment** on the overall budget process and public engagement:
  - Is there evidence of links to the Corporate Plan and a strategic long term approach to budget;
  - Fairness and Equalities Impact Assessments – have these been completed consistently and used to develop the proposals?
  - Whether the Wellbeing of Future Generations (Wales) Act Sustainable Development Principle has been considered in the proposals in terms of the need for long term thinking and planning?
  - Approach to public engagement - is there a cohesive and consistent approach demonstrated to how the public have been involved and consulted on the proposals.
- **Conclusions:**
  - Determine comments / recommendations to Cabinet upon:
    - Budget process;
    - Public Engagement;
    - Fairness and Equality Impact Assessments;
    - Wellbeing of Future Generations Act.
    - Any overarching issues emerging from the two Performance Scrutiny Committee meetings.
  - Agree to forward the comments of the two performance Scrutiny Committees to the Cabinet on the specific Budget proposals.

#### Suggested Lines of Enquiry

- 4.1 Councillors have a fundamental democratic right to commission financial information and provide challenge to executives and officers about finances. Scrutiny councillors are not expected to be financial experts, but they have a key role in ensuring **accountability** and **value for money** are demonstrated to the public.
- 4.2 The following has been adapted from Section 3.1-3.4: Source: Grant Thornton – Local Government Financial Resilience Review 2012 ("Towards a tipping point?") to provide examples of the questioning and lines of enquiry that the Committee may wish to consider:

<b>Links to Strategic Planning</b>	How does the proposal contribute to the achieving corporate priorities?
	How do these proposals fit into an overall budget strategy / what is the long-term approach to budget at the Council?
<b>Fairness and Equalities Impact Assessments</b>	Have these been completed? Is there a consistent approach to competing FEIAs and have they been used to inform the proposals?
	Have any impacts identified within the FEIA been considered within the business case?
<b>Public Consultation</b>	How has the public been consulted on the budget proposals?
	Has there been a consistent approach to public engagement and involvement upon this year's budget proposals?

#### **Wellbeing of Future Generation (Wales) Act**

- 4.3 The Committee's consideration of this report should consider to the extent the five ways of working are being considered in the budget process and public engagement. Below are examples of the types of questions to consider:

5 Ways of Working	Types of Questions to consider:
<b>Long-term</b> The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.	What consideration have you given to the long-term trends that could affect your budget process and public engagement?
	How will the needs of the citizens of Newport potentially change in the future?
<b>Prevention</b> Prevent problems occurring or getting worse.	How are you addressing these issues to prevent a future problem?
	How have the decisions, so far, come about? What alternatives were considered?
<b>Integration</b> Considering how public bodies' wellbeing objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.	Have you consulted with the health board, third sector, emergency services, businesses and anyone else you think might be impacted?
	What practical steps will you take to integrate your project with existing plans and strategies of other public organisations to help us all contribute fully to the seven national well-being goals?
<b>Collaboration</b> Acting in collaboration with any other person (or different parts of the organisation itself).	Who have you been working with? Why? Who have you collaborated with in finding out more about this problem and potential solutions?
	How are you co-working with other sectors?
	How are you using the knowledge / information / good practice of others to inform / influence the Council's work?

<b>Involvement</b>  The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area, which the body serves.	How have you involved the people who are being impacted by this decision?
	How have you taken into account the diverse communities in your decision-making?
	How have you used different / alternative methods to reach people and involve them?
	How will you communicate the outcome of your decision?

## Section B – Supporting Information

### 5. Further Guidance on the Scrutiny Role

- 5.1 The information in the following section has been taken and adapted from the CfPS / Grant Thornton Finance Scrutiny Guide (pdf) published in June 2014. The extracts reproduced here focus predominantly on Councillors' role in the annual budget setting process.
- 5.2 For further information, Members are invited to read the publication, which includes more detail about scrutiny's role in financial planning and management, as well as case studies and best practice examples. *(A link to the publication is provided in Section 7 of this report.)*

### Understanding Roles and Responsibilities

- 5.3 Councillors and officers have a collective and individual responsibility for ensuring that a council's finances are effectively managed. Within the Annual Budget process:

<b>Council</b>	Agrees the policy and budget framework.
<b>Cabinet/Executive</b>	<p>Cabinet agrees a series of proposals for public consultation, which form the draft budget proposals. Scrutiny must be consulted as part of this process.</p> <p>Responsible for proposing the policy and budget framework and key strategies, including the MTFP and annual budget. It has power to take all executive decisions within the policy and budget framework agreed by the Council.</p>
<b>Scrutiny Chairs</b>	<p>The Chair should encourage all scrutiny councillors to take a full part in scrutiny, including taking part in any agreed work outside of the formal meetings.</p> <p>Focus the Committee on their role in providing constructive challenge as a consultee in the budget process.</p>
<b>Scrutiny Councillors</b>	<p>The role of scrutiny councillors is to review policy and challenge whether the executive is making the right decisions to deliver policy goals and achieve Council's agreed objectives. Their role comprises</p> <ul style="list-style-type: none"> <li>Providing constructive challenge on the draft budget proposals and ensure that properly costed policy and budget proposals are implemented.</li> </ul>

	<ul style="list-style-type: none"> <li>Monitoring the service and financial performance of the council and its partners and examining the impact and implementation of cabinet decisions and policies</li> <li>Holding the council leader, cabinet and senior officers to account in how effectively they deliver a balanced budget.</li> </ul>
<b>Heads of Service</b>	<p>Within the policy and budget framework and decisions taken by executives, Chief Executives, Chief Finance Officers and Monitoring Officers have key responsibilities for the way Councils are run in terms of compliance with legal duties.</p> <p>Section 151 of the Local Government Act sets out requirements to prepare a prudent and balanced annual budget including maintaining reasonable levels of reserves and the role of the Head of Finance (as the designated 151 Officer) within this. Other members of the corporate management team are responsible for administering annual service budgets.</p>
<b>Finance Professionals</b>	<p>Such as auditors and accountants, should identify how financial planning and management processes can ensure time and space for scrutiny to add value and make a difference.</p>

#### **Fairness and Equalities Impact Assessment (FEIAs)**

5.5 - 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.

## 6 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 saving proposals and protects the financial health of the Council. Scrutiny should seek to ensure that the MTFP and Draft budget proposals contribute to this aim:

Well-being Objectives	Promote economic growth and regeneration whilst protecting the environment	Improve skills, educational outcomes & employment opportunities	Enable people to be healthy, independent & resilient	Build cohesive & sustainable communities
Corporate Plan Commitments	Thriving City	Aspirational People		Resilient Communities
Supporting Function	Modernised Council			

## 7. **Background Papers**

- [Cabinet Report – 2022/23 Budget and Medium Term financial Projections \(MTFP\) 14 January 2022](#) including report appendices:
  - Appendix 1 Budget investments
  - Appendix 2 Budget savings previously approved
  - Appendix 3 Demand models for social care
  - Appendix 4 Fees & charges for consultation
  - Appendix 5 Financial resilience 'snapshot'
  - Appendix 6 Medium term financial projections
  - Appendix 7 Projected earmarked reserves
  - Appendix 8 Corporate risk register summary - Quarter 2
- [CfPS / Grant Thornton Guidance– “Raising the Stakes: financial scrutiny in challenging times”](#) including references to: Grant Thornton – Local Government Financial Resilience Review 2012 (“Towards a tipping point?”)
- [The Essentials – Well-being of Future Generation \(Wales\) Act](#)
- [Corporate Plan 2017-22](#)

Report Completed: 4 February 2022

Mae'r dudalen hon yn wag yn



## **APPENDIX 1**

Mae'r dudalen hon yn wag yn

# Report

## Cabinet

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### Part 1

Date: 14 January 2022

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

**Purpose** To highlight key issues affecting the development of the Council's 2022/23 budget and Medium Term Financial Plan (MTFP) and present the draft proposals for the 2022/23 budget. Cabinet are asked to agree the proposals in order to commence the budget consultation process for this year. Consultation results will be reported back to Cabinet in February 2022, when Cabinet will agree a final budget and recommend the corresponding council tax level to full Council.

**Author** Head of Finance

**Ward** All

**Summary** This report presents the draft budget proposals for 2022/23 and the key priorities for investment which the better-than-expected settlement provides, namely:

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

The Council received details of its draft 'Revenue Support Grant' (RSG) on 21 December and therefore was only able to work through final details of the draft budget after this time. The result of that is a slightly later start to budget consultation but the remaining budget-setting timetable has been adjusted to maximise the time available for consultation and residents, service users and stakeholders, such as the independent Fairness Commission, will have four full weeks to take part in the consultation.

Details of the budget are shown within this report and in contrast to previous years there are no new savings proposals for consultation at this stage. The report, along with the appendices, set out the draft budget pressures / investments and increase in local council tax, which are the key elements of the proposed budget to ensure it is sustainable and able to maintain and develop key services for the city and its residents.

A 'balance in hand' is still shown and is unavoidable due to the late settlement, further work is on-going to identify appropriate budget choices within the key priorities shown above, to include and dovetail the use of the current year's underspends in those areas and other investments for the city and manage the risk to the Council's finances from on-going pandemic impacts.

Section:

- 1 Background
- 2 Setting the budget
- 3 Financial planning assumptions
- 4 Budget savings
- 5 Budget process and consultation
- 6 Risk, financial resilience, and performance
- 7 Report review and statutory comments

## Appendix:

Appendix 1	Budget investments
Appendix 2	Budget savings previously approved
Appendix 3	Demand models for social care
Appendix 4	Fees & charges for consultation
Appendix 5	Financial resilience 'snapshot'
Appendix 6	Medium term financial projections
Appendix 7	Projected earmarked reserves
Appendix 8	Corporate risk register summary - Quarter 2

## Proposal

### 1. Cabinet agrees 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 will fully fund the planning assumption on teacher's pay @ 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% is proposed and will be held centrally until confirmation of the pay award is received. Cabinet agrees to confirm and finalise this when there is certainty with the intention of retaining the objective described above in fully funding the September pay increase, within the funding provision available.

### 2. Cabinet notes:

- 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 will be subject to ongoing review and updates between now and the February Cabinet when the final budget is agreed.
- vi) The medium term financial projections, assumptions contained within and that projections contain 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.
- viii) Further work is required to specifically review and manage the financial impacts of some key risks in 2022/23, such as Covid related costs and income losses.

**Action by** Chief Executive / Senior Leadership Team/ Heads of Service

**Timetable** Immediate:

Decisions subject to consultation include investments set out in Appendix 1, fees and charges, and schools funding position. These, along with the proposed council tax increase will form the basis of the consultation process.

This report was prepared after consultation with:

- Cabinet Member for Community & Resources
- Chief Executive
- Strategic Directors
- Head of Finance
- Head of Law and Regulation
- Head of People and Business Change

**Signed**

# 1 Background

- 1.1 The medium-term financial plan (MTFP) included within the Council's 2021/22 budget report identified a potential budget gap of £2.5 million (m) in 2022/23 and almost £9m over the period 2022/23 to 2024/25. This report provides an update to these, in particular on the key planning assumptions made over the medium term, the 2022/23 and medium-term budget proposals and associated timetable. It highlights considerations directly associated with the coronavirus pandemic; the respective financial planning implications that will need to be kept under close review as well as an assessment of the Council's financial resilience given the continued challenges the Council faces in these unprecedented times.
- 1.2 The external considerations impacting on the Council are a key factor in the overall approach to financial planning within the organisation. From an economic context, the pandemic has had a significant impact both globally and at a UK level.
- 1.3 The Covid 19 pandemic and associated public health measures have had significant financial implications on the Council, both in terms of additional costs and loss of income. In 2021/22, the Welsh Government (WG) continued with the Covid 19 Hardship Fund to support local authorities in managing additional costs, or lost income, due to the pandemic. In addition to this, hypothecated grants were available to fund specific WG policies such as the provision of free school meals during school holidays and support to business. The Hardship Fund mentioned above will end in March 2022 and this creates a potential financial risk to the Council's budget in 2022/23 as some residual impacts, on both additional costs and income losses will still likely exist and could well be permanent in some respects.
- 1.4 The budget preparations continue to present a distinct set of challenges building on the unprecedented circumstances of the last few years. These preparations have been shaped and impacted by the ongoing response to the COVID 19 pandemic, the repercussions of the UK's exit from the European Union (EU), tackling inequality and the urgent need to continue to respond to the climate and nature emergency.
- 1.5 The demands that face the Council, not only in the context of the pandemic, have a key impact on financial planning. Despite the challenges over the last two years the Council continues to provide over 800 services, for over 158,000 people, living in over 69,000 households. Newport's population continues to grow and increasing demand and pressure for services means that the Council continues to face financial challenges in both the short and longer term, namely:
- increasing inflationary costs e.g., contracts and pay;
  - costs of funding the Council's increasing levels of planned debt, linked to its substantial capital programme in its commitment to improving the city and its infrastructure plus the reduction in its 'internal borrowing' capacity which is currently 'dampening down' the real cost of borrowing.
  - increasing demand for services and therefore costs. These stem from demographic and societal changes and are most acute in the larger budget areas of social services and education.
  - local government funding in Newport sees the 'Revenue Support Grant (RSG)' funding over 75% of its net budget. Funding is therefore controlled largely outside of the Council's influence, resulting in a disconnect from its own spending pressures, requirement, and priorities.
  - a historically low relative council tax level.
- 1.6 In addition, 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 and the MTFP as appropriate.
- 1.7 The Council has made savings of over £30m over the last 5 years and in order to achieve this has supported people to live independently, rationalised the Council's estate, invested in

prevention and early intervention and seen a significant reduction in the number of staff, supported by digitalisation and automation of processes.

- 1.8 The Council's Corporate Risk register monitors the risks that may prevent the Council from achieving its Corporate Plan or delivering services to its communities and service users within Newport. Key risks include the Council infrastructure, stability of key suppliers and organisational capacity – the details of these are included within Appendix 8.

## **2 Setting the budget**

- 2.1 This section outlines the key contextual areas and events, which influence the Council's medium term financial planning and within that, next year's budget. This year has brought some new and significant challenges over and above previous years, the future year impact of which is currently unknown but could well be significant. 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 UK national context coming out of the annual spending review and what that meant for WG funding for 2022/23.
- the local, Newport City Council, context given the draft RSG funding which was confirmed on the 21 December, and which included a multi-year funding settlement which now brings a reasonable level of certainty, helping to improve long term planning.
- the Council Corporate Plan, which drives priorities. These factors are explained in more detail below.

- 2.2 There are two main elements to the Council's financial planning:

- strategic planning; the MTFP
- within that, the annual Council budget.

- 2.3 The Council reviews its budgetary position regularly and produces a rolling three-to-four-year plan known as the medium term financial plan (MTFP). This plan considers the financial climate at both the local and national level together with forecast available resources and budgetary pressures in arriving at a financial strategy. Importantly, it is linked to the Council's Corporate Plan to ensure that key priorities are funded, where additional funding is required. The Council is required by law to set a balanced budget every year. For over a decade, councils across Wales have faced continued financial pressures, therefore meaning that savings were needed to be found to meet the funding gap between the funding available (RSG grant and local council tax), and expenditure on the wide variety of services provided.

- 2.4 In putting together the budget proposals each year 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.

- 2.5 Although additional new savings are not identified in this draft budget to balance the overall budget in 2022/23, Cabinet will keep this under consideration and also keep the medium-term position in mind, and in February will approve the new medium-term investments/savings over the life of the MTFP, to be added to those already approved / in progress.

### **Economic Context**

- 2.6 The outlook for the Welsh budget has been transformed over recent months, with a substantial amount of additional funding available for day-to-day spending on public services next year than

previously expected. However, many areas of the budget face major cost and demand pressures, during a challenging economic period.

- 2.7 The Chancellor presented his recent Autumn Budget against an improved economic backdrop. The Office for Budget responsibility (OBR) revised down its judgement on the extent to which the pandemic has done lasting damage to the economic output from 3% to 2%. In addition, unemployment is now expected to peak at 5.2% in the near term, down from 6.5% peak forecast in March 2021. Government borrowing has also been revised down relative to the March 2021 forecast owing to stronger tax receipts, reflecting the upward revision to nominal GDP.
- 2.8 The Chancellor took advantage of this increased 'headroom' against the fiscal targets to further increase departmental spending. When combined with the tax rises announced in March and September 2021, the overall spending envelope has increased significantly compared to the indicative plans set out at the beginning of the fiscal year.
- 2.9 Although the budgetary position of the WG was not known until 21 December it has been evident that the economic outlook has drastically improved. Core day-to-day spending (excluding Covid-19 spending) is set to grow by 8.6% in real terms next year and will be 9% above 2010/11 levels. For the first time since 2017, WG also benefitted from a multi-year funding settlement, which should aid long-term planning and implementation of the policies included in the Co-operation Agreement. Further detail on the Co-operation Agreement can be found in paragraph 3.2 of the report.
- 2.10 Despite this improved budgetary position, the outlook for household finances remains challenging. A combination of inflationary pressures and cuts to working age benefits is set to squeeze households' purchasing power over the coming months. This, in turn, could result in increased demand, and therefore costs, for some Council services.

### **National Context**

- 2.11 The UK government's Autumn Budget and Spending Review 2021 set WG block grant funding for the next three years. The outlook, based on UK government spending plans from March 2021 painted a bleak picture ahead of the Senedd election in May, however, increased departmental spending has transformed the outlook for the Welsh budget.
- 2.12 The key headlines, for local government, as set out within the spending review include:
- The new Health and Social Care Levy, along with an increase to the rates of dividend tax, will raise around £13 billion per year for spending on health and social care across the UK enabling significant further funding for the NHS.
  - A number of significant investments which resulted in 'consequential funding' for the WG, including
    - An additional £4.7 billion by 2024-25 for the core schools' budget in England, over and above the settlement for schools in 2022-23, as well as £2.6 billion of capital funding for new school places for children with special educational needs and disabilities, and £1.8 billion of additional money for education recovery;
    - £639 million resource funding per annum by 2024-25 as part of the government's commitment to end rough sleeping in England, an 85% cash increase compared to 2019-20.
  - From 1st April 2022, the National Living Wage will increase by 6.6% to £9.50 an hour. Young people and apprentices will also see pay increases as the National Minimum Wage rates will also increase next April.
  - Allocation of the first round of the UK-wide Levelling Up Fund with £1.7 billion of investment in local areas.
  - Accelerated funding for the Cardiff City Region Deal to fast-track support, including for advanced manufacturing capability in the region.
  - Welsh Government's main expenditure group real terms funding increased by 9.51%.
- 2.13 The Welsh Government budget was published on the 21 December 2021 with the Minister for Finance stating that priorities continue to be health and local government services. The significantly increased settlement will enable local authorities to continue to deliver the services



their communities want and need as well as supporting national and local ambitions for the future, including responding to the climate and nature emergency and contributing to the Net Zero Wales plan.

## Local Context

- 2.14 In contrast to recent years, a multi-year settlement from the UK government has enabled a similar multi-year LG settlement, at an all-Wales level, the first time since 2017. This will aid long term planning. The settlement dates are as follows:

21 December 2021	Provisional local government settlement for 2022/23 published
1 March 2022	Final local government settlement for 2022/23 published

- 2.15 The outcome of the draft announcement has been pivotal to agreement of the Council's 2022/23 draft budget as this accounts for the largest part of councils' funding. The 10.2% uplift it brought is welcomed and 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. This funding is provided through a non-hypothecated grant – the Aggregated External Finance (more commonly referred to as the "Revenue Support Grant"- RSG). In addition to this, other grants provide funding for specific purposes. The scale of the budget challenge is very sensitive to changes, both current and future, to RSG funding as shown in Table 5 and the multi-year settlement therefore reduces the uncertainty the previous annual settlements brought about.

- 2.16 In Newport, the RSG funding makes up 76% of its net budget, with council tax at 24%. As the RSG makes up such a large proportion of the Council's budget, what happens to this grant is crucial, as any reductions cannot be easily offset by an increase to council tax. For example, it would take in the region of 3.2% increase in council tax to offset a 1% reduction in the RSG. This is known as the gearing effect.

- 2.17 The headlines of the draft settlement received on 21 December confirms:

- local government core revenue funding for 2022/23 will be set at £5.1 billion meaning that, after adjusting for transfers, overall core funding for local government in 2022-23 will increase by 9.4% on a like-for-like basis compared to the current year;
  - as part of the multi-year settlement announced this year, indicative funding increases of 3.5% and 2.4% in 2023/24 and 2024/25 respectively;
  - a number of 'cost pressures/ investments were funded through the increases highlighted above:
- funding to enable authorities to meet the additional costs of introducing the Real Living Wage for care workers as set out by the Deputy Minister for Social Services;
  - funding for teachers' pay deal;
  - funding to cover the increased National Insurance Contributions for employers from April 2022
  - continued funding to support local government to waive fees for child burials;
  - continued funding to maintain full entitlements under Council Tax Reduction Scheme (CTRS) for 2022/23;
  - continued funding to freeze the NDR multiplier for 2022/23;
  - funding 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, specifically for the core operation costs of these committees;
  - funding to recognise the need to build the capacity of electoral services to deal with Welsh electoral reform, as needed within councils;
  - funding for continued residual impacts of increased costs and reduced income from the Covid pandemic, in recognition of no Hardship Fund beyond this current year.

- 2.18 Overall, the draft RSG was positive compared to previously modelled assumptions, and confirmed that the Council would receive £265,612k for 2022/23. After allowing for new specific grant transfers into the RSG, this is a cash increase of £24.6m (+10.2%) from current funding,

compared to a Welsh average of +9.3%. There remain several uncertainties around specific grants; however, these should be confirmed between this report and the final settlement from WG in early March 2022.

- 2.19 The multi-year settlement figures have been used for the current update of the Council's MTFP and we have also, in addition, made an allowance for the Council receiving a greater share of RSG funding as its population and in particular, younger age groups increase relative to most other areas across Wales.
- 2.20 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, the main changes would usually come from Council's confirmation of their individual 'tax bases' – i.e., the number of Band D equivalent properties. The late draft settlement has meant that any adjustments required to allow for the 'equalisation' process for council tax base has already been included, which usefully takes away that uncertainty in the final settlement. At this point, therefore, we will be assuming that the final grant settlement will not change from the draft other than for 'cost neutral' issues.
- 2.21 The Head of Finance (HoF) has set the tax-base for 2022/23 and it will increase by 0.6%, which is similar to the all-Wales average over the last two years. This council tax base is net of a decrease of 1.6% in collection rates reflecting the historical and current increasingly challenging task of collecting council tax income. This practice is consistent with all councils across Wales and Newport's budgeted collection rates is one of the highest in Wales. The net increase in available funding from the increased tax base (at current Council Tax levels) is £452k and is reflected in the MTFP for 2022/23.
- 2.22 The impact on funding resulting from Council Tax 'equalisation' is a key feature of the Local Government grant settlement process and provides some challenges to those councils, like Newport, who have significant cost pressures resulting from housing and population growth. The impact on the RSG funding for Newport Council this year is a reduction of £94k from this, which is relatively modest compared to some previous years.

### **Implementing the Corporate Plan**

- 2.23 The Council's business and financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans under our mission of 'Improving People's Lives'. This has provided a focus for decisions around spending and directing activity across the Council.
- 2.24 The current medium term financial projections included in Appendix 6 and the detailed budget investments in Appendix 1 includes funding for the key outstanding priorities and promises set out in the plan, as needed.
- 2.25 The Council has yet to develop a 'strategic change programme', which outlines the key areas and initiatives that will guide services and the Council in the future to deliver sustainable services. Such a programme's financial impact would be reflected in the Council's MTFP, contribute towards delivering a balanced / sustainable medium term financial position, and is recognised as a priority throughout the organisation.

## **3 Financial planning assumptions**

- 3.1 Whilst the above section highlights the context for this and other councils' medium term financial plans, a number of important assumptions are required in order to aid successful medium term financial planning. This section deals with the key areas affecting the MTFP and the budget for next year. These are:
- the impact of increasing costs and demand on the Council's budget;
  - the impact of increased costs in the Council's school budgets, and in particular from new/ growing schools;

- Council tax funding which makes up 24% of the Council's core funding and is the only element of funding controlled by the Council;
- Income inflation assumes a 4% uplift on major sources of income where the Council has control. Service areas are, however, able to deviate from this base assumption in light of demand as long as the change can be managed within the overall service area budget.

### **Increasing costs and demand**

3.2 Financial pressures and demands on our services have increased over a number of years and this increase is projected to continue. The main issues include:

- inflationary cost increases – of the Council's £315m net revenue budget, over three quarters of expenditure relates to pay and contracts subject to inflationary increases year on year. Cabinet will be aware of the significant pricing increases on most goods and services at this time and the rising inflation figures. Given that the NJC pay offer for the current year has not yet been agreed, ballots for strikes have been completed and the original request for the increase this year from unions; in line with many other councils, we have reconsidered our inflation increases for pay and revised upwards to 4% for both teachers and NJC for 2022/23, dropping back to 2% in later years of the Council's financial plan. This is a provision only within the Council's budgets for pay increases and will be included within service budgets once the actual award has been confirmed, up to the budget provision available.
- 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 – particularly for social care providers. Future years investment in this area will need to be reviewed in the context of contractual increases over the medium term;
- employer national insurance rates will increase by 1.25% from April 2022 to fund social care costs and to help the NHS clear backlogs;
- significant increases in demand-led services – specifically social care;
- cost of new and growing schools, linked to the continued growth of the city;
- the Co-operation Agreement between the WG and Paid Cymru contains significant additional spending commitments. These include free school meals for all primary school pupils, expansion of early years childcare to all two-year-olds, and the ambition for a National Care Service free at the point of need. Under our planning assumptions on funding, the medium term financial plan assumes additional grant funding for these.

3.3 Unavoidable pay and inflationary cost increases, excluding schools, equate to £6,659k in 2022/23 and £16,097k over the three-year period to 2024/25, based on current planning assumptions highlighted above.

3.4 In addition to these cost increases, the Council continues to see an increase in demand-led service pressures and the Cabinet are considering investments in a number of key areas.

### Demand Led issues

As regards demand led issues, although the 2020/21 and 2021/22 financial years have seen underspends in a number of these areas, those years are not a true representation of the underlying challenge, due to the pandemic and the reimbursement of additional costs that is received from the WG Hardship Fund. The risk, therefore, of significant overspends emerging has not necessarily gone away and such areas remain critical in terms of their potential impact upon the overall monitoring position going forward.

Although the financial impact of the pandemic is currently neutralised within the monitoring position by the support from WG, certain service and demand-led pressures continue to present a challenge, including, in particular:

- Specific challenges within Children services;
- Undelivered budget savings.

Detailed demand models for social care have been included within Appendix 3 and form the basis of the investments proposed for inclusion within the medium-term projections.

## Investments and Priorities

As regards investments, the Cabinet are considering and prioritising the following issues and/or services

### *Schools and early intervention and Prevention services*

- School budgets – 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 and additional support requirements and advice to schools.
- Social Care - investment in the 'Safeguarding Hub' as a key contributor to early intervention and prevention services and capacity
- Consideration is also being given, in readiness for the final budget as to what 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*

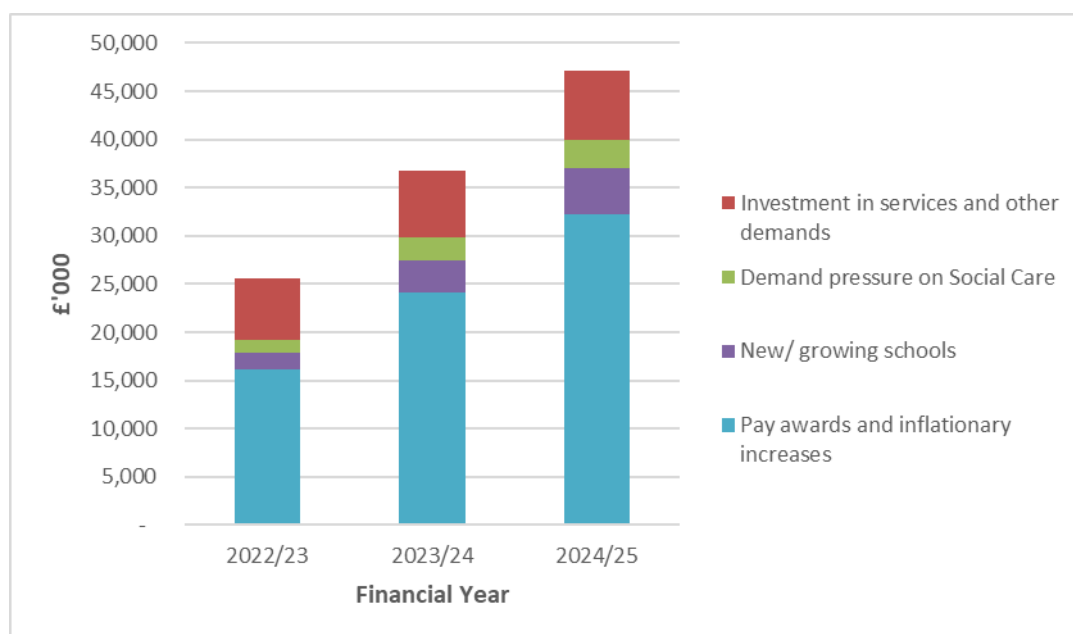
- Consideration is being given to investments which will impact on the city centre and the businesses within it. In particular around the promotion of the city, marketing, inward investment, co-ordination of activities and events, tourism, and the general environment in and around the city centre, such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

3.5 For 2022/23 specifically, the Council is currently planning to invest around £9.5m in the draft budget over and above an allowance for pay and pricing inflation. More details on proposed investments are included in Appendix 1 and some of the key items include:

- £2,998k investment in school budgets
- £172k in social care safeguarding hub and £180k in education services to add resources in the Council early intervention and preventions services
- £1,597k increase in employer's national insurance contribution
- £1,355k for increasing demand in social care demand for both children and adult services
- £883k free school meals update funding requirement – not linked to the Co-operation Agreement
- £733k provision to support WG directive to ensure that no rough sleepers in Newport. We are awaiting details of a specific grant to cover this pressure – an update will be provided in the final budget.

Further final detailed investments will be agreed at the final budget in the Cabinet's February meeting and will take into account feedback from consultation, in particular on the key investments/priority areas outlined in paragraph 3.4 above. In addition, as well as the on-going 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 year's underspend and current reserves.

**Chart 1:** Cumulative pressures up to 2024/25 by source



- 3.6 The financial pressures facing the Council continue to increase significantly over the three-year period. Whilst Newport has received favourable settlements in recent years, rising demand and costs in current services have / are utilising a large part of this.

### Capital programme and financing / Cardiff Capital Region City Deal

- 3.7 The capital expenditure undertaken by the Council gives rise to a long-term and fixed commitment to fund the associated revenue costs for the provision of the repayment of that borrowing (Minimum Revenue Provision (MRP)) and interest costs – together called ‘capital financing costs’. The Council’s current capital financing costs make up for almost 6.6% of the net revenue budget, which is high when compared to other Welsh local authorities. 2021/22 included a significant increase to the capital financing budget to frontload the revenue budget requirement for the remainder of the current capital programme. Therefore, the 2022/23 budget does not include any increase in this budget. The Council’s very significant capital programme, in its commitment to improving the city and its infrastructure, requires a significant increase in borrowing with the associated increase in costs reflected in the increase allocated during 2021/22.
- 3.8 The Capital Strategy, which details the capital programme and the long-term impact of capital expenditure, is approved by full Council, alongside the budget report setting the Council Tax level.
- 3.9 Within the capital programme is the Council’s contribution to the Cardiff Capital Region City Deal (CCRCD). The CCRCD is funded by both UK Treasury and its ten constituent councils and for the latter; a total ‘funding envelope’ was agreed over its life.
- 3.10 The Council’s contribution to the City Deal was agreed by full Council in 2017/18. Newport City Council contributes just under 10% of the local authorities’ contribution to its overall funding. Whilst this council, like others, has medium term capital programmes, this is the one individual project within it, which spans over multiple programme periods and the funding commitment for this goes into 2035/36. Funding is made up of two aspects:
- making capital funds available to the CCR. This will incur capital financing costs of MRP and interest for this council as it will need to borrow funds itself to pass it on to the CCRCD.
  - making capital funds available in advance of UK Treasury funding. In this respect, this council’s capital financing costs is just the interest element, as borrowing will be reimbursed when funds are made available by Treasury in line with current agreements.
  - The current Capital Programme reflects total capital expenditure of £25.4m in relation to the City Deal, of which £17.3m relates to the “cost of carry” referred to above. £9.9m in

total is projected to be incurred in 2022/23, with a further £15.5m over the course of the MTFP.

### **School's funding**

- 3.11 The current position provides for a cash increase for the overall school budget. Although this has been developed within the context of significant uncertainty around non-teaching pay from April 2021, the Minister for Education and Welsh language announced in September that the recommendation from the Independent Welsh Pay Review Body would be accepted and that a pay award would be introduced from 1 September 2021 to provide for a 1.75% uplift to all teachers' pay scales and allowances. The Council continues to take a prudent view and make provision within the budget plans for a pay increase from September 2022 and over the life of the MTFP, as outlined in para. 3.2 above.
- 3.12 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 schools. Although an overall overspend against budget is currently forecast, it should be noted that schools carried forward significantly higher balances at the end of 2020/21 financial year, compared with previous years. This higher level of balances is primarily the product of WG grants issued towards the end of the last financial year, which offset spend that schools had already budgeted for. School balances are projected to remain healthy into 2022/23, except for the schools in deficit. It is important to note that, although balances held by schools are healthier than in previous years, this is anticipated to be a temporary position, with schools facing significant challenges in meeting the needs of pupils going forward. In terms of schools in deficit, it is still of paramount importance that these are addressed, and officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. Officers continue to work closely with schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend.
- 3.15 However, it is not sufficient to deal with the extent of accumulated deficits in schools at this time, therefore schools will need to continue to find robust solutions to ensure they manage within the available budget and repay these accumulated deficits. This resolution is critical as current spending levels in schools may not be sustainable and has the potential to cause a significant and adverse impact on the Council's overall finances if it continues as in previous years.
- 3.16 Assessed budget pressures in school budgets over the life of the MTFP amount to £17.5m, 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.

**Table 1:** School budget pressures 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% thereafter	3,248	1,605	1,709
Non Teaching school staff - pay award - 2% per annum	662	679	695
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	762	625
	<b>8,003</b>	<b>4,804</b>	<b>4,655</b>

- 3.17 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.
- 3.18 Whilst it is recognised that schools have experienced significant financial challenge, school funding in overall terms is better than other parts of the Council and has increased by 20% over the last 5 years. This includes specific grants and is shown in the table below. As well as the increases in revenue funding over recent years, there has also been a significant investment in capital resources, with the total Education capital programme (between 2018/19 and 2024/25) standing at £111.7m.

**Table 2:** School budgets by sector – 2016/17 to 2021/22

Year	Nursery	Primary	Secondary	Special	Total
2016/17	494	54,627	48,619	4,040	107,780
2017/18	512	54,959	47,505	4,247	107,223
2018/19	562	57,396	47,497	4,773	110,228
2019/20	496	58,492	49,619	5,091	113,698
2020/21	484	64,118	54,851	5,144	124,597
2021/22	529	66,145	56,953	5,594	129,220

Increase in funding over 5 year period (incl specific grants)	20.5%
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Increase in funding (excl specific grants & delegations)	20.6%
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## Council Tax

- 3.19 It is well documented that Newport's council tax is low compared to others in Wales, generating 24% of our income. This council's current year budget is well below its 'standard spending assessment', a relative spending needs assessment between all Welsh councils, by £11.1m, which is almost entirely due to our low level of council tax funding.
- 3.20 A revised planning assumption of 3.7% increase in council tax is contained within the MTFP in 2022/23. A 4% planning assumption for council tax increase remains thereafter. This is subject to consultation and a final recommendation to Council on the council tax level and will be confirmed in the Cabinet's February 2022 meeting.
- 3.21 For contextual purposes, the table below shows the weekly increases in council tax based on a 3.7% increase. Given the low starting point on Newport council's tax, it will still be lower than most (if not all) of the neighbouring authorities, even if they have a lower level of increase.

Newport City Council's proposed tax increase would maintain its position as one of the lowest in Wales.

**Table 3:** Scenarios illustrating weekly council tax increases

Band	A	B	C	D	E	F	G	H	I
Annual increase based on 3.7% increase	£30.64	£35.75	£40.85	£45.96	£56.18	£66.39	£76.60	£91.92	£91.92
Weekly increase based on 3.7% increase	£0.59	£0.69	£0.79	£0.88	£1.08	£1.28	£1.47	£1.77	£1.77

- 3.22 Given that over half of Newport's chargeable properties are banded A – C most households would see an increase of between £0.59 and £0.79 per week based on a 3.7% increase.

### Summary of key budget assumptions

At this point, the following assumptions are included.

**Table 4:** Summary of key assumptions

MTFP Summary	2022/2023 £'000	2023/2024 £'000	2024/2025 £'000
RSG increase <b>+10.31% in 22/23, +3.5% and +2.4%</b> in line with WG multi-year settlement figures included within RSG	(24,816)	(10,046)	(7,348)
Council tax increase <b>+3.7% in 2022/23 and 4% thereafter</b>	(2,729)	(2,508)	(2,609)
Budget pressures/ investments (appendix 1)	25,651	11,096	10,353
Previously agreed budget savings (appendix 2)	(812)	0	0

### Resulting budget position and sensitivity of assumptions

- 3.23 Given the favourable settlement in 2022/23 and the indicative uplift proposed as part of the multi-year settlement period in 2023/24 and 2024/25, the budget position in the current draft MTFP (Appendix 6) is reasonably manageable, certainly compared to previous years.
- 3.24 Clearly, the resulting gap over the medium term is based on assumptions, listed above, over the life of the MTFP and we can expect further demand-led pressures to be flagged up by services over and beyond what is currently shown, which will therefore worsen the current position shown. 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.
- 3.25 The HoF will continue to work with the corporate management team and Cabinet to develop the budget strategy over the medium term, however, some of the key issues, currently, are:
- The progress of the pandemic, the ongoing impact on lives and on public services (magnified by the emergence of the new Omicron variant) continues to be highly uncertain;
  - 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;



- 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.

### Sensitivity analysis

- 3.26 As table 5 below confirms, the budget gap is significantly affected by funding assumptions - the projected WG grant and council tax increases. The graph and table below show the sensitivity that the Council faces in respect of these.
- 3.27 The table below shows how sensitive each of the variables are to changes in assumptions. The key elements within the medium-term projections, which also have the greatest level of sensitivity, include RSG funding, council tax increases, pay and contract inflation.

**Table 5:** Sensitivity analysis – key projections

<b>RSG Sensitivity</b>	<b>£'000</b>
RSG growth +/- 1%	2,408
<b>Council Tax Sensitivity</b>	<b>£'000</b>
Council tax change +/- 1%	635
<b>Pay Sensitivity</b>	<b>£'000</b>
Pay inflation - NJC staff +/- 1%	1,012
Pay inflation - Teachers and soulbury +/- 1%	664
<b>Contract Inflation Sensitivity</b>	<b>£'000</b>
Contract inflation - +/- 1%	1,217

## 4 Budget savings

- 4.1 The identification of new savings is not required to balance the budget for 2022/23. The budget for 2022/23 does include previously agreed savings of £812k, the detail of which can be found within Appendix 2.
- 4.2 The savings already agreed in the February 2021 MTFP are either in progress of implementation or due to be implemented in 2022/23. No further details are shown for these savings, as they have already been approved.

## 5 Budget process and consultation

- 5.1 This report presents the draft proposals for the 2022/23 budget. The report asks Cabinet to note:
- the position on developing a balanced budget for 2022/23, acknowledging that the position will be subject to ongoing review and updates.
- 5.2 The report also asks Cabinet to agree a series of proposals for public consultation. This includes:

- proposed budget investments in Appendix 1;
- proposed fees and charges in Appendix 4;
- the position regarding the proposed school funding for 2022/23 in Section 3.

## Budget engagement

- 5.3 Over the course of the year leading up to this draft budget, the impact of Covid-19 has proved challenging in terms of public engagement. There has been an increased emphasis on electronic engagement methods and the focus of public engagement has understandably shifted towards supporting the recovery from Covid-19. For instance, through the major participatory budget programme currently underway (the Covid Recovery Fund) which will empower citizens to make funding decisions through a democratic process. Face to face public engagement, as would have previously informed the draft budget has been impacted as have other forms of engagement, for instance, the reduced numbers of responses received through bus Wi-Fi surveys. Despite this an engagement exercise was completed to establish citizens' views on the prioritisation of council services over the medium term. Almost 1,000 responses were received, and the results indicated that the public place significant emphasis on: schools and education, children's services, city services, adult services, and homelessness support. The proposed investments set out in this report are consistent with these findings and the public will now be invited to give their views on the draft budget and medium-term financial plan during the consultation period. In contrast with previous years there are no new savings proposals, and this is reflected in the consultation, which will instead focus on the investments and proposed increase to Council Tax.
- 5.4 Below is this year's timetable for consulting on and approving the 2022/23 budget:

**Table 6:** Budget consultation timetable 2022/23

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

## 6 Risk, 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 this 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 £11m 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 As noted above, a number of WG led initiatives have supported key sectors; one of these being social care. Since the start of the pandemic, the Hardship Fund has supported social care uplifts and additional payments to ensure their sustainability over this period. Although the Hardship Fund will not be available in 2022/23, the social care sector continues to face unprecedented demand which impacts greatly on the risk and capacity within the sector.

This end of the 'Hardship Fund' after this current year is a concern and should be considered carefully in the context of next year's budget – two issues in particular:

- any specific costs related to local decisions to continue, in some form, those existing (or new) policy initiatives either Newport specific or regional to support our communities or key suppliers as the impact of the pandemic continues.
- unavoidable impacts outside of the Council's direct control such as:
  - cover for continued staff absences resulting in unbudgeted overtime/agency costs
  - reduced income from areas such as car parking as the local economy and 'normal patterns of activity' take time to recover. In some cases, we can expect some of these patterns to be potentially permanent.

There are currently no budget pressures factored into the MTFP for the above Covid risks and a comprehensive review of this and other risks need to be undertaken to assess how best to mitigate, as best as possible.

6.8 Appendix 8 sets out the current risks included within the register. The Council has at its disposal, the following options to manage:

- existing revenue contingency budget;
- existing revenue budgets not yet committed and could, in whole or part, be set aside to manage revenue budget risks in the short term;
- existing uncommitted reserves;
- specific reserves earmarked for budget risks;
- an emerging underspend in the current year which could, in part at least, be utilised to manage one-off risks;
- investment in revenue budgets to mitigate risks on an on-going basis.

6.9 The HoF is required to independently assess and report on the adequacy of the budget (and Council Tax level as an integral part of this) and reserves in the context of the financial issues and risks facing the Council. The assessment of the risks mentioned here and how we plan and utilise the above options are key to this.

### **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 5 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council currently. Key headlines include:

- *Earmarked Reserves:* The Council maintains a good level of earmarked reserves. By their very nature, the vast majority are earmarked for specific purposes and many committed/in drawdown and use. In that respect, and as regularly pointed out, they provide a good level of financial mitigation in the 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.
- *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.
- *School budgets- Reserves:* The decline in school reserves over the last few years is a concern and although current projections look much healthier than in previous years, this is likely to be a temporary improvement due to significant one-off grants being awarded at the end of last financial year. The forecast overspend this year will see reserve balances reduce to £7,105k at the end of this financial year, though this could change in the last quarter as so often is the case with new grants received. 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.
- *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, HoS 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.

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.

- *On-going and new risks:* These are discussed and noted in the risk section above in the main. 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.

6.11 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.

## 7 Report review and statutory comments

### 7.1 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?
Planning parameters around inflation are incorrect	M	M	1 Use of contingency, where required 2 Use of reserves, where appropriate	Head of Finance  SLT
Planning parameters around Welsh Government revenue grant are incorrect over medium term	H	L	1. Use of contingency, where required 2. Keep the assumptions under constant review 3. Use of conservative assumptions	Head of Finance
Increasing budget pressures over medium term	M	M	1. Manage demand, where possible 2. Keep MTFP under constant review 3. SLT review of all budget pressures within MTFP	SLT

\* Taking account of proposed mitigation measures

### 7.2 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 saving proposals and protects the financial health of the Council.

### **7.3 Options Available and considered**

There are few options available as the Council is required to consult on its budget where decisions do not fall under delegated authority and therefore needs to agree the basis of its consultation.

### **7.4 Preferred Option and Why**

To consult on the new medium-term package of investments to ensure a sustainable offering deliverable over the medium term.

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

The financial implications are contained, in detail, within the body of the report.

Due to the late notification of the settlement and some key issues and work on-going in identifying budget choices, the budget contained here still includes a 'balance in hand'. Cabinet will need to produce a balanced budget when they confirm their final budget. Given there are no budget savings which impact on services and further investments will be approved then, then this should not cause any issues. The broad areas for investment priorities of schools, city centre and early intervention and prevention are noted in this report and should usefully serve as key consultation areas as well as the detailed proposals already included in the draft budget.

A 3.7% Council Tax is proposed for consultation. Given that Newport is relatively under-funded due to this, the relative deprivation/need of the population within the city, the risk posed by the on-going financial impacts of the pandemic with no WG Hardship Fund to mitigate and demand on services both generally and in relation to the pandemic, the Cabinet is asked to take a prudent view on an increase in Council Tax, following consultation.

As the report notes, there is no detailed plan to manage the on-going financial impact and risks of the Pandemic at this stage and this must be addressed by the Cabinet in the final budget. This is a key issue as there is no WG Hardship Fund at the end of this financial year with a near certainty of there being adverse impacts, certainly for next year and potentially permanently, to some extent. The range of options available to do this are noted in the report and this will be a key issue for the HoF's assessment of the robustness of the budget to full Council when they consider the Council Tax rise in early March.

### **7.6 Comments of Monitoring Officer**

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to approve the draft budget and investment proposals and council tax rate set out in the Report in order to recommend to Council a balanced budget for 22/23. Cabinet are also asked to agree to the draft budget proposals being submitted for public consultation, insofar as they relate to investment proposals, fees and charges and the schools funding position. There are no new savings proposals for 22/23 which will need to be subject to consultation. Cabinet will then take the final decisions on those investments, fees and charges and schools funding proposals in the light of the responses to the public consultation, prior to making a recommendation to Council regarding the council tax rate and budget for 22/23. The implementation of all the individual budget proposals are executive matters, but there will need to be an assessment of the relative fairness and equality impact of the proposed investments, fees and charges and schools funding to ensure that the Council has due regard to its public sector equality and socio-economic duties under the Equality Act. As there are no new savings being proposed, then there is no requirement to consult about and assess the impact of the budget proposals in relation to the reduction of any services. However, the proposed new investments, fees and charges and schools funding should be considered in relation to their fairness, impact on the socially disadvantaged and meeting the Council's well-being objectives. The setting of the overall base

budget and council tax rate for 22/32 is a matter for full Council as these are non-executive reserved matters under the Constitution.

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

The report outlines the proposals for Cabinet consideration in order to set a balanced budget for 2022/23 and also looking forward, with consideration of the medium term financial plan.

As explained in the report there are no new savings proposals for 2022/23 which would, otherwise, be subject to consultation and Fairness and Equality Impact Assessment. However, the proposed investments and fees and charges, including Council Tax will be subject to public consultation and will also be assessed in relation to their fairness, their impact on protected equalities groups, the socially disadvantaged and meeting the Council's well-being objectives. This assessment will be informed by the results of the consultation process and will be included with the final budget report to Cabinet.

Public consultation on the proposals seeking Cabinet agreement will commence on 14th January 2022 and will run until 11th February 2022. Alongside the traditional paper-based consultation process and on-line questionnaires, a bus Wi-Fi survey will be used, although the ongoing public health situation will exclude face-to-face consultation activity. As in previous years, the Fairness Commission will be asked to provide a consultation response which will be included in the final Cabinet report in February.

## **7.8 Comments of Cabinet Member**

The Chair of Cabinet, as Cabinet Member for resources has approved the report for consideration and approval by Cabinet.

## **7.9 Scrutiny Committees**

The constitution requires that Scrutiny Committees be consulted on Cabinet's draft budget proposals.

## **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.

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

Given that the Administration has been able to avoid making cost savings the overall impact of the budget is expected to be positive and all proposals for investment will form part of the wider budget consultation.

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

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.

### **7.13 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.

Dated:



# 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 29<sup>th</sup> 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.

### 4 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
- 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

**Draft Scrutiny Comments to Overview and Scrutiny Management Committee 4 Jan 22**

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.

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

**Draft Scrutiny Comments to Overview and Scrutiny Management Committee 4 Jan 22**

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 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.

**Draft Scrutiny Comments to Overview and Scrutiny Management Committee 4 Jan 22**

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 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

**Draft Scrutiny Comments to Overview and Scrutiny Management Committee 4 Jan 22**

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 1<sup>st</sup> 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 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:

**Draft Scrutiny Comments to Overview and Scrutiny Management Committee 4 Jan 22**

**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 29<sup>th</sup> November 2021 were forwarded onto Heads of Service and Cabinet on 30<sup>th</sup> November 2021.

The meeting terminated at 4:28pm

# Draft Minutes

## Performance Scrutiny Committee – People

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Date: 25<sup>th</sup> January 2022

Time: 10am

Venue: Microsoft Teams Meeting

Present: Councillors J Cleverly, Y Forsey, L Lacey, S Marshall, J Richards, T Suller, H Thomas, C Townsend, J Watkins and T Watkins, Robert Green (Assistant Head of Finance), Sally-Ann Jenkins (Strategic Director for Social Services), Sarah Morgan (Head of Education), Kathryn Carter (Senior Finance Business Partner), 0043onnor Hall (Scrutiny Advisor), Samantha Schanzer (Governance Support Officer)

Apologies: Meirion Rushworth (Head of Finance)

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**Scrutiny advisor opened the floor for nominations the chair was absent. A chairman was nominated and agreed. The chair began the meeting.**

### **1. Apologies for Absence**

Councillor W Routley (Chair) and Meirion Rushworth.

### **2. Declarations of Interest**

None.

### **3. Minutes of the Previous Meeting: held 30<sup>th</sup> November 2021**

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

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

### **4. 2022-23 Budget and Medium Term Financial Projections**

#### **Invitees:**

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

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 had 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.
- 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 been 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 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?

- 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.

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 somewhat 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?

- 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.

## **5. Conclusion of Committee Reports**

, People Committee – 25.01.2022 – Comments and Recommendations

Budget

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 Advisor Reports**

### **7. Date of the Next Meeting**

**22<sup>nd</sup> March 2022**





# Scrutiny Report

## Overview and Scrutiny Management Committee

### Part 1

Date: 4 February 2022

### Subject Scrutiny Adviser Report

Author Scrutiny Adviser

The following people have been invited to attend for this item:

Invitee:	Role
Connor Hall (Scrutiny Adviser)	Present the Committee with the Scrutiny Adviser Report for discussion and update the Committee on any changes.

## Section A – Committee Guidance and Recommendations

### Recommendations to the Committee

The Committee is asked to:

#### 1. Committee's Work Programme:

Consider the Committee's Forward Work Programme Update (**Appendix 1**):

- Are there any amendments to the topics scheduled to be considered at the next Committee meeting?
- Are there any additional invitees that the Committee requires to fully consider the topics?
- Is there any additional information that the Committee would like to request?

## 2 Context

### Background

- 2.1 The purpose of a forward work programme is to help ensure Councillors achieve organisation and focus in the undertaking of enquiries through the Overview and Scrutiny function. Effective work programming is essential to ensure that the work of Overview and Scrutiny makes a positive impact upon the Council's delivery of services.
- 2.2 Further information about the work programming process, including the procedures for referring new business to the programme, can be found in our Scrutiny Handbook on the Council's Scrutiny webpages ([www.newport.gov.uk/scrutiny](http://www.newport.gov.uk/scrutiny)).

- 2.3 The Centre for Public Scrutiny's Good Scrutiny Guide recognises the importance of the forward work programme. In order to 'lead and own the process', it states that Councillors should have ownership of their Committee's work programme, and be involved in developing, monitoring and evaluating it. The Good Scrutiny Guide also states that, in order to make an impact, the scrutiny workload should be co-ordinated and integrated into corporate processes, to ensure that it contributes to the delivery of corporate objectives, and that work can be undertaken in a timely and well-planned manner.

#### **Forward Work Programme Update**

- 2.4 The Committee's work programme was set in April 2021, including estimated timescales for when the reports will be considered by the Committee. This programme is then managed and implemented by the designated Scrutiny Adviser for this Committee under the direction of the Committee Chairperson.
- 2.5 Attached as **Appendix 1** is the Committee's Forward Work Programme Update. The Committee is asked to consider:
- *Any amendments to the topics scheduled to be considered at the next Committee meeting?*
  - *Are there any additional invitees that the Committee requires to fully consider the topics?*
  - *Is there any additional information that the Committee would like to request?*

The Committee agreed to keep a degree of flexibility within its work programme to enable the Committee to respond to urgent / emerging issues. This item is an opportunity for the Committee members to raise any suggested amendments to the Work Programme.

### **3 Information Submitted to the Committee**

- 3.1 The following information is attached:

**Appendix 1:** The Committee's Forward Work Programme Update;

### **4. Suggested Areas of Focus**

#### **Role of the Committee**

**The role of the Committee in considering the report is to:**

- **Forward Work Programme Update - Appendix 1**

Consider:

- Are there any amendments to the topics scheduled to be considered at the next Committee meeting?
- Are there any additional invitees that the Committee requires to fully consider the topics?
- Is there any additional information that the Committee would like to request?

## **Section B – Supporting Information**

### **5 Supporting Information**

- 5.1 The Corporate Assessment, and the subsequent [follow up assessment](#) provide background information on the importance of good work programming. Specific reference is made to the need to align the Cabinet and Scrutiny work programmes to ensure the value of the Scrutiny Function is maximised.
- 5.2 The latest Cabinet work programme was approved by the Cabinet on a monthly basis for the next 12 months and includes the list of reports scheduled for consideration. Effective forward planning by both Cabinet and Scrutiny needs to be coordinated and integrated in relation to certain reports to ensure proper consultation takes place before a decision is taken. A link to the Cabinet work programme is provided [here](#) to the Committee as part of this report, to enable the Committee to ensure that the work programmes continue to reflect key decisions being made by the Cabinet.

## 6. Links to Council Policies and Priorities

- 6.1 Having proper work programming procedures in place ensures that the work of Overview and Scrutiny makes a positive impact upon the Council's delivery of services, contributes to the delivery of corporate objectives, and ensures that work can be undertaken in a timely and well-planned manner.
- 6.2 This report relates to the Committee's Work Programme, Actions from Committee's and Information Reports that support the achievement of the Scrutiny Committee, in accordance with the Law and Regulation Service Plan, Objectives, Actions and Measures and the Wellbeing objectives:

Well-being Objectives	Promote economic growth and regeneration whilst protecting the environment	Improve skills, educational outcomes & employment opportunities	Enable people to be healthy, independent & resilient	Build cohesive & sustainable communities
Corporate Plan Commitments	Thriving City	Aspirational People		Resilient Communities
Supporting Function	Modernised Council			

## 7 Wellbeing of Future Generation (Wales) Act

- 7.1 The Wellbeing of Future Generations Act 2015 which came into force in April 2016 sets the context for the move towards long term planning of services.
- 7.2 **General questions**
- How is this area / policy affected by the new legislation?
  - How will this decision / policy / proposal impact upon future generations? What is the long term impact?
  - What evidence is provided to demonstrate WFGA has been / is being considered?
  - Evidence from Community Profiles / other data?
  - Evidence of links to Wellbeing Assessment / Objectives / Plan?
- 7.3 **Wellbeing Goals**
- How are the Wellbeing goals reflected in the policy / proposal / action?
    - *A prosperous Wales*
    - *A resilient Wales*
    - *A healthier Wales*

- *A more equal Wales*
- *A Wales of cohesive communities*
- *A Wales of vibrant culture and thriving Welsh language*
- *A globally responsible Wales*

#### 7.4 Sustainable Development Principles

- Does the report / proposal demonstrate how as an authority we are working in accordance with the sustainable development principles from the act when planning services?
  - **Long Term**  
*The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs*
  - **Prevention**  
*How acting to prevent problems occurring or getting worse may help public bodies meet their objectives*
  - **Integration**  
*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*
  - **Collaboration**  
*Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives*
  - **Involvement**  
*The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.*

## 8 Background Papers

- [The Essentials - Wellbeing of Future Generation Act \(Wales\)](#)
- [Corporate Plan 2017 - 2022](#)
- The Corporate Assessment and [follow up assessment](#).

Report Completed: January 2022

## Appendix 1) Forward Work Programme

Thursday, 29 April 2022 at 10am	
Topic	Information Required / Committee's Role
<b>Welsh in Education Strategic Plan</b>	To ensure that the local authority has created an ambitious plan to contribute towards the WG long term plan of creating 1 million welsh language speakers by 2050.

Mae'r dudalen hon yn wag yn