

Agenda

Cabinet

Dyddiad: Dydd Mercher, 15 Chwefror 2023

Amser: 4.00 pm

Lleoliad: Ystafell Bwyllgora 1 - Canolfan Ddinesig

At: Cynghorwyr: J Mudd (Cadeirydd), D Batrouni, J Clarke, D Davies, Y Forsey, D Harvey, J Hughes, L Lacey and S Marshall

Eitem		Wardiau Dan Sylw
1	<u>Ymddiheuriadau dros Absenoldeb</u>	
2	<u>Datganiadau o ddiddordeb</u>	
3	<u>Cofnodion y Cyfarfod Diweddaf</u> (<i>Tudalennau 3 - 10</i>)	
4	<u>Strategaeth Gyfalaf a Strategaeth Rheoli'r Trysorlys - 2023/24</u> (<i>Tudalennau 11 - 72</i>)	All Wards
5	<u>Monitor Cyllideb Refeniw</u> (<i>Tudalennau 73 - 96</i>)	All Wards
6	<u>Monitor Cyllideb Gyfalaf</u> (<i>Tudalennau 97 - 120</i>)	All Wards
7	<u>Cyllideb Derfynol a CATC: Cynigion Terfynol - 2023/24</u> (<i>Tudalennau 121 - 340</i>)	All Wards
8	<u>Pwysau Allanol NCC - Costau Byw</u> (<i>Tudalennau 341 - 346</i>)	All Wards
9	<u>Rhaglen Waith</u> (<i>Tudalennau 347 - 354</i>)	

Mae'r dudalen hon yn wag yn



Minutes

Cabinet

Date: 11 January 2023

Time: 4.00 pm

Present: Councillors J Mudd (Chair), D Batrouni, J Clarke, D Davies, Y Forsey, D Harvey, J Hughes, L Lacey and S Marshall

1 Apologies for Absence

None.

2 Declarations of Interest

None.

3 Minutes of the Last Meeting

The Minutes of the last meeting held on 14 December 2022 were accepted as a true record.

4 Replacement Local Development Plan - Growth and Spatial Options Consultation and Revised Delivery Agreement

The Leader introduced the Delivery Agreement, which set out the processes of plan preparation, making clear the opportunities and methods of engagement required by legislation, regulations and Welsh Government guidance. There was a requirement to keep the Delivery Agreement under review, a revision was needed when the preparation of the plan fell behind the approved timeline by more than three months.

The planned timescale slipped, and a revised Delivery Agreement was required to be approved by Welsh Government.

The reasons for the delay primarily related to recruitment issues but importantly there was a great deal of uncertainty around the implications of the Draft TAN 15 which had significant implications for Newport as currently drafted. Whilst the issue remained unresolved, delayed work on the RLDP could no longer continue.

The report also sought authorisation for the next consultation stage of the Replacement LDP in January 2023, on Growth and Spatial Options.

Should Cabinet endorse the revised timetable, Welsh Government sign off was required. Informal discussions were held with WG on the revisions and they indicated their agreement with the revisions. This meant that the RLDP would be due for formal adoption in February 2026.

In terms of financial implications, the staffing issues resulted in an underspend during the current year and figures indicated that despite the delay, the RLDP would be delivered within the project budget.

The Leader invited Councillor Clarke, Cabinet Member for Strategic Planning, Regulation and Housing to say a few words:

Councillor Clarke went on to say what was key, was the involvement of the Council and asked that should the decision go ahead, residents of Newport should be involved to participate in the consultation as well as stake holders. Councillor Clarke also mentioned that Newport was a listening Council. This could change Newport for the future and the more people that were involved could help with this change.

Comments of Cabinet Members:

- Councillor Davies mentioned two of the existing industries in Newport; SPTS had already commenced on the constructive of their new research and development and manufacturing site one based in Phoenix Park. The Deputy Leader referred to their webpage and their press release, where it was highlighted that the company was expanding in South Wales to tap into the region's attractive talent pool. Also mentioning that Newport was also home to some of the UK's leading universities and research institutes with strong semiconductor competencies and industry ties for collaborative research. The second company was IQE, which was already producing semiconductors and Councillor Davies also highlighted that their CEO was committed to continuous innovation and providing solutions that helped to propel the semiconductor industry forward and deliver technologies that would make a meaningful impact on our world. This investment and expansion in Wales helped continue to develop wafer processing for the high growth secular industries, this included 5G communications, electric vehicles, consumer electronics, data centres, medical devices and much more. This was an opportunity for our residents to provide their input. This was the start of something exciting for Newport.
- Councillor Harvey echoed Councillor Clarke's comments adding that it long journey and hoped that residents would provide their input, therefore the Cabinet Member for Community and Wellbeing and fully supported the report.
- Councillor Batrouni also agreed with Councillor Clarke and the Leader's comments. There was a need to consultation early and it was important so start thinking about these issues. The Cabinet Member for Organisational Transformation went on to read out statistics from the last census. Along with Cardiff, Newport had the highest pupil per household in all of Wales. Newport had the second highest density to Cardiff. In addition, 28% of the Newport population worked from home. Nearly 50% of people travelled within 10KM for their place of employment. With these figures in mind, Councillor Batrouni welcomed and supported the consultation.
- Councillor Hughes mentioned that having decided to move to Newport 35 years ago, he has considered that Newport was the fastest growing city in Wales. Affordable housing was needed to encourage people to move to the city. The media also noticed the improvements in Newport, including development of riverside, and the university. There were steady market and regeneration programmes in the UK linking into Newport. Newport also had the ability to run national and international links. We had the International Convention Centre (ICC) as well as being called the Gateway City and soon to be a connected city. It was easy to criticise the city after years of austerity. Newport had a past, but it also had a bright future and people were choosing to come to Newport to live, as did Councillor Hughes. The Cabinet Member for Social Services hoped that people living in Newport would take part in the consultation.

- Councillor Forsey reiterated the comments above that Newport was listening council and a transparent Council and that it was important we were also a green council. Part of the Replacement Local Development Plan (RDLP) was the Integrated Sustainability Appraisal (ISA), this included strategic environment assessment and wellbeing of future generations. The Strategic Development Plan (SDP) would define a green belt and would only allow development in exceptional circumstances, therefore there would be a strong protection for the green belt, which was important for our green areas. Whilst the Council welcomed growth and keeping Newport as sustainable as possible, the RDLP would provide this.

The Leader added that it was important to find out what the views of the residents were by approving the consultation. This was an informal stage and Newport was identified as a national growth area, which was a top tier of development plan for planning purposes in Wales. This set out the framework for our discussion and was important that people had an opportunity to put their views forward and welcomed the opportunity to encourage public to engage on consultation.

Decision:

Cabinet

1. Approved the Growth and Spatial Options paper to be taken through informal community consultation by officers.
2. Endorsed the continued preparation of the RLDP in line with the revisions to the Delivery Agreement and submission to Welsh Government.

5 Western Gateway

The Leader presented the report to colleagues. The Western Gateway Partnership was established in November 2019; a strategic partnership which aimed to deliver an economic powerhouse along the M4 and M5 corridor, driving growth on both sides of the Severn. As one of five cities, Newport was a key player in the success of the partnership and stood to profit from the benefits that greater collaboration would bring. As a partnership, there were nearly 4.4 million residents, approximately 160,000 businesses and in the region of 2.1 million jobs. We also enjoyed excellent connectivity with major motorways and roads, two airports and deep-water ports.

The last update was provided in February 2022 and since then the partnership was busy developing and embedding priorities and workstreams. As a Vice Chair of the Partnership, the Leader was proud of the way the partnership was growing and maturing and the real progress that was being made towards delivering on commitments.

The Leader was pleased to report that a new Prospectus was launched and identified five missions, all of which sought to deliver greater regional growth as well recognising the need to decarbonise our economy.

The first mission was to grow the regional economy by £34 billion by increasing productivity within the region. We know that the Western Gateway was already home to over 55% of the UK's high growth businesses, including our very own semi-conductor cluster in Newport, yet collectively we had a productivity level lower than the UK average. It was clear that there was a need to bridge this gap to ensure that the region fulfilled, and hopefully exceeded its potential. This involved working with supply chains and linking businesses together to make them more resilient and efficient.

The second mission was to grow international trade and exports by £4 billion. With our excellent connectivity and accessibility to multi modal forms of transport, Newport was an international gateway capable of securing direct access into international markets. We had a

global brand to offer which could lead to greater investment and increased exports for our businesses.

The third mission focussed on decarbonisation and becoming a world leader in green energy. We had all the core assets available to us, including solar, tidal and wind. The Severn Estuary alone had the potential to contribute up to 7% of the UK's energy needs. When this was coupled with the emerging excellence we had in the region in relation to hydrogen, we were starting to see the real potential for renewable energy generation. This would be transformational to meeting our future energy needs.

The fourth mission sought to improve connectivity between all businesses and communities across the region. It was important for people to be able to travel to access basic needs such as housing, work and education. We were currently looking at rail connectivity and how we can join up and address any gaps arising from improvements to the Great Western Mainline and the Cardiff Capital Region's Metro scheme.

The final mission recognised the importance of innovation and the need to support and grow super clusters within our high value sectors.

In order to deliver these commitments, the partnership board were always looking for opportunities to raise awareness of the region and promote the opportunities which existed. The first Western Gateway Conference was held on 8th March last year at the Newport International Convention Centre for Wales (ICCW) and was very well received. A Development Conference was held in November in Bristol and the partnership also had a presence at the UK Real Estate Investment and Infrastructure Forum. Having a presence at international trade events helped raise awareness of Newport and the wider Western Gateway and provided us with access to investors which we would not have otherwise.

In terms of governance, the partnership updated its Governance and Assurance Framework to ensure that the terms of reference for the board remained up to date and appropriate. South Gloucestershire remained the accountable body for the partnership and secretariat staff.

The Western Gateway was principally funded by a capacity payment from the Department for Levelling Up, Housing and Communities and £3 million has been secured for the next three years. An annual financial contribution of £10,000 was paid by Local Authority partners to support the work of the Secretariat.

Comments of Cabinet Members:

- Councillor Davies welcomed the fact that we were part of the western gateway and was one of the eight cities whose objectives were part of a cleaner fairer future. To deliver this to 4.4M people was inclusive and helped towards the goal of a decarbonised future. The Deputy Leader encouraged residents to visit the website, which set out the ambition for the Western Gateway. There was also encouragement for the development for the regional energy strategy to be carbon neutral by 2050. Councillor Davies also wanted to point out that it showed how well we were working in Newport to deliver a carbon neutral agenda by 2030 which was good practice, and this would feed into Western Gateway.
- Councillor Hughes who worked on regional groups within the city wanted to acknowledge the Leader's role in forging partnerships with the region and the significant impact it was having on improving the City. Whilst it was a regional initiative, Newport had played its part and was benefitting from these success stories. It was also promoting our city within the region and the decisions we made would make a significant impact. Councillor Hughes therefore thanked the Leader for her role.

- Councillor Marshall mentioned that Newport was a big player on a regional basis, sitting between England and Wales. Newport had a vibrant artistic scene and had great position geographically. It was an opportunity to look at what we could deliver for the partnership and the Cabinet Member for Social Services was looking forward to seeing the regional partnership progress Newport with these exciting projects. Councillor Marshall also echoed Councillor Hughes comments that it was good to have the Leader representing a strong voice for the city.
- Councillor Batrouni added that as a new councillor and resident to Newport that Newport had a negative vibe and it was welcoming to hear his Cabinet colleagues mention all the positive things about Newport. It was also important to remember that Newport was the gateway to Wales with links to London, the port, and the Roman history, there were so many things going well for us. Newport also had the greatest potential to fulfil the aims and objective of the Western Gateway prospectus. Our ambition also to be a data City also showed what we were going to delivery. Newport had the assets and the people as well as the leadership and show cities in the partnership what we could deliver.
- Councillor Harvey also thanked the Leader for promoted Newport and reiterated that Newport was the gateway to Wales and loved Newport, it was a wonderful place to work and raise a family.
- Councillor Lacey echoed the comments of colleagues adding that the Newport was a gateway city to many businesses and held a strategic position between two airports and deep-water ports and we were seeing technological businesses setting up in the western side of the city. The ICCW was bringing headlining conferences to the city. It was exciting to see growth with independent retailers over past few years. There was also well-paid jobs attracting people to come and live in Newport.

Decision:

Cabinet was updated on progress with the Western Gateway partnership and the potential benefits to Newport.

6 NCC External Pressures - Cost of Living

The important message the Leader want to send in relation to the above report was to encourage residents who were struggling, to contact the Council who could provide help and support for people to pay their bills and try to prevent them from getting into any financial difficulty.

As Chair of OneNewport the Leader was confident of the Council's strong partnerships across the city, and in turn, the commitment and passion of all partners to do all that they could at the cost-of-living summit held in November.

The Council's officers continued to facilitate community-based events across the city with a range of partners to provide advice and guidance on the support available from local and national sources, as well as supporting the Welsh Government initiatives including warm spaces and Claim What's Yours – all had a responsibility to sign post residents to this initiative.

Newport launched its warm spaces offer in December and the council were providing seven warm spaces its in own buildings, under the stewardship of Councillor Harvey, Cabinet Member for Community and Wellbeing. We were working with voluntary and community organisations who were currently facilitating another nine, with a further three launching this month. The council was working with GAVO to provide funding to support the running of

warm spaces and develop new offers with a particular focus on areas which were not currently well served. Full information could be found on the council's website.

Colleagues from across the council continued to support people through the Homes for Ukraine Scheme and the Welsh Super Sponsor Team. We were at a period of considerable risk for both schemes as the initial hosting arrangements came to an end and the council awaited confirmation on whether initial accommodation hotels, procured through the super sponsor scheme, would be extended from March 2023. In December, UK government announced changes to the funding regime. The £10.5k support payments would not be extended and payments for new arrivals would be reduced to £5.9K. Payments to hosts would increase from £350 per month to £500 per month after a year of hosting. Local Authorities in England would also be given access to a £500 million fund to purchase accommodation for people from Ukraine, but this was not extended to devolved nations.

Comments of Cabinet Members:

- Councillor Harvey thanked officers for putting the warm spaces in place so promptly.
- Councillor Davies added that the document focussed on schools provision of breakfast clubs, food banks and uniform banks. The Deputy Leader also highlighted the thanks for teachers who put together food hampers for families and distributed to those families identified as most in need, especially during Christmas, providing Christmas meals. Councillor Davies was grateful that staff took the time to do this.
- Councillor Hughes regularly visited community church in Caerleon who in November, formed a project called Isca Haven. The project supported people in the community in need. This would not have happened without strong the partnerships within the community, church, food banks and the Council. The combination helped the group and it was important so stress that it was a team effort which was making a difference. The Cabinet Member thanked everyone that became involved in the project.

The leader highlighted the important element of this and that it was also important to acknowledge the role of the elected members within their wards.

- Councillor Marshall mentioned that it was fantastic to see members of the community, including business, staff and residents help out over the Christmas period and meeting and greeting people. The Cabinet Member also stressed that residents should not be embarrassed to contact the Council if they needed help. Community connectors were also in place to give advice and warm spaces were provided, these brought lonely people together to make friendships within the community. School staff were also a massive help in the community as were staff in local hubs.
- Councillor Clarke added that it was tough for Newport and thanked the Leader for her support. The Cabinet Member also echoed Councillor Marshall's comments that if residents were worried and needed help, the Council was there to support and look after them.
- Councillor Batrouni referred to the effect the cost-of-living crisis had and echoed the comments of colleagues regarding community partnerships. The long-term solutions were discussed in the previous agenda items and these previous items would fend off moments like this in our economy and make us more resilient.

The leader thanked all colleagues to take time to consider and read the report. The Leader also reflected on the contribution that officers made and their commitment across the whole of the authority. They gave their own time to support Newport residents and had fantastic examples where they went above and beyond to support residents. We were fortunate that officers were completely committed to public service to deliver for the people of Newport.

Decision:

Cabinet considered the contents of the report on the Council's activity to respond to the external factors on Newport's communities, businesses, and council services.

7 **Work Programme**

This was the regular monthly report on the work programme.

Please move acceptance of the updated programme.

Decision:

Cabinet agreed the Work Programme.

Mae'r dudalen hon yn wag yn



Report

Cabinet

Part 1

Date: 15 February 2023

Subject **2023/24 Capital Strategy and Treasury Management Strategy**

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

Author Assistant Head of Finance / Head of Finance

Ward General

Summary As set out within the Corporate Plan, the Council has ambitious plans for the city, with the Capital Programme a key enabler in delivering this ambition. The current programme is due to end in March 2023, with a new five-year programme commencing in 2023/24. The new programme will predominantly comprise of annual recurring allocations and a number of ongoing schemes from the existing programme.

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

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

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

The main recommendations arising from the two strategies are outlined in this covering report.

Proposal That Cabinet recommend to Council for approval:

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

- The Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) policy for 2023/24. (Appendix 3)
- As part of the above:
 - To note the increasing debt, and corresponding revenue cost of this, in delivering the new Capital Programme, and the implications of this over both the short and medium-long term with regard to affordability, prudence and sustainability.
 - To note the Head of Finance comments that borrowing needs to be limited to that required to fund ongoing and previously approved schemes brought forward from the current Capital Programme only, and the recommended prudential indicators on borrowing limits to achieve this.
 - To note and comment on the proposal to prioritise annual sums funding over any new schemes, unless unavoidable.
 - To note the feedback provided by the Governance & Audit Committee on 26th January 2023 (paragraph 5).

Action by Head of Finance

Timetable Immediate

This report was prepared after consultation with:

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

Signed

Background

Governance and requirement of councils

1. In November 2022, the Cabinet approved the Council's new Corporate Plan, which set out how it would achieve the ambition of an *Ambitious, Fairer, Greener Newport for everyone*. This mission is underpinned by four wellbeing objectives and supported by a transformation plan. Achievement of the four wellbeing objectives will be pursued via a series of actions and individual service plans. In some instances, these actions will involve activity and projects of a capital nature.
2. Whilst Cabinet makes decisions regarding the capital projects to be included in the programme, it is full Council that approves the borrowing limits that the overall programme must remain within. Many projects are funded from capital grants, capital receipts and specific reserves, which do not impact on borrowing levels, but, where borrowing is required, it is important that those limits are not exceeded. This is an important area of overall financial management governance in that debt funded capital expenditure, and the external borrowing that results, lock in the Council into a long-term liability for the associated revenue costs. These costs, known as 'Capital Financing Costs' are comprised of the external loan interest costs and the provision for financing the debt funded capital expenditure, known as Minimum Revenue Provision (MRP).
3. The key governance documents that underpin this area of local authority finances are:

Capital Strategy

This, at its core:

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

Treasury Management Strategy

This, at its core:

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

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

- **Affordable** – there must be sufficient resources to be able to meet the capital financing consequence of debt-funded capital expenditure within the overall revenue budget. There must

also be sufficient capital resources for any non-debt funded capital expenditure. In addition, total capital expenditure is to be within **sustainable** limits. Councils are required to consider their current and estimated future resources available, together with the totality of their capital expenditure and income forecasts in assessing affordability.

- **Prudent** – it is important that whilst capital expenditure and capital financing costs are affordable, they are also proportionate. I.e. it is important that an appropriate proportion of the revenue budget is allocated for the purpose of financing past capital expenditure and that this is **sustainable**. Consideration as to overall financial **sustainability** is a key aspect to this. The operational borrowing limit should provide for the most likely level of borrowing, not the worst case, with the authorised limit providing sufficient headroom to enable day to day cash management. There should be alignment with the treasury management policy statement and practices and investing activities should strike an appropriate balance between security, liquidity and yield, in that order.
 - **Sustainable** – sustainability is a key theme when considering both affordability and prudence and is something that should be assessed in terms of the long term financial picture.
4. The Capital Strategy and Treasury Management Strategy are inherently linked and the main recommendations and observations arising from these are summarised in the following sections. In light of the requirement for full Council to ultimately provide approval of these strategies, the Governance & Audit Committee were asked to review and provide comments on both strategies, and the limits and prudential indicators contained within them, as necessary, to enable Cabinet, and then Council, to appropriately consider and then approve each strategy as required.
 5. The report was considered by Governance & Audit Committee on 26th January 2023. There were no significant comments or observations raised and the committee endorsed the strategies for onward consideration by Cabinet and then Council. The Committee noted the anticipated increase in debt, noted the Head of Finance recommendations to Cabinet and noted the proposal to prioritise resources against the backdrop of a challenging financial context.
 6. Subsequent to Governance & Audit Committee considering the report, the draft capital programme has been updated to align with the in-year monitoring position as at December 2022, which is being reported to Cabinet in February 2023. The changes mainly relate to an increase in budgets being slipped from 2022/23 to the new programme. However, it is important to note that these changes have had no material impact of any of the prudential indicators, such as borrowing limits, included within both strategies.

Capital Strategy 2023/24 to 2033/34

Capital Programme to 2027/28

7. The Council's current capital programme ends in March 2023, with a new five-year programme taking effect from 2023/24. Because of the extremely challenging financial context facing the Council, and all councils in Wales, the scope for additional borrowing over and above that approved in previous years is severely limited. Therefore, the new programme will comprise annual sums, for activity such as cyclical asset maintenance, and unfinished schemes carried forward from the previous programme. Because of the high level of slippage forecasted in 2022/23, it means that the new programme will still be significant in scale and, because of this, remain a challenge in terms of deliverability.
8. Although the new programme will contain no new schemes, and very little borrowing headroom for new schemes, there may be the scope to review this position, particularly beyond the first two years

of the programme. This is enabled by the move to a rolling approach to programme management, meaning each year the programme will be fully reviewed as another year is added to the back end of the five-year window. Therefore, should the financial outlook significantly improve, there may be scope to introduce new schemes or additional borrowing headroom. This may be critical, as there will inevitably be new demands upon capital resources emerging over the medium term and it will be important that the Council is able to respond to these demands.

9. In addition to new borrowing capacity, there may be one-off opportunities to bolster the capital headroom, via in-year revenue underspends. This would provide the scope to support new schemes and react to the risk of pressures being created by rising cost inflation on existing schemes. Even more critically, additional headroom would enable annual sums allocations to be augmented and deal with significant challenges in relation to maintenance backlogs and the increasing costs of renewal programmes, such as fleet. It is important to note that the current annual sums are based on historical allocations, with a minor uplift in light of the recent draft Local Government Settlement, where General Capital Financing (GCF) was increased. This is not currently sufficient for known pressures in relation, for example, to the fleet renewal programme. Work is currently ongoing to consider how best to prioritise the available resources towards the different areas that receive annual sums funding and ensure that the difficult costs to avoid, such as fleet renewal, are supported. However, ultimately, additional resource is required for annual sums and this is something that is being considered as part of the preparation of the 2023/24 budget and medium term financial plan.
10. The proposed programme is set out in the overview that follows. It shows a total programme of £157.5m, comprising annual sums of £31.9m and ongoing schemes totalling £125.6m. Borrowing headroom stands at only £1.057m (albeit £1m of this is ringfenced specifically in relation to the Council’s Levelling Up bid) and is the residual value of the previously approved £4.5m, which is now almost entirely allocated for existing and past schemes. Significant schemes included within the proposed programme include the completion of the Council’s Sustainable Communities for Learning Band B programme, the new leisure centre, the Transporter Bridge refurbishment and the Council’s contribution towards the Cardiff Capital Region City Deal. The total value of the programme in 2023/24 stands at £83.3m, which is significantly more than has been spent in previous years and could be a challenge to deliver without any slippage occurring.

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

	NEW 5-YEAR CAPITAL PROGRAMME					Total new programme £m
	2023/24 Budget £m	2024/25 Indicative £m	2025/26 Indicative £m	2026/27 Indicative £m	2027/28 Indicative £m	
Annual Sums	7.9	5.8	5.8	5.8	5.8	31.9
Ongoing Schemes	75.9	38.1	8.8	2.6	0.0	125.6
Uncommitted borrowing*	1.1	0.0	0.0	0.0	0.0	1.1
TOTAL EXPENDITURE	84.4	45.4	14.6	8.4	5.8	158.6

11. The capital programme is financed through a variety of different funding streams, including external grants, capital receipts, Section 106 contributions, direct revenue funding, use of reserves and external borrowing (unfunded or debt-funded capital expenditure).
12. Capital Expenditure funded by debt increases the need to undertake external borrowing, unless it is possible to bridge this need via ‘internal borrowing’, which is the use of existing cash resources which are underpinned by the overall level of earmarked reserves. As the capacity to internally

borrow reduces, as reserves are utilised as intended, the need for external borrowing increases. This is particularly the case for this Council, which has had a high level of internal borrowing in the past, but is now seeing that capacity reducing over the medium-long term. Because of this, coupled with an increased level of unfunded capital expenditure, the Council is committed to be a net borrower for the long term. To ensure this borrowing is affordable and sustainable, Council is required to set an affordable borrowing limit.

Affordable borrowing limit

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

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

	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit
Authorised limit – borrowing	271	246	253	248
Authorised limit – PFI and leases	41	39	36	34
Authorised limit – total external debt	312	285	289	282
Operational boundary – borrowing	192	150	163	161
Operational boundary – PFI and leases	41	39	36	34
Operational boundary – total external debt	233	189	199	195

14. Over the medium term, it is anticipated that the level of borrowing required to facilitate the new capital programme will be substantial. As outlined in Table 2, it is projected that borrowing will reach £199m, compared with the £140m that is currently held. It should be noted, however, that this is a reduced figure from that forecasted in the previous Capital Strategy and compared with the previous year’s limits, due to the slippage that has occurred in delivery the existing programme, short-term increase in the availability of internal borrowing and the removal of scope for additional borrowing over the medium term.
15. It can be seen that there is a significant difference between the Authorised Limit and the Operational Boundary. This is because of the level of internal borrowing available, underpinned by the level of cash backed reserves, which have increased significantly over recent years. The level of reserves will reduce over the medium-long term, in particular the PFI reserves, and, therefore, it will become necessary to undertake external borrowing in lieu of this reducing capacity. This will have a revenue impact because of the interest costs that will be incurred as a result of the external borrowing, compared to the lower cost of internal borrowing, which, in essence, is represented by interest income foregone.
16. It should be noted that the two limits described above only place a theoretical limit on borrowing that can be undertaken to fund new capital expenditure. This is particularly relevant where there is evidence of slippage occurring across the programme. As a consequence, in theory, additional borrowing could be undertaken over and above that budgeted in the existing Capital Programme, because the slippage means that the operational boundary, for example, would not be reached. This would present a risk that, ultimately, the cumulative level of borrowing could exceed that which is deemed affordable. Therefore, to ensure a measure of control on borrowing undertaken to fund new capital expenditure, a local indicator was introduced for 2022/23, which is directly linked to the level

of borrowing headroom within the Capital Programme. The limit amounts to only £1.057m in 2023/24, with only £57,000 not earmarked already, and will apply until the scope for affording new borrowing improves.

17. The commitment to increase external borrowing leads to increasing capital financing costs, comprising both Minimum Revenue Provision (MRP) and interest payable. Because the financial impact of the current borrowing commitments was funded up front in the 2021/22 revenue budget, the existing revenue budget is already sufficient (unless interest rates increase significantly beyond current levels) and is not set to change over the medium term. The current budgets are set out in Table 3, below. The table also shows the value of capital financing costs as a proportion of the total revenue budget. The percentages quoted are lower than in previous years and are also set to decrease over the medium term. This is largely because of the capital financing budgets remaining stable at a time when the overall revenue budget is increasing, due to funding increases to cover pressures in key services. There remains uncertainty regarding local authority settlements beyond 2024/25 and, therefore, affordability of new borrowing and corresponding capital financing increases could remain a challenge.

Table 3: Capital Financing Budgets

	2023/24 budget	2024/25 budget	2025/26 budget	2026/27 budget	2027/28 budget
Provision for repayment of debt (MRP)*	10.4	10.4	10.7	10.7	10.7
Net interest cost	6.9	6.9	7.0	7.0	7.0
Total capital financing (exc PFI)	17.3	17.3	17.7	17.7	17.7
PFI	5.7	5.5	5.5	5.7	5.7
Total Financing costs* (£m)	23.0	22.8	23.2	23.4	23.4
Proportion of net revenue stream	6.1%	5.9%	5.8%	5.9%	5.9%

*includes charges direct to service areas

Longer term outlook

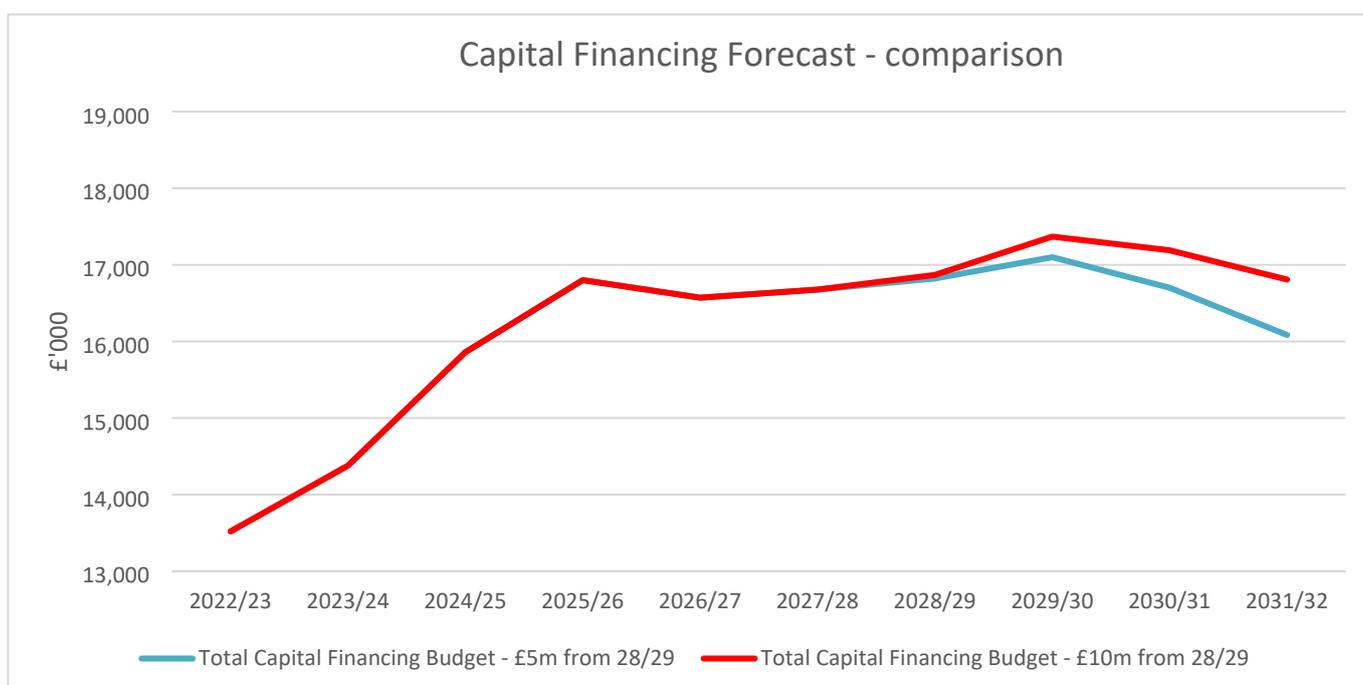
18. As well as considering the medium-term outlook, there is a need to look beyond this timeframe. This is particularly relevant when considering the move towards a rolling capital programme approach and future iterations of the capital programme. When reviewing the programme on a rolling basis, the overriding objective will be to ensure that capital expenditure plans are affordable, prudent and sustainable, requiring a limit to be placed upon debt funded capital expenditure over that period. When looking longer term, the following points will need to be considered:

- the high level of forecast borrowing and corresponding higher level of capital financing cost over the next few years
- the anticipated reduction in reserves and consequent capacity to be internally borrowed, requiring a continuing increase in external borrowing to replace it
- the need to refinance existing maturing borrowing, which could incur a higher interest cost than currently being incurred

- the Council’s methodology for charging MRP, which realised a budget saving when changed in recent years, but which increases the charge each year from that point and will continue to do so going forward
- the challenging medium term outlook driven by high inflation, increasing demand for services and the potential for external funding reductions.

19. As a consequence of the points above, the new programme does not contain provision for any new borrowing. Beyond 2027/28, which is the final year of the new programme, an assumption of £5m per year of new borrowing has been modelled. However, this would be subject to affordability within the revenue budget and cannot be guaranteed. Should the medium term revenue outlook improve, however, there may be scope to afford new borrowing beyond that level. Therefore, a further scenario, whereby £10m additional borrowing per year is incurred, has been modelled. The impact of both scenarios is shown in the graphs within the main Capital Strategy document and the chart that follows. Both options would achieve the aim of stabilising the Capital Financing Requirement and, in the case of the first scenario (£5m borrowing per year), it would reduce the CFR overall.

Chart 1: Capital Financing Cost Forecast, excluding PFI



20. The above graph demonstrates the impact that the existing programme, with the significant borrowing requirement attached to it, has on the capital financing requirements, denoted by the sharp increase in costs over the short term. Beyond that, there is a levelling off before a more gradual increase over the middle years. There is then a drop-off in both scenarios, largely because of some current significant MRP commitments coming to an end. Whilst this could, theoretically, release budget to allow further borrowing to be undertaken, it wouldn’t achieve the aim of stabilising the underlying need to borrow (CFR). It should be noted that any increase in capital financing costs beyond the current budget provision, may result in a pressure on future revenue budgets.

Accountability and Responsibility for delivery of the Capital Programme

21. As outlined in the main strategy report, and capital monitoring reports during 2022/23, there has been a general issue in relation to slippage in recent years. A large part of this has been caused by the COVID-19 pandemic, which led to delays in scheme delivery, amongst other challenges.

However, there are also instances of other issues, such as overly optimistic profiling and a degree of placeholding each time a new programme is developed, which have had an impact. As a consequence of slippage, there is a risk that revenue budget is provided in advance of need and external borrowing is undertaken before required. Therefore, it is an issue that needs addressing, especially with revenue resources being under such pressure over the medium term.

22. To address this, and in line with the recent senior management restructure, governance arrangements for the capital programme are being strengthened. A capital board is being proposed as part of the introduction of the Transformation Programme. Cabinet will retain the same authority over setting the programme, approving additions to the programme and approving slippage from year to year, however this new board will have a clear remit in terms of overseeing the delivery of the programme. Existing boards and groups, such as the Capital Strategy & Asset Management Group which has oversight of the asset maintenance programme, will remain, however ultimate internal officer responsibility will rest with the new board. Heads of Service and project managers will report to this board and be held accountable for ensuring delivery of schemes on time and within budget. It is anticipated that this will reduce instances of slippage and reduce the risk of scarce resources being tied up unnecessarily.

Treasury Management Strategy

23. The Council's detailed Treasury Management Strategy for 2023/24 and beyond are included as Appendix 3, as are the various treasury management indicators. Key points of interest are summarised below.

Borrowing Strategy

24. As outlined in earlier sections of this report, the Council is committed to being a net borrower over the life of the proposed new Capital Programme. In particular, a significant increase in the need to borrow is being projected to 2025/26 financial year. However, the Council's preferred strategy is to maximise the level of internal borrowing, aided by the recent increase in earmarked reserve levels. Therefore, whilst the overall Capital Financing Requirement is set to increase, the need to undertake new borrowing will be deferred for as long as possible.
25. However, the capacity to internally borrow is planned to reduce over the medium to long term. In addition, some existing sizeable loans are due to mature over the next few years. These two factors, will mean that some new borrowing will be required, before considering any overall increase in the CFR. As well as this, in light of the Council's position as a committed long-term borrower, the decision could be taken to undertake borrowing in advance of need. This would only be done in consultation with the Council's treasury advisors and where it was felt to be appropriate, and affordable, in order to mitigate against future interest rate rises. This is especially relevant considering recent interest rate rises and the potential for further rate rises over the forthcoming 12 months.
26. When the need to undertake borrowing arises, the Council will need to give consideration as to the time period over which to borrow. The guiding principle will be to achieve a low, but certain cost of finance. This will generally mean long term borrowing, as this can provide certainty for periods of more than 50 years, if desired. Also, there is currently little difference between long and short term borrowing rates. However, with there being potential for long-term borrowing interest rates to reduce over the medium term, the Council could decide to undertake a degree of short term borrowing as a way of buying time before rates reduce. Also, this would achieve a more balanced borrowing portfolio, but also assist with mitigating the risk of locking into high long-term borrowing rates prior to rates dropping. Again, individual borrowing decisions would only be taken in consultation with the Council's treasury advisors, but also whilst considering the maturity profile of the current borrowing portfolio, as well as overall affordability.

Investment Strategy

27. Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. Currently, this is not easy to achieve, despite increasing interest rates, due to the high inflation rates. However, in any longer term investment the Council makes, it would still seek to maximise the level of return providing security and liquidity was deemed acceptable from a risk management perspective.
28. As originally outlined in the 2021/22 Capital Strategy, and reiterated in last year's strategy, the Council intends to diversify its investment portfolio, given the relatively low returns from short-term unsecured bank investments and the need to maximise income generation in support of a very challenging medium-term outlook. The recent upturn in interest rates, coupled with uncertainty regarding the IFRS9 statutory override, led to this ambition being put on hold. However, it is intended to explore this further during the last quarter of 2022/23 and into 2023/24. The outcome is likely to be the Council investing all, or part, of the £10m that is available for long-term investment in higher yielding asset classes, such as pooled property funds or covered bonds. This would represent a move away from investing in low yielding bank deposits or with other local authorities. The detail regarding the approved counterparty list and limits is shown in Appendix 3.

Head of Finance Summary

29. The Council's Capital Strategy, and in particular the Capital Programme itself, are, from a financial perspective, decisions with long term implications and where decisions today 'lock-in' the impact on budgets once projects have progressed and borrowing taken out. As explained in the first part of this report, the core requirement for councils is to make decisions whilst taking into account affordability, prudence and sustainability:
30. In terms of the Council's proposed Capital Programme to 2027/28:

Affordability

- There is a significant increase in the Council's projected level of external borrowing and the associated capital financing costs over the next three years, in particular. However, some of this borrowing requirement is simply delayed from previous years. Due to the better than anticipated settlement the Council received for 2021/22, it was possible to fully fund the revenue costs of the entire current Capital Programme, to its conclusion. The current capital programme is therefore affordable, in totality, as a result of this. This is an important position because the Council has an unbalanced medium term financial position currently, due to high inflation driving up costs and increased demand for services. There is also a risk that funding constraints could arise over the medium term. Having already fully funded the revenue impact of the existing programme means that there is one less pressure on an already challenging outlook.

Prudence

- Prudent operational limits on the level of capital expenditure funded by borrowing have been recommended, which align with the proposed programme requirement and, therefore, the Council's priorities. These operational limits increase over the course of the programme and will result in the Council taking on significantly more debt. Therefore, the Capital Programme

needs to be strictly managed within those limits to ensure that the need to externally borrow does not increase and expose the Council to any further risk or interest costs.

Sustainability

- As outlined above, the revenue costs arising from the existing Capital Programme have been fully funded within the overall revenue budget. In addition, WG have provided an indicative funding settlement for the next financial year, which provides some assurance regarding future funding levels. Providing that the Council is able to meet the challenge of balancing its budget over the medium term, then the costs of borrowing are sustainable.
- However, there is potentially a more significant challenge when considering the longer term sustainability of meeting the costs of debt funded capital expenditure, although this is dependent upon the funding context and the position in relation to inflation and demand for services. The Capital Strategy provides two scenarios, which exemplify the costs of limiting the annual level of debt funded capital expenditure to either £5m or £10m from 2028/29 onwards. Both of these scenarios would be successful in restricting the growth in the CFR longer term, with the £5m scenario actually reducing the CFR. However, due to the reducing capacity for internal borrowing and the MRP policy, the cost of capital financing does not reduce. Therefore, when developing future iterations of the Capital Programme, from a sustainability perspective, it will be important for the Council not to overcommit itself to additional borrowing, particularly with the uncertainty regarding future funding levels.

31. The proposed new Capital Programme is unlike many in the past insofar as it is restricted to ongoing schemes and annual sums. This is reflective of the current financial situation and the extremely challenging MTFP situation meaning that new borrowing is not currently affordable. Because of the high volume and cost of schemes being carried forward from the current programme to the new programme, this is not necessarily a problem because there will be enough of a challenge in delivering the new programme without any new schemes on top. However, it is recognised that there will be a need for new schemes over the course of the next five years, as well as a critical need to address asset maintenance and fleet renewal challenges through the annual sums. Therefore, with a rolling approach now in place, it will be important to continually review the programme and the scope for additional borrowing. As well as this, all opportunities to increase the capital headroom via one-off sums need to be taken when available and potentially prioritised over other emerging pressures. This will assist with mitigating the impact of the maintenance backlogs and potentially avoiding the high cost impact of asset failure. The absence of significant capital headroom will mean that other funding sources will need to be pursued for any new schemes, as well as maximising the ability to self-fund schemes. The new, strengthened, governance arrangements, will be a crucial part of managing the challenging situation over the medium term.

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

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Increased need to borrow beyond currently	High*	Medium	Regular monitoring and reporting of available headroom should identify any issues at an early stage and keep Cabinet / Council	Members, Executive Board, Heads of Service

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
assumed levels.			updated. A mechanism exists for increasing borrowing limits and this should only be done where affordable, prudent and sustainable.	and Head of Finance.
Undertaking borrowing that is not ultimately required.	High	Low	Regular monitoring of schemes means that potential for slippage should be identified at an early stage. Continued reprofiling to be undertaken to guard against slippage not being identified. Regular contact with WG regarding potential grant funding, which could negate the need to undertake borrowing.	Executive Board, Heads of Service and Head of Finance.
Investment counterparty not repaying investments.	High*	Low	The Council only invests with institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds/duration available for relatively higher risk investment as measured by credit ratings will also alleviate the risk.	Members, Head of Finance, Treasury staff, based on advice from treasury advisors.
Interest Rates moving adversely against expectations.	Medium*	High	There is currently a climate whereby interest rates are changing on a regular basis. Interest rate forecasts are regularly received from external treasury advisors and the Council is prudent when forecasting future interest payable. In addition, the Treasury Strategy provides for a balance between short and long-term borrowing as a means of managing this particular risk.	Head of Finance, Treasury staff, based on advice from treasury advisors.

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

Links to Council Policies and Priorities

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

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

Options Available and considered

To endorse both the Capital Strategy and the Treasury Management Strategy for 2023/24 for approval by Council, and approve the capital programme.

Preferred Option and Why

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

Comments of Chief Financial Officer

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

The Capital Strategy highlights the anticipated increase in borrowing and the revenue costs resulting from the proposed Capital Programme, which is largely comprised of ongoing schemes from the current programme. Continuation of increasing borrowing at this level beyond the next few years is potentially unsustainable and, therefore, it is important that the Capital Financing Requirement is stabilised and, ideally, reduced. Whilst the current Capital Programme is affordable, as the necessary capital financing budgets were frontloaded as part of the 2021/22 revenue budget, it is important that expenditure is kept within the financing limits within the programme. If further borrowing is required, this will need to be approved by Council.

Over the longer-term, a position needs to ideally be reached whereby debt funded capital expenditure is no greater than annual MRP, allowing the CFR to stabilise or, ideally, reduce. Even by limiting borrowing, as exemplified in the Capital Strategy, the capital financing costs do not necessarily reduce and increase in some years, therefore showing the importance of agreeing a prudent limit for future iterations of the programme. This will be a key issue over the medium to long term, mainly due to the challenging financial outlook being faced by the Council. At a time when demand for revenue resources, due to rising costs and demand for services, it will be important that demand for capital financing is proportionate and, ideally, kept to a minimum.

The degree of slippage in future years will also be a significant factor. It will be important that the strengthened governance arrangements are effective and that resources are not unnecessarily tied up, when they could be used for other purposes. As well as this, it will be vital that opportunities to increase capital headroom are taken and that issues surrounding asset maintenance are prioritised. This will assist the Council with being able to react to emerging needs and mitigate the chance of asset failure.

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

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The Capital Strategy will provide a framework for future capital and investment decisions, having regard to principles of affordability, prudence, sustainability and risk/reward. The Treasury Management Strategy sets out the financial management principles that will underpin the Capital Strategy. As such, both strategies will form part of the Council's overall budget framework and are required to be formally approved and adopted by full Council. Governance & Audit Committee have been asked to comment on the draft Capital Strategy and Treasury Management Strategy as part of its responsibility for reviewing and monitoring the effectiveness of the Council's system of internal controls and the proper administration of its financial affairs. The Committee did not raise any specific concerns for Cabinet to take into consideration.

Comments of Head of People, Policy & Transformation

The Capital Strategy described within this report is considerate of, and meets the requirements of, the Wellbeing of Future Generations Act with a focus on long term planning and sustainability as part of the sustainable development principle. The Fairness and Equality Assessment completed and summarised below reinforces this element, along with the positive impact of protected characteristics.

The report supports the new Corporate Plan objectives which are ambitious and focused on working collaboratively with our staff, residents, and partners to improve service delivery across the city whilst supporting other related plans and strategies, in particular the Council's Strategic Equality Plan.

As the Council works towards its new Corporate Plan and Capital Strategy, it will be necessary to consider the workforce required to achieve the objectives as set out. Any staffing impact will be considered, and consultation will take place as and when necessary.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

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

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

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

programme that will, collectively, have had a positive impact upon groups with protected characteristics such as disability, language preference and socio-economic background.

Consultation

N/A

Background Papers

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

Dated: 7th February 2023

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

	Budget 2023/24 (including slippage)	Indicative Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total
<u>Annual Sums:</u>						
<u>People, Policy & Transformation:</u>						
Asset Maintenance (including schools)	1,500	1,500	1,500	1,500	1,500	7,500
IT Replacement Schemes	224	150	150	150	150	824
<u>Prevention & Inclusion:</u>						
Disabled Facilities Grants	1,669	1,000	1,000	1,000	1,000	5,669
Safety at Home	300	300	300	300	300	1,500
<u>Social Services:</u>						
Disabled Equipment (GWICES)	165	165	165	165	165	825
Teecare	30	30	30	30	30	150
<u>Infrastructure:</u>						
Fleet Replacement	2,648	2,123	2,123	2,123	2,123	11,140
Highways Asset Maintenance	1,372	1,371	500	500	500	4,244
Annual Sums Total	7,908	6,639	5,768	5,768	5,768	31,851
<u>Ongoing and Previously Approved Schemes:</u>						
<u>Education:</u>						
Sustainable Communities for Learning - Band B	31,353	16,858	400	46	30	48,687
Welsh Medium Primary School (Pillgwenlly / Nant Gwenlli)	1,277	2,625	1,159	0	0	5,061
Charles Williams Renovations	1,600	0	0	0	0	1,600
Pentrepoeth Primary School Accessibility Works	204	0	0	0	0	204
St Mary's Primary School	1,716	1,478	0	0	0	3,194
Education Maintenance Grant 2020/21	1,263	0	0	0	0	1,263
Education Maintenance Grant 2021/22	684	0	0	0	0	684
Education Maintenance Grant 2022/23	1,725	830	0	0	0	2,555

	Budget 2023/24 (including slippage)	Indicative Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total
Education Accessibility Works - Phase 1 and 2	569	0	0	0	0	569
Free Schools Meals Capital Works	1,867	0	0	0	0	1,867
Community Focussed Schools	597	0	0	0	0	597
Supporting Learners with Additional Learning Needs	879	0	0	0	0	879
Education Total	43,733	21,791	1,559	46	30	67,159
<u>Environment & Public Protection:</u>						
Refit	1,135	0	0	0	0	1,135
Parks Improvements	1,054	0	0	0	0	1,054
Cemeteries Improvements	802	0	0	0	0	802
Environment & Public Protection Total	2,991	0	0	0	0	2,991
<u>Housing & Communities:</u>						
Gypsy & Traveller Site Development	44	0	0	0	0	44
Housing & Communities Total	44	0	0	0	0	44
<u>Infrastructure:</u>						
Hostile Vehicle Mitigation	572	572	0	0	0	1,144
Private Sector Bus Electrification	6,323	0	0	0	0	6,323
Infrastructure Total	6,895	572	0	0	0	7,467
<u>People, Policy & Transformation:</u>						
IT Replacement Schemes (in addition to annual sum)	95	95	52	0	0	242
Information Station	23	0	0	0	0	23
People, Policy & Transformation Total	118	95	52	0	0	265
<u>Regeneration & Economic Development:</u>						

	Budget 2023/24 (including slippage)	Indicative Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total
Cardiff Capital Region City Deal – NCC Contribution	2,375	4,167	1,145	0	0	7,686
Cardiff Capital Region City Deal – Cost of Carry Contribution	0	0	2,037	2,628	0	4,665
Market Arcade	617	0	0	0	0	617
Transforming Towns	536	332	0	0	0	868
Central Library	518	0	0	0	0	518
Transporter Bridge	11,150	807	0	0	0	11,957
Lighting Strategy	450	0	0	0	0	450
New Leisure Centre	2,270	10,948	4,086	0	0	17,304
Newport Centre Demolition	1,200	0	0	0	0	1,200
Regeneration & Economic Development Total	19,116	16,254	7,268	2,628	0	45,265
Social Services:						
Fosdale Annexes	224	0	0	0	0	224
Cambridge House	1,630	0	0	0	0	1,630
Forest Lodge	596	0	0	0	0	596
Social Services Total	2,450	0	0	0	0	2,450
Total Capital Programme	83,254	45,351	14,647	8,442	5,798	157,492

	Budget 2023/24 (including slippage)	Indicative Budget 2024/25	Indicative Budget 2025/26	Indicative Budget 2026/27	Indicative Budget 2027/28	Total
Financed by:						
General Capital Grant	4,268	4,268	4,268	4,268	4,268	21,340
Supported Borrowing	4,155	4,155	1,201	20	10	9,541
Unsupported Borrowing	14,601	11,099	4,140	2,628	0	32,468
External Grants	38,283	20,581	3,538	26	20	62,447
S106	3,664	328	0	0	0	3,992

Other Contribution	436	0	0	0	0	436
Capital Receipts	3,629	950	0	0	0	4,579
Revenue Contribution	1,500	1,500	1,500	1,500	1,500	7,500
Reserves	12,719	2,470	0	0	0	15,189
Total Capital Programme Financing	83,254	45,351	14,647	8,442	5,798	157,492

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**NEWPORT CITY COUNCIL
CAPITAL STRATEGY
2023/24 TO 2033/34**



EXECUTIVE SUMMARY

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

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

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

The strategy highlights the key risks and recommendations:

- The Council's new rolling capital programme, a large proportion of which relates to ongoing and previously approved schemes being carried forward from the previous programme, requires a substantial amount of borrowing to 2024/25, in particular. Whilst this is affordable, due to the revenue budget requirement being forward funded in the 2021/22 budget, it would be unsustainable to continue increasing borrowing thereafter, especially given the current economic climate and pressures upon the Council's revenue budget.
- The Council's Medium Term Financial Plan includes no provision for any new borrowing over and above that already funded within the existing revenue budget. This is on the basis that new borrowing would not be affordable, prudent or sustainable. However, this position will be kept under review as certainty regarding the medium-term outlook increases.
- As per the agreed framework (detailed in the report), the new programme needs to be maintained within the agreed limits and not result in a medium-term increase in the Capital Financing Requirement. This is to be achieved by not incurring new expenditure to be funded via borrowing, other than that already approved. Any required increase in the level of capital expenditure to be specifically funded by borrowing would need approval by full Council.
- Due to the pressure for additional capital resources, primarily driven by the need to increase investment in annual sums for asset maintenance (buildings and highways) and fleet renewal, there is a requirement to supplement the capital headroom with one-off resources, and preferably recurring resources, wherever possible. To achieve this, it is proposed that any revenue underspends over the medium term are redirected towards the capital headroom and used to augment annual sums allocations. In addition, consideration is required as part of the revenue budget setting process to allocating additional base budget resources to supplement annual sums.
- As well as prioritising funding for annual, recurring, sums, there is a need to develop various strategic plans across the organisation which drive the need for capital expenditure. This will include clearer visibility and assessment of demand for maintenance of assets such as schools, highways and other operational assets, as well as focussing on asset rationalisation.

- The pressure upon the Capital Programme and the historic challenges in relation to programme delivery and slippage, coupled with a relatively new management structure, increases the need for clearer, more robust, governance structures around the programme. These are currently being developed but will likely result in a greater prominence for capital expenditure and funding, overseen by the Executive Board, coupled with a clear link to the Transformation Programme.
- The prudential indicators, including borrowing limits, are in line with the MTFP approved by Cabinet.

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

OVERVIEW OF THE STRATEGY

1.1. INTRODUCTION

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

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

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

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

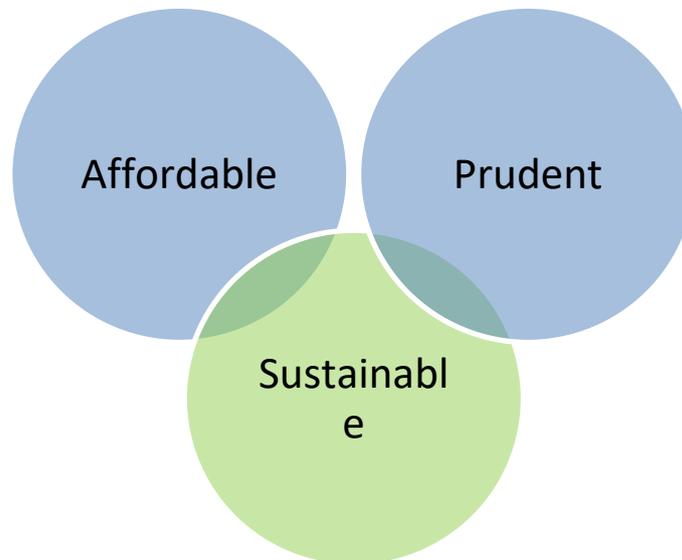
The report sets out:

- The key objectives outlined in the Prudential Code and the governance arrangements for the Capital Strategy and programme, including the move towards a rolling approach to programme development and management (Section 2)
- The new proposed capital programme to 2027/28, including schemes carried forward from the current programme, its financing, and the revenue implications arising from demands on capital expenditure (Section 3)
- The long-term (10 year) projection for the capital financing costs of the Council and where future demands arise from the various strategic plans across the Council for further capital resources. (Section 4)
- Links between the Capital Strategy and Treasury Management strategy, and treasury decision making. (Section 5)
- A look at the commercial activity of the Council and the strategy going forward. (Section 6)
- Overview of other long-term liabilities the Council has, which members need to be aware of when looking at the Capital Strategy. (Section 7)
- Summary of the skills and knowledge the Council holds in order for it to carry out its duties for capital and treasury matters. (Section 8)

2. PRUDENTIAL CODE & GOVERNANCE

2.1. PRUDENTIAL CODE – KEY OBJECTIVES

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



AFFORDABLE

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

PRUDENT

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

SUSTAINABLE

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

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

All local authorities are required to have regard to CIPFA's Prudential Code and Treasury Management Code. During the autumn of 2021, a number of changes were consulted on and subsequently introduced. Some of these changes, such as local authorities being precluded from borrowing for investment where the primary aim is to generate a commercial return, were reflected in the 2022/23 Capital Strategy. Other changes, which were outlined in the previous strategy document and include prudential indicators being reported more frequently, could be deferred until 2023/24 and will be reflected in this year's strategy and in-year reports.

2.2. GOVERNANCE FOR APPROVAL AND MONITORING OF CAPITAL EXPENDITURE

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

- Council approves the overall revenue and capital budgets following recommendations from the Cabinet. As part of this, Council approves the external borrowing limits, which place a cap on the level of borrowing the Council can undertake during the year. These limits are based around the level of unfunded capital expenditure, including uncommitted expenditure, within the capital programme. The limits will not include expenditure on any schemes where borrowing is required, but which finance themselves through the savings generated. These limits are a key performance indicator for treasury management and ensure that capital expenditure is limited and borrowing remains affordable. Any changes required to the borrowing limits must be approved by full Council.
- Council approves the Treasury Management and Investment strategies, which are intrinsically linked to capital expenditure and the Capital Strategy. Further details of these are provided in sections 5.1 and 5.3.
- The detailed capital programme, contained within the overall budget, is approved by Cabinet following individual project appraisals by officers, which include the views of the Head of Finance.
- Items of capital nature are discussed at the Capital Strategy Asset Management Group (CSAMG), which is made up of senior officers from all service areas and the Council's property advisors, Newport Norse. Discussions centre on the asset management agenda and include asset disposals and prioritisation of capital expenditure requirements. Other boards with capital considerations, include the People Services Capital Board.
- Operational decisions on capital expenditure will be made by the Capital Board, following a review of the project appraisal and/or business case and advice from CSAMG, where relevant. The board will also monitor the position in relation to previously approved schemes and ensuring that they remain affordable within the overall approved programme envelope. Should action be required to respond to increasing costs, Heads of Service and project managers will be expected

to demonstrate that alternative options, such as rescoping and seeking alternative funding, have been considered.

- Cabinet approves any new capital expenditure to be added to the capital programme, including that funding from external resources, such as specific grant.
- Monitoring of Capital Expenditure is reported to Cabinet, including updates on capital receipts and the impact on the revenue budget of decisions made.

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

Decisions on the approval of capital expenditure will be made in liaison with the Capital Accountancy Team and an understanding of the long-term revenue implications of the expenditure is assessed before it is added to the programme. Cabinet approves additions to and deletions from the Capital Programme when approving the regular monitoring reports. Approval of slippage from one financial year to the next is also a Cabinet responsibility and tends to take place towards the end of the financial year, as greater certainty around slippage levels become evident.

3. CAPITAL EXPENDITURE AND FINANCING

3.1. CURRENT CAPITAL PROGRAMME

The current capital programme originally covered the five-year period between 2018/19 and 2022/23. However, as approved by Cabinet in January 2020, an additional two years were added to the programme to incorporate those schemes, such as the Sustainable Communities for Learning Band B Programme, where completion was projected to extend beyond the original five-year timeframe. As the original capital programme window is due to end in March 2023, a new five-year programme is required.

This programme will run from 2023/24 to 2027/28, although a rolling approach to capital programme development and management will be introduced as part of this. This means that, rather than having a new programme once every five years, there will be a continual evolution of the programme, with a new year added each time the strategy is refreshed and the most recent year withdrawn. Because of the rolling approach, it means that future years within the programme will be shown as indicative only, until the point at which the full funding is in place for the expenditure planned in that respective year (in the case of debt-funded expenditure, this would require the requisite capital financing budget to be in place). However, this approach will allow for longer term planning and more flexibility in how the programme is managed. In addition, it means that schemes will only be added when ready, which should reduce the instances of “placeholding” and reduce the level of slippage reported.

Given the financial constraints that the Council has faced in recent years, and continues to face, Cabinet and Council established a framework for managing the programme, aimed at maximising capital expenditure but keeping new borrowing at a level that could be afforded within a sustainable revenue budget and, in doing so, not adding unnecessary pressure to the medium term outlook. This framework is as follows:

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

This framework ensures that the capital programme can be maximised but those schemes which cannot fund any resulting borrowing costs can be afforded and maximised within any headroom available. This available headroom is made up of residual borrowing headroom agreed within the previous programme and identified uncommitted capital reserves and capital receipts. The new programme does not currently include any allowance for new borrowing over and above that already approved for specific schemes. Therefore, the headroom going forward will largely comprise of capital reserves and receipts.

Because of this, the new programme, in the first few years at least, will be made up of recurring annual sums, ongoing schemes and those schemes approved and funded, but not yet started, as part of the previous programme. This will result in a relatively low level of capital headroom to be able to react to other emerging pressures. As a consequence, it will be necessary to top-up the capital headroom whenever possible, using one-off resources. These one-off resources will include repurposing of existing earmarked reserves, future capital receipts and any underspends against the overall revenue budget.

The proposed new capital programme is summarised in the table below. For 2023/24, the programme contains approved capital schemes of £83.3m, and the overall programme to 2027/28, including uncommitted borrowing, is £158.6m. This total figure includes £4.7m for the cost of carry of undertaking borrowing for Cardiff Capital Region City Deal schemes, prior to the funding from HM Treasury being received, and just £1.1m of uncommitted borrowing headroom (of which only £57,000 is not earmarked for specific schemes).

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

	NEW 5-YEAR CAPITAL PROGRAMME					Total new programme £m
	2023/24 Budget £m	2024/25 Indicative £m	2025/26 Indicative £m	2026/27 Indicative £m	2027/28 Indicative £m	
Annual Sums	7.9	5.8	5.8	5.8	5.8	31.9
Ongoing Schemes	75.9	38.1	8.8	2.6	0.0	125.6
Uncommitted borrowing*	1.1	0.0	0.0	0.0	0.0	1.1
TOTAL EXPENDITURE	84.4	45.4	14.6	8.4	5.8	158.6

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

The new capital programme, including previously approved schemes, is substantial and leads to a considerable increase in the Capital Financing Requirement (CFR) over the medium term. As a result, there is a consequential increase in capital financing costs. As part of the overall 2021/22 Council budget, a £2.1m investment in the capital financing budget was made in order to provide for the revenue costs arising from the full capital programme. By committing these resources in advance, it means that no additional investment is required over the medium term to meet these costs. Due to the level of

slippage experienced and projected beyond the current financial year, it means that there is likely to be an in-year underspend against this budget during 2023/24 and 2024/25. This may provide one-off opportunities to bolster the capital headroom, assuming there are no other emerging in-year pressures against the revenue budget, for which the underspends are needed for the Council to be able to balance its overall monitoring position.

In terms of funding, the WG General Fund Capital Grant in 2023/24 is set to return to levels in line with 2021/22, having reduced temporarily in 2022/23. The draft Local Government settlement for 2023/24 has confirmed an amount of £4.268m, which actually represents an increase on historic levels. This increase will go a small way to reducing the pressure upon annual sums expenditure.

The overall programme contains a number of key capital schemes, some of which will continue beyond the forthcoming 2023/24 financial year. These include:

- Sustainable Communities for Learning Band B Programme
- Transporter Bridge renovation
- Cardiff Capital Region City Deal (CCRCD)
- New Leisure Centre

There may be other requirements for capital funding for schemes that are not yet contained within the overall programme. Any new schemes that arise during the year will either need to be funded via specific funding sources (e.g. external grant) or will represent a call upon the residual headroom available. It is important that capital expenditure remains at an affordable level within the framework agreed and, therefore, prioritisation of capital expenditure is essential and needs to be affordable and sustainable in the long-term. Regular reviews of previously approved schemes, not yet started, will be undertaken to ensure that they remain affordable. This is especially relevant in the current climate of high construction inflation and where capital expenditure is to be funded via borrowing, as there is a risk that the existing revenue budget may be insufficient. It will be expected that all necessary steps will be taken to ensure that existing budgets can be kept within, including reducing scope, seeking alternative funding sources and mitigating within a wider programme. As a last resort, consideration as to whether a scheme can still proceed will be required.

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

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

Table 2: Capital financing in £ millions

	NEW 5-YEAR CAPITAL PROGRAMME					Total new programme £m
	2023/24 Budget £m	2024/25 Indicative £m	2025/26 Indicative £m	2026/27 Indicative £m	2027/28 Indicative £m	
TOTAL EXPENDITURE	84.4	43.9	14.6	8.4	5.8	158.6
Financed by:						
Committed Grants and contributions	46.7	25.2	7.8	4.3	4.3	88.2
Committed Reserves, capital receipts, revenue	17.9	4.9	1.5	1.5	1.5	27.3
Committed new borrowing	18.9	15.3	3.3	0.0	0.0	37.3
Committed new borrowing for City Deal Cost of Carry	0.0	0.0	2.0	2.6	0.0	4.7
TOTAL COMMITTED (Appendix 1)	83.3	45.4	14.6	8.4	5.8	157.5
Uncommitted borrowing*	1.1	0.0	0.0	0.0	0.0	1.1
TOTAL UNCOMMITTED	1.1	0.0	0.0	0.0	0.0	1.1
TOTAL FINANCING	85.8	45.4	14.6	8.4	5.8	158.6

As previously outlined, the better than expected Local Government settlement in 2021/22 enabled the Council to fully fund the revenue budget requirements arising from the commitment to undertake borrowing to fund the capital programme. For the new programme, the forecast level of borrowing is £43.1m, including borrowing headroom. The full impact of this is already funded within the revenue budget and, should there be any need to increase this total, it would need approval by Council.

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

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

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget
MRP budget	10.4	10.4	10.7	10.7	10.7

The table above shows the budgeted amount of MRP that is included within the Council's overall revenue budget, including where service areas are making contributions towards the capital financing costs of invest to save schemes. Because the capital financing costs arising from the existing schemes were fully funded in the 2021/22 revenue budget, and there is no new borrowing planned, there is currently no requirement to increase the MRP budget over the medium term, other than a planned

increase in relation to the Leisure Centre scheme. Should there be any new commitment to borrow in future years, this will need to be reflected via an increase in the MRP budget.

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

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

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

	2023/24 budget	2024/25 budget	2025/26 budget
Financing costs* (£m)	23.0	22.8	23.2
Proportion of net revenue stream	6.1%	5.9%	5.8%

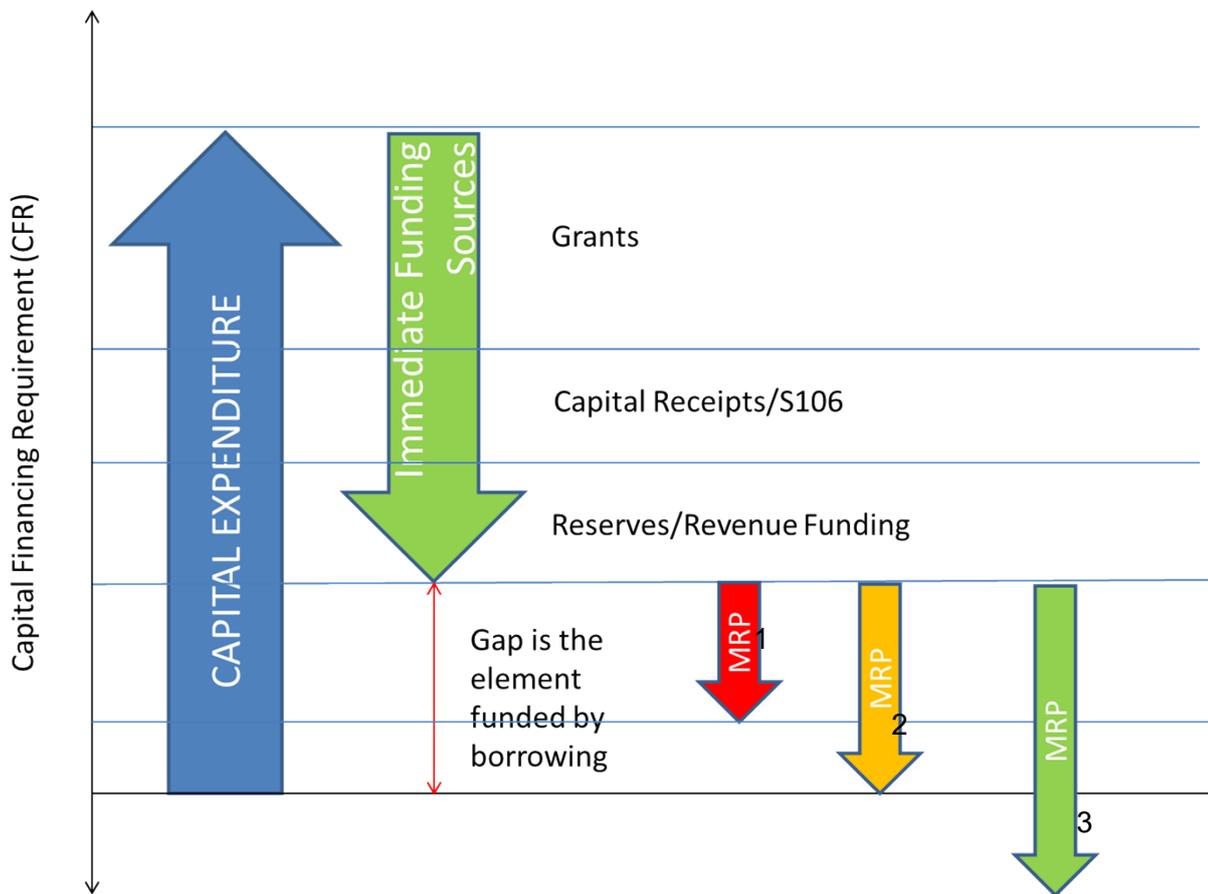
*includes capital financing costs of PFIs

From the table above it is evident that the proportion of the budget set aside to finance capital expenditure is set to steadily decrease over the medium-term. This reduction is a reflection of the fact that the capital financing budget was frontloaded in 2021/22 and is not set to significantly change during that period. However, core revenue funding is set to increase, via a combination of increased core funding from Welsh Government and Council Tax increases. This increase in funding is having the effect of reducing the proportion of the core revenue stream utilised on capital financing costs.

- Information on the revenue implications of capital expenditure is also included in the 2023/24 revenue budget report.

Capital Financing Requirement (the underlying need to borrow)

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



The diagram above shows the following:

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

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

The table below provides the medium-term outlook for the Council's CFR, inclusive of the impact of PFI arrangements. This is based on the proposed new programme and, therefore, does not reflect the potential for additional borrowing beyond that already approved. As can be seen, the CFR is expected to increase by £8.9m during 2023/24 to £282.6m, compared to the slight reductions that have occurred in the last three years. Therefore, this increase represents a stepped change in position, when compared with previous years, where the figure has generally stayed at around £273m.

This significant increase in capital expenditure, including that funded via other sources, will be a challenge to achieve, evidenced by the significant levels of slippage incurred during the 2021/22 and 2022/23 financial years. Therefore, it is important to recognise the likelihood that the actual CFR may turn out lower by the end of the 2023/24 financial year, in turn reducing the actual need to undertake external borrowing. This is a significant challenge for the Council, as it is important that ambitions for capital expenditure are not unrealistic, as this can result in unnecessarily committing resources towards the capital financing budget, which may result in other budget priorities not being able to be pursued.

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

	31/03/22 Actual	31/03/23 Forecast	31/03/24 Budget	31/03/25 Indicative	31/03/26 Indicative	31/03/27 Indicative	31/03/28 Indicative
TOTAL CFR	273.5	273.7	282.6	286.5	280.2	270.9	259.3

With the introduction of the accounting requirements of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase, due to the change in the way that finance leases for lessees are treated. CIPFA/LASAAC took the decision to initially defer the implementation of IFRS 16 Leases until the 2022/23 financial year in response to pressures on Council finance teams, as a result of the COVID-19 pandemic. However, there has been a subsequent further deferral, meaning that the introduction of the accounting standard is likely to be in 2024 at the earliest. Work is continuing to be undertaken to gather the relevant information and fully understand the impact upon the Council. The output of this work will be reflected in the 2024/25 Capital Strategy, at the earliest.

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

4. LONG-TERM VIEW OF CAPITAL EXPENDITURE

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

Due to the financial constraints that the Council continues to face, it is anticipated that revenue to fund capital financing will remain incredibly restricted over the long term. The capacity to use internal borrowing is also reducing, which means that the authority will face a challenge in relation to its medium to long term capital aspirations, particularly if there is a need or desire to incur a certain level of capital expenditure funded via borrowing. This comes at a time when the authority is facing challenges in relation to its existing asset base, in terms of maintenance backlogs, as well as demand pressures (e.g. increasing pupil numbers) adding to the need to invest in new and existing assets.

As already outlined, there will be no scope for new borrowing in the immediate future. Therefore, this presents an opportunity to stabilise, and possibly reduce, the increasing level of its CFR. This, in turn, will minimise the increase in associated capital financing costs and ensure that they remain affordable and sustainable. This is particularly relevant when considering the position outlined in the Medium Term Financial Plan and the competing financial pressures facing the Council.

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

To assist with exemplifying the potential impact over the medium to long term, two scenarios have been modelled. The first scenario assumes no additional (i.e. in addition to already approved schemes) unfunded capital expenditure during the new programme window and then £5m of unfunded capital expenditure from 2028/29 onwards. The second scenario is based on incurring £10m of unfunded capital expenditure from 2028/29 onwards. Charts 1a and 1b, below, demonstrate the impact that these scenarios could potentially have upon the overall level of the CFR and the actual requirement to undertake external borrowing.

Chart 1a – Liability Benchmark v1 - £5m additional borrowing per year beyond 2027/28

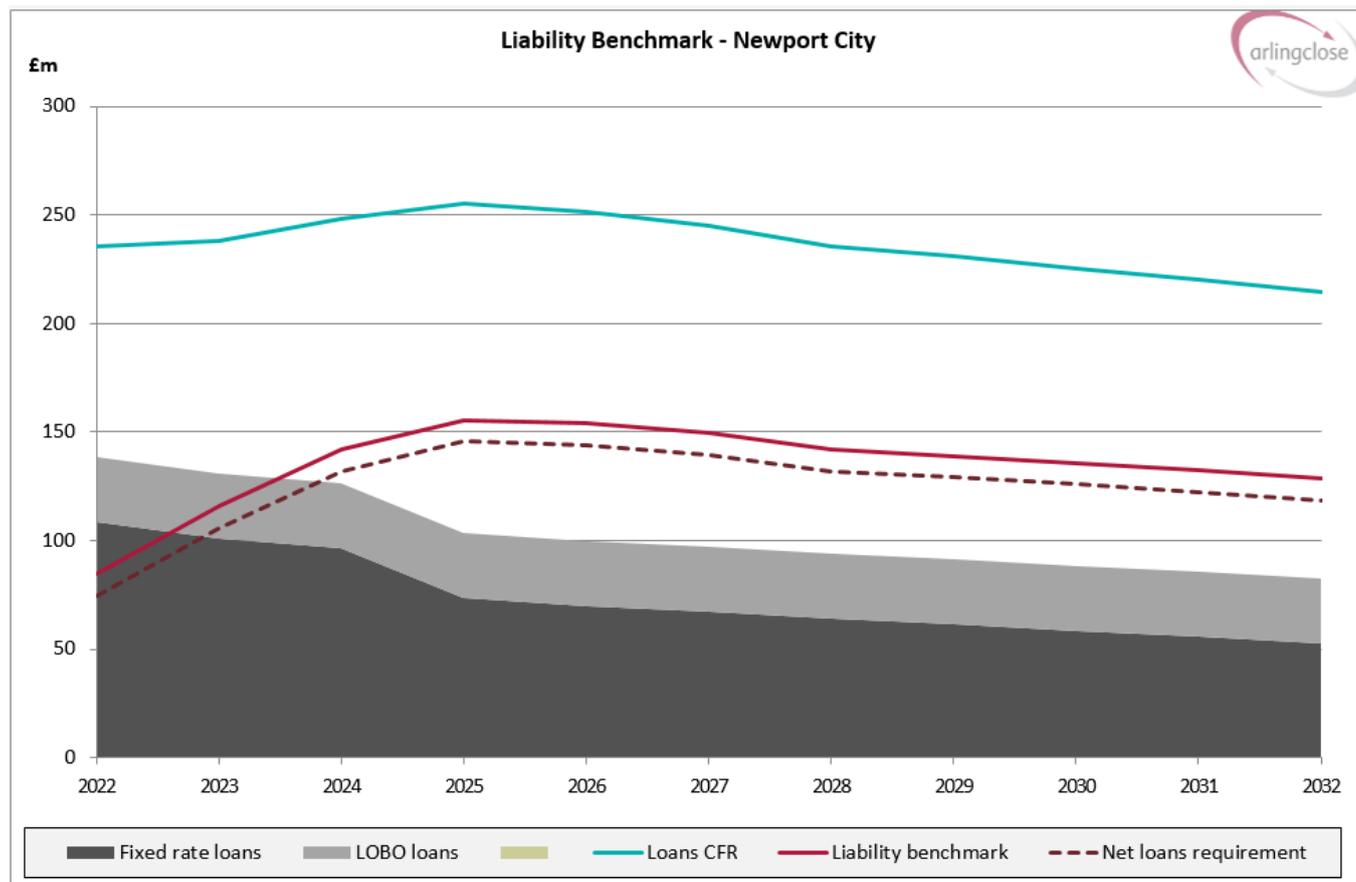
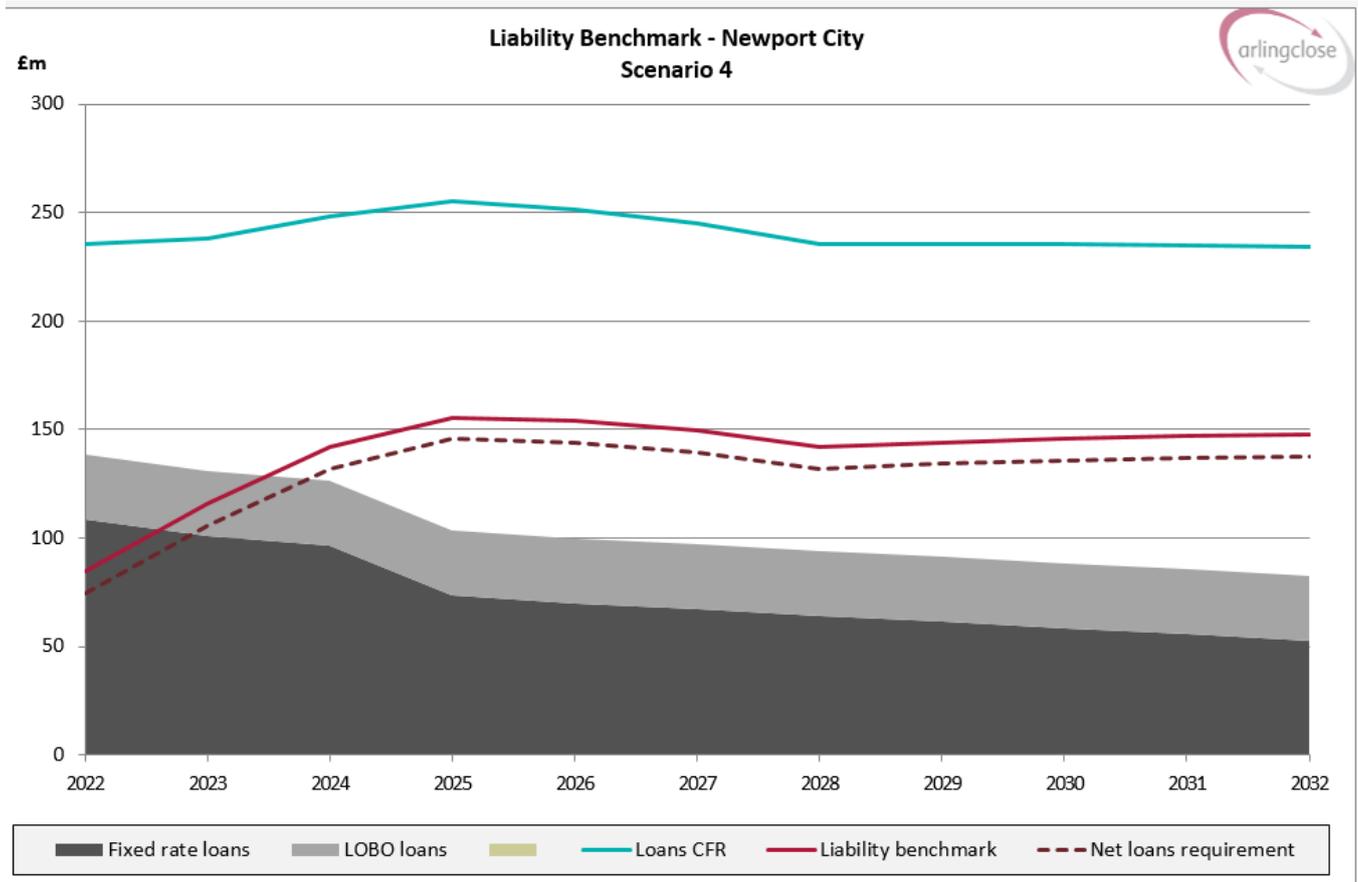


Chart 1b – Liability Benchmark v2 - £10m additional borrowing per year beyond 2027/28



Charts 1a and 1b, known as the Liability Benchmark, demonstrate the following, in terms of the impact of the current capital programme and the two modelled scenarios:

- The impact the current capital programme has in terms of the increasing CFR and consequent need for external borrowing, denoted by the steepness of the solid and dashed red curves over the first few years.
- A longer-term stabilisation (v1 and v2), and then reduction (v1), in the overall level of CFR, as shown by the trajectory of the solid blue lines.
- A longer-term stabilisation of the need to undertake actual external borrowing (v1 and v2), followed by a gradual reduction (v1), as shown by the trajectory of the dashed red lines.
- The impact of the reducing capacity for internal borrowing, demonstrated by the convergence of the two set of lines over the first few years and thereafter.
- The fact that a level of existing borrowing is scheduled for repayment (denoted by the shaded grey area) over the medium to long term, although the underlying need to borrow actually grows during that time, meaning that the repaid borrowing will need to be replenished.

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

Chart 2 – Capital Financing Cost Forecast

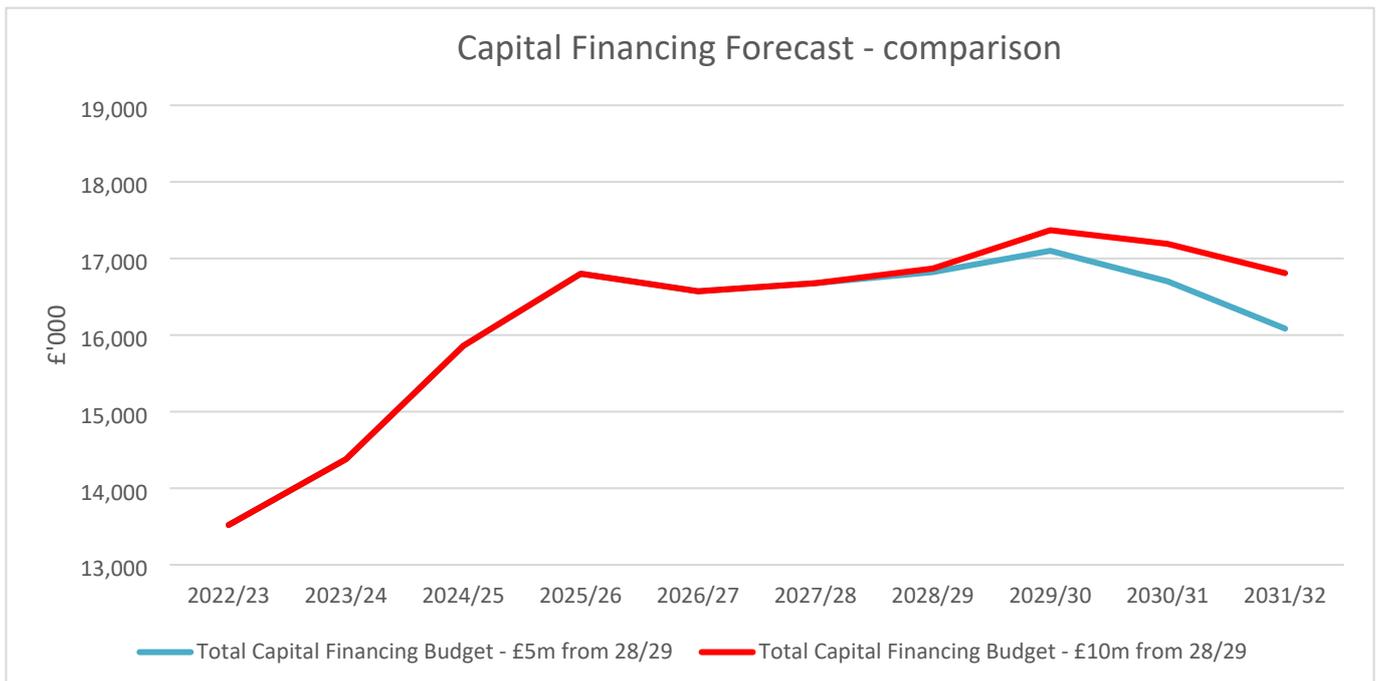


Chart 2 shows the increasing capital financing costs over the next 10 years with a limit of £5m or £10m of unfunded capital expenditure per annum after the current programme. This is initially driven by the capital programme that is proposed, resulting in a significant spike in capital financing costs to 2025/26. This is despite the modelled reductions in the CFR, as outlined in Charts 1a and 1b. Although the revenue costs arising from the current capital programme have been fully funded, this chart highlights the fact that there could be future capital financing budget pressure beyond the new programme window, especially if £10m of unfunded capital expenditure per year is pursued. Due to slippage experienced in delivering the current programme, it should be noted that the actual costs of capital financing are lagging behind the existing budget provision, resulting in an underspend against the revenue budget. This is set to continue in the short to medium term, although as the new programme nears completion, the full capital financing budget is likely to be required, depending upon interest rates on future borrowing.

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

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

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

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

Sustainability and Ongoing Capital Programme Development

As already outlined, the long-term nature of the impacts arising from short to medium term capital expenditure and financing need to be understood in terms of its prudence, affordability and sustainability. The Head of Finance is satisfied that the current programme meets this key requirement, evidenced by the fact that the revenue implications are already fully funded. However, the key challenge facing the Council, in relation to capital, is the continuing pressure relating to the existing estate, in terms of maintenance backlogs and ensuring no asset failures occur. The current annual sums allocations are not as high as would be ideal, meaning that it can be challenging enough to maintain the status quo in terms of backlogs, before considering reducing them. In addition, there is the potential for demand for new schemes to emerge over the medium term, especially in relation to pupil number increases, for example.

On the basis that the current Medium Term Financial Plan is not balanced, there would appear to be little scope to increase capital resourcing by way of external borrowing, as the revenue budget would not be able to cater for the increased MRP and interest costs. The MTFP challenge is especially acute in 2023/24 and 2024/25. Whether or not the challenge will ease beyond those years will largely depend upon the rate of inflation being experienced and the position in relation to core funding via UK and Welsh governments. Therefore, it cannot be assumed that it will be possible to afford borrowing over the medium term. If the pressures upon the capital programme make this unavoidable, then members would need to prioritise those pressures over other competing pressures when setting a balanced budget for the year in question.

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



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

Therefore, whilst annual allocations are provided for asset maintenance, they are generally insufficient in value. The challenging revenue budget position does not provide an easy solution in increasing these allocations to a level that would, in the first instance, stop the backlogs from increasing. Because of this, it will be critical that opportunities to augment the annual sums, such as those outlined earlier in the strategy, are taken wherever possible. If it doesn’t prove possible to increase the annual sums, they should, as a minimum, ensure the highest priority backlog issues are addressed, first and foremost. However, they would, in most cases, be insufficient to address any asset failures.

In addition to the annual sums, other approaches need to be pursued in order to reduce the maintenance backlog. This should include a review of the asset base more generally, and consideration to rationalising the number of assets. This rationalisation, which is a key tenet of the new Transformation Plan, could be achieved in a number of ways, such as closure or disposal of assets, asset transfers or schemes to refurbish/redevelop existing assets (e.g. neighbourhood hubs, Chartist Tower and the Newport Market development). Furthermore, it will be necessary to target external grant funding, such as Sustainable Communities for Learning funding, which will enable wholesale upgrade or replacement of existing assets, including those with significant maintenance backlogs.

Therefore, when developing the rolling capital programme, it will be necessary for decision-makers to ensure that the ongoing maintenance of existing assets is sufficiently addressed. However, there will be other priorities to be included within the programme at some point in the future, such as the need to address the climate emergency via a pursuit of carbon neutral assets, a response to the need for a new way of working, the next phase of WG's Sustainable Communities for Learning Programme and further regeneration schemes for the city. As already outlined, the pressure to support such initiatives will need to be carefully balanced against other competing priorities for revenue resources.

Although members will ultimately decide upon both the overall size of the new programme, and the schemes contained within it, it will be important that there is appropriate governance surrounding the development of the programme. This will be especially important given the constrained funding outlook and the need to be absolutely clear as to where the highest priorities lie. To achieve this, the Capital Board will need to act as an effective gateway and ensure that only those schemes with a clear plan for delivery and where the necessary due diligence has been undertaken are recommended for addition to the programme. The board should also ensure that there is enhanced oversight and management of the programme on an ongoing basis and reduce the likelihood of slippage or grant funding being foregone in future years. As an outcome, a more realistic, deliverable and achievable programme should result.

5. TREASURY MANAGEMENT

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

5.1. TREASURY MANAGEMENT

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

As a result of decisions taken in the past, the Council as at 31st December 2021, has £140.4m borrowing at a weighted average interest rate of 3.6% and £51.5m treasury investments at a weighted average rate of 3.0%.

As outlined earlier, CIPFA consulted on changes to the Treasury Management code during 2021 and issued a new version of the code subsequent to that. The changes required as a result of the update were outlined in last year's strategy and are reflected in this year's strategy, where relevant and appropriate.

5.2. BORROWING STRATEGY

Whilst the current outlook is for the Council to have significant long-term borrowing requirements, the current strategy is to fund capital expenditure through reducing investments rather than undertaking new borrowing. To clarify, this means deferring new long-term borrowing and funding capital expenditure from day-to-day positive cashflows for as long as possible. By using this strategy, the Council can also minimise cash holding at a time when counterparty risk remains high. The interest rates achievable on the Council's investments are also slightly lower than the current rates payable on long-term borrowing and this remains a primary reason for the current 'internally borrowed' strategy.

Whilst investment counterparty risk is minimised through this strategy, the risk of interest rate exposure is increased, as the current longer term borrowing rates may rise further in the future. However, long-term borrowing interest rates are broadly similar to short-term borrowing interest rates. Therefore, should there be a need to undertake borrowing at short notice, the current similarity in interest rates mitigates the risk to some extent and also ensures the Council is no worse off in the short term. The market position is being constantly monitored in order to manage this risk.

The Council's overall main objective when borrowing is to achieve a low but certain cost of finance, whilst retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between short-term loans (which have traditionally been available at a lower cost) and long-term fixed rate loans where the future cost is known but higher. In the current economic context, short-term borrowing is not much cheaper than long-term borrowing (both available at between 4.0% and 5.0%), however this may revert to a more typical scenario in the medium term. The current availability of positive cashflow has meant that the Council has not been required to undertake any short-term borrowing recently, although this can change at relatively short notice.

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

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

	31.3.2022 Actual	31.3.2023 Forecast	31.3.2024 Budget	31.3.2025 Budget	31.3.2026 Budget
Debt (incl. PFI & leases and ST & LT borrowing)	193	174	186	197	192
Capital Financing Requirement	273	274	283	286	280

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

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

Operational Boundary: The Council is obliged to approve an operational borrowing limit. This boundary has been set in line with the expected borrowing required to finance the current Capital Programme until 2027/28, taking account of likely levels of internal borrowing. A small additional allowance has also been made for the timing of PFI debt repayments. If any increase to the operational boundary is required,

including to borrow for investment/income generation schemes or regeneration investment (loans) this will need to be brought to Council for approval.

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

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

	2022/23 limit	2023/24 limit	2024/25 limit	2025/26 limit
Authorised limit – borrowing	271	246	253	248
Authorised limit – PFI and leases	41	39	36	34
Authorised limit – total external debt	312	285	289	282
Operational boundary – borrowing	192	150	163	161
Operational boundary – PFI and leases	41	39	36	34
Operational boundary – total external debt	233	189	199	195

Whilst the above indicators place a theoretical limit upon the level of borrowing that a council can undertake, they do not, for example, make an allowance for any amount of slippage that may be incurred whilst delivering the Capital Programme. This is relevant in the case of the Council's Capital Programme where, in relation to 2023/24 in particular, there is a significant level of forecasted unfunded expenditure and a high probability of slippage occurring. Therefore, to ensure that the level of expenditure to be funded via borrowing is controlled, a local indicator exists which restricts any unfunded expenditure being added to the existing Capital Programme over and above the headroom that is already in place. This indicator is in line with Table 1 of this report and, for 2023/24 only, limits additional borrowing for new capital expenditure to £1.057m. Should borrowing above this limit be required, it will need to be approved by full Council.

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

	2023/24 limit	2024/25 limit*	2025/26 limit*
Borrowing headroom	1.1	0	0

* The limit is currently £0m, in line with the existing Capital Programme, but the £1.1m effectively applies across the three years shown.

5.3. INVESTMENT STRATEGY

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

Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held

for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy. In the case of certain funds, the Council may request its money back at short notice.

Table 9: Treasury management investments in £millions

	31.3.2023 Forecast	31.3.2024 Budget	31.3.2025 Budget	31.3.2026 Budget	31.3.2027 Budget	31.3.2028 Budget
Near-term investments	22.4	0	0	0	0	0
Longer-term investments	0	10	10	10	10	10
TOTAL	10	10	10	10	10	10

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and relevant staff, who must act in line with the Treasury Management Strategy approved by Council. Half-year and end of year reports on treasury management activity are presented Council, although the frequency of these reports will change to quarterly from 2023/24, in line with the recent changes to the Treasury Management Code. The Governance & Audit Committee is responsible for scrutinising treasury management decisions.

Loans to other organisations

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

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

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

6. COMMERCIALISATION

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

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

As outlined in the 2022/23 strategy, the third element of this approach would entail, in essence, investment primarily for the purpose of yield. This type of activity is now precluded by the Public Works

Loans Board no longer lending to local authorities for this purpose and the updated Prudential Code preventing investment funded by borrowing solely for the purpose of yield. Combined with the financial constraints currently being faced, and new borrowing not currently being considered affordable, this area of the Commercialisation Strategy is no longer being pursued. The first two elements of the strategy are still areas that the Council will consider and potentially pursue, subject to affordability, risk acceptability and the ability to contribute towards the medium-term financial challenges.

7. OTHER LONG-TERM LIABILITIES

In addition to debt of £140.4m outlined above, the Council has a number of other long-term liabilities, which represent potential future calls on Council resources, as follows:

Private Finance Initiative (PFI)

The Council has two PFI arrangements. These are for the provision of the Southern Distributor Road (21 years remaining) and for Glan Usk Primary School (11 years remaining). As at 31st March 2022, the combined value of the liabilities was £40.7m. The Council holds specific earmarked reserves to cover the future costs of the PFIs.

Pension Liability

The Council is committed to making future payments to cover its pension fund deficit (valued at £403.2m) as at 31st March 2022.

Provisions

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

Contingent Liabilities

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

8. KNOWLEDGE AND SKILLS

In-house expertise

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

External expertise

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

Members

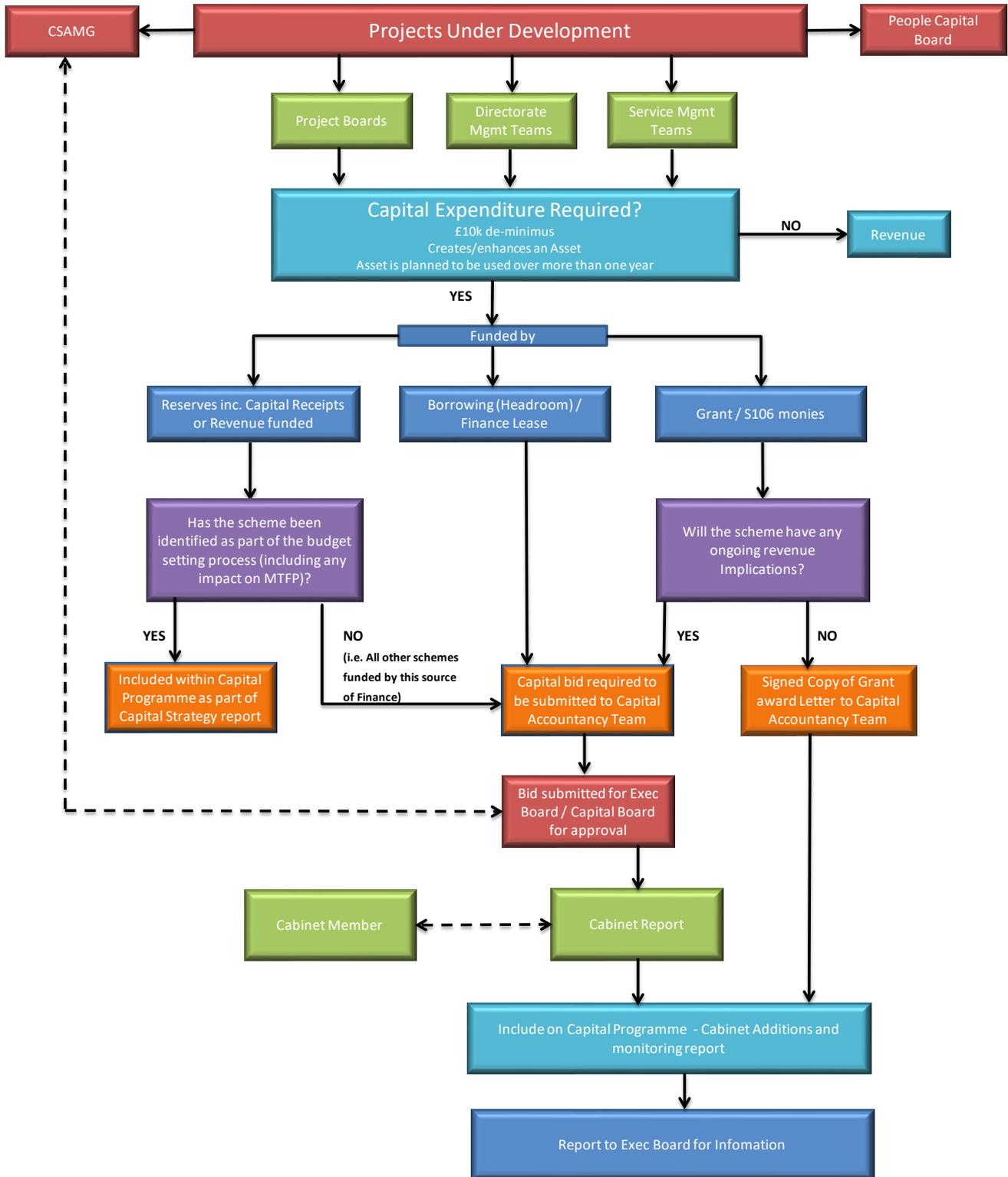
Training is offered to members to ensure they have up to date skills to make capital and treasury decisions. Training has been provided as recently as December 2022, with a number of new members attending for the first time. A register is also kept on member attendance. The Council also involves members at a very early stage of a project's life cycle.

9. SUMMARY

- Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
- The revenue budget includes the estimated revenue costs for the entire current capital programme, which includes a small level of headroom for additional capital projects to be added without impacting further on the MRP budget, as per the agreed framework.
- There are a number of demands on the capital programme and there is the need to link the capital strategy with a number of strategic plans across the organisation. This is to ensure that the pressures on the capital programme are known and the risks are assessed and prioritised within an affordable framework. This will include clear visibility and assessment of demand for schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years +). With the capital financing budget increasing over the long-term, as shown in Chart 2, the Council will need to make some difficult decisions when developing the rolling Capital Programme, to ensure the capital plans remain affordable, prudent and sustainable.
- The Treasury Management Strategy, detailed in Appendix 3, highlights the Council's approach to managing its borrowing and investments. The proposed strategy for 2023/24 is in line with previous years and is based upon a low risk approach to both investments and borrowing. This means that investments held are generally low in value and the approach to borrowing is to look for security of costs, resulting in a generally high proportion of long-term borrowing compared to short term borrowing.

APPENDIX 2a – Capital Additions Process Map

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



Treasury Management Strategy Statement 2023/24

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.

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

External Context

Economic background:

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour

market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

Credit outlook:

Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic. CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from negative from stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (December 2022):

The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events. A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3%, and that new long-term loans will be borrowed at an average rate of 4.65%.

Local Context

On 31st December 2022, the Authority held £140.4m of borrowing and £51.5m of treasury investments. This is set out in further detail at **Appendix 3b**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Capital financing requirement	273.5	273.7	282.6	286.5	280.2
Less: Other debt liabilities *	(40.8)	(38.5)	(36.2)	(34.0)	(31.8)
Loans CFR	232.7	235.1	246.5	252.5	248.4
Less: External borrowing **	(141.1)	(135.6)	(130.3)	(107.0)	(103.1)
Internal borrowing	91.6	99.5	116.1	145.5	145.3
Less: Balance sheet resources	(151.0)	(122.1)	(106.4)	(99.7)	(97.7)
Preferred Investment position	10.0	10.0	10.0	10.0	10.0
Treasury investments (or New borrowing)	49.4	12.6	(19.7)	(55.8)	(57.6)

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

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

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authority has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £57.6m over the forecast period. This is broken down into £38.0m refinancing of maturing existing borrowing and £19.6m additional external borrowing.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2023/24.

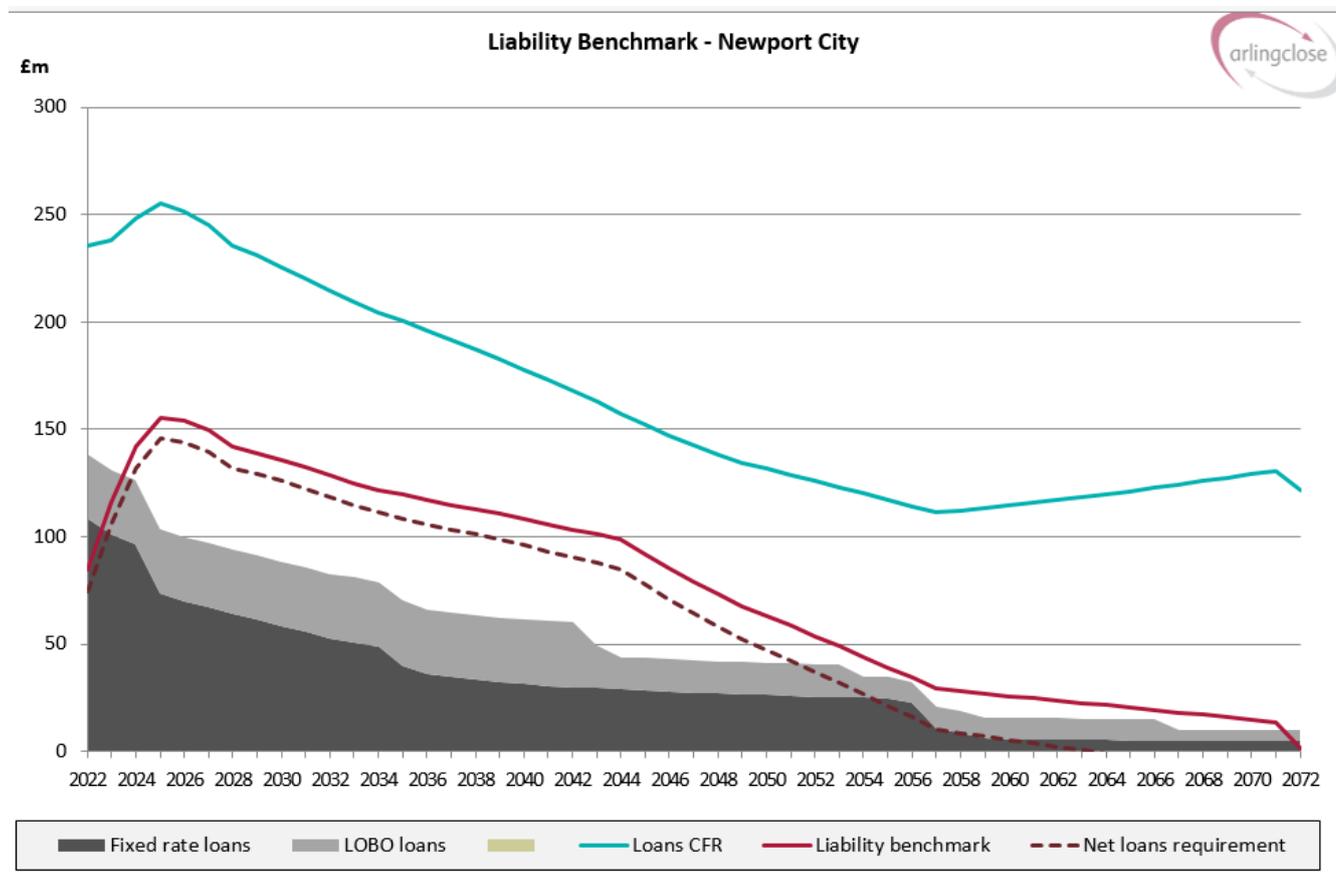
Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, but that cash and investment balances are kept to a minimum level of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

The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Loans CFR	232.7	235.1	246.5	252.5	248.4
Less: Balance sheet resources	(151.0)	(122.1)	(106.4)	(99.7)	(97.7)
Net loans requirement	81.7	113.0	140.1	152.8	150.7
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability benchmark	91.7	123.0	150.1	162.8	160.7

Following on from the medium-term forecasts in Table 2 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £5m a year from 2028/29, minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 2.0% a year. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:



The chart above shows actual borrowing maturing over time (grey area reducing), however the need to borrow (the blue CFR line) is increasing sharply over the short term due to the proposed capital programme. Over the long-term, to ensure a sustainable position, the CFR needs to stop increasing and ideally come down in order for the liability benchmark to stabilise. This, in turn, reduces the need to borrow and consequent pressure on the capital financing budget. Its important to note that, even with limited planned unfunded capital expenditure beyond the medium term, the liability benchmark doesn't reduce to current levels until circa 2044. Therefore, the chart is demonstrating the following important points/assumptions:

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

Borrowing Strategy

The Authority currently holds £140.4 million of loans, a decrease of £3.4 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that the Authority expects to borrow up to £19.7m in 2023/24. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £246 million.

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

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

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

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

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

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

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Greater Gwent Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

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

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

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities

will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The Authority holds £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £25m of these LOBOs have options during 2023/24, and with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Authority will take the option to repay LOBO loans to reduce refinancing risk in later years, if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £30m.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

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

Treasury Investment Strategy

The Authority currently holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £40 million and £99 million. It is anticipated that the level of investments held in 2023/24 will be lower, as cash balances are used in lieu of external borrowing, in line with the authority's internal borrowing strategy.

Objectives: Both the CIPFA Code and the WG Guidance require the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.

Strategy: As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. However, because of the requirement to remain Mifid II compliant, the authority will need to retain a £10m minimum investment balance. The intention is to explore longer term, higher yielding asset classes during 2023/24, such as strategic pooled funds and covered bonds, as well as continuing its use of Money Market Funds, where necessary and appropriate. This will also enable the authority to generate a higher rate of return and contribute towards the medium-term challenges facing the revenue budget.

The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Authority may opt to make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to the strategic pooled fund portfolio.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will, wherever possible, prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are

signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

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

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in Table 3 below, subject to the limits shown. It should be noted that the Council is only intending to invest for longer term periods up to the Mifid value of £10m. However, some counterparty limits exceed £10m and this is because of the need to manage short term investment requirements when surplus cash balances exist.

Table 3: Treasury investment counterparties and limits

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

This table must be read in conjunction with the notes below

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and

advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

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

Investment limits: The Authority’s revenue reserves available to cover investment losses are forecast to be £120.5 million on 31st March 2023 and £104.8 million on 31st March 2024. In order that no more than 15% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £1 million in operational bank accounts count against the relevant investment limits. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Additional investment limits

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

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

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

Treasury Management Prudential Indicators

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

Interest rate exposures: This indicator is set to control the Authority’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

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

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates. The impact of a 1% rise is predicated on known maturing borrowing during 2023/24, plus an allowance for borrowing in advance of need, should it be appropriate to do so as a means for mitigating the potential for rising interest rates. The impact of a 1% fall in rates is predicated on the Council’s minimum £10m investment balance.

Maturity structure of borrowing: This indicator is set to control the Authority’s exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

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

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

Long-term treasury management investments: The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be:

Price risk indicator	2023/24	2024/25	2025/26	No fixed date
Limit on principal invested beyond year end	£10m	£10m	£10m	£10m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Related Matters

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

Financial derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 24 of the *Local Government and Elections (Wales) Act 2021* removes much of the uncertainty over local authorities’ use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk

calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

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

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

Financial Implications

The budget for investment income in 2023/24 is £0.3 million, based on an average investment portfolio of £10 million at an interest rate of 3%. The budget for debt interest paid in 2023/24 is £6.9 million, based on the known annual cost of existing borrowing plus assumed new borrowing at a rate of 4.65%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

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

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

Appendix 3a - Arlingclose Economic & Interest Rate Forecast - December 2022

Underlying assumptions:

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power - recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

Forecast:

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

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

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

UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

Appendix 3b - Existing Investment & Debt Portfolio Position

	31/12/2022 Actual portfolio £m	31/12/2022 Average rate %
External borrowing:		
Public Works Loan Board	95.8	3.8
LOBO loans from banks	30.0	3.8
Other loans	14.6	1.3
Total external borrowing	140.4	3.6
Other long-term liabilities:		
Private Finance Initiative	40.7	
Leases	0.1	
Total other long-term liabilities	40.8	
Total gross external debt	181.2	
Treasury investments:		
The UK Government	11.5	3.1
Local authorities	30.3	3.3
Money market funds	10.0	2.9
Total treasury investments	51.5	3.0
Net debt	129.7	

Appendix 3c - Additional requirements of Welsh Government Investment Guidance

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

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

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

Climate change: The Authority's investment decisions consider long-term climate risks to support a low carbon economy to the extent that the Council has invested in, as part of the overall capital programme, a number of energy efficiency related schemes, including LED projects and Solar PV, as well as ultra-low emission vehicles. In addition, new schools are now being constructed on a net carbon zero basis.

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

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

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

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

The Council currently has loans totalling £10.6m as at 31st December 2022. These are all developer loans issued to local enterprises and are secured. The current value of loans issued represent approximately 7% of the useable reserve balance held as at 31st March 2022. The authority's aim when issuing loans is to ensure that they do not exceed 15% of total useable reserves as at the end of each financial year and, therefore, the current value of loans is within that self-assessed limit. The authority is also working to the loan limits set out below.

Table C1: Loan limits

Borrower	Cash limit
Local enterprises	£15m
Local charities	£5m
Wholly owned companies	£5m
Joint ventures	£5m
Treasury management investments meeting the definition of a loan	Unlimited

The Authority uses an allowed 'expected credit loss' model for loans and receivables as set out in *International Financial Reporting Standard 9 Financial Instruments* as adopted by proper practices to measure the credit risk

of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Authority has appropriate credit control arrangements to recover overdue repayments in place.

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

Table C2: Non-specified investment limits

	Cash limit
Units in pooled funds without credit ratings or rated below A-	£10m
Shares in real estate investment trusts	£10m
Shares in local organisations	£10m
Total non-specified investments	£15m

Non-financial investments: This category covers non-financial assets held primarily or partially to generate a profit, primarily investment property. Security is determined by comparing each asset's purchase price to its fair value using the model in International Accounting Standard 40: Investment Property as adapted by proper practices. On an assessment as at 31st March 2022, the Authority's investment property portfolio is anticipated to provide security for capital investment, since its fair value totals £12.530m and is likely to exceed the original purchase price (as in a number of cases, the purchases took place a significant amount of time ago). The authority will undertake further work to confirm, wherever possible, that the necessary security exists.

The Authority consider that the scale of its commercial investments including property are proportionate to the resources of the authority since such investments represent just 8% of its £151m useable reserves.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. However, the Council is not actively pursuing a strategy of acquiring investment properties. Therefore, the current level of investment properties, which represents a relatively low proportion of useable reserves, is not likely to increase in the near future. As a result, it is not anticipated that these investments will need to be liquidated in the medium term.

Because the invested funds, if required, would potentially take time to be liquidated, the authority ensures that it holds adequate available cash balances to be able to, for example, repay capital borrowed. In addition, the authority plans to hold a minimum £10m in investments (to meet Mifid II requirements) which could, if needed, be liquidated at relatively short notice, although this would be avoided if possible to ensure that the professional client status could be retained.

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

Borrowing in advance of need: Welsh Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority, after having regard to the guidance, will only borrow in advance of need as part of a strategy for reducing risk of future interest rate rises and would not undertake such activity purely in order to profit from an investment.

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

Commercial deals: Any commercial deals that the Council would be involved in would involve statutory officers in those discussions and any final decisions. This ensures that the core principles of the prudential framework and the regulatory regime of the local authority is adhered to when making such decisions.

Corporate governance: The Council has a clear corporate governance framework set out within its constitution, scheme of delegations and Annual Governance Statement. This ensures that decisions regarding investment are taken at the appropriate level. For example, the overarching treasury strategy and framework is approved by full Council. Operational decisions, such as day to day cashflow management, including borrowing, are delegated to the Head of Finance.

Appendix 3d - Minimum Revenue Provision Policy

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

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

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

- For supported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments. This is currently deemed to be an average of 40 years.
- For unsupported capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in on an annuity basis with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.
- For capital expenditure loans to third parties that are repaid over a short time period (less than 12 months) or frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. The only other scenario whereby MRP would not be charged is where there is unencumbered first charge security, held against separate assets, upon which the loan is secured. For all other capital expenditure loans to third parties, MRP will be charged in accordance with the MRP policy for the assets funded by the loan.
- The MRP policy and charges in relation to the Cardiff Capital Region 'City Deal' will reflect those within the Joint Working Agreement.

Capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2024/25.

Based on the authority's latest estimate of its Capital Financing Requirement as at 31st March 2023, the estimated cost of MRP in 2023/24, including finance leases and PFI, is as follows:

	31.03.2023 Estimated CFR £m	2023/2024 Estimated MRP £m
Supported capital expenditure	161	5
Unsupported capital expenditure	74	4
Finance leases* and Private Finance Initiative	39	2
Total General Fund	274	11

Report

Cabinet

Part 1

Date: 15 February 2023

Subject **December Revenue Budget Monitor**

Purpose To highlight the current forecast position on the Council’s revenue budget and the financial risks and opportunities that present themselves within the December position.

Author Head of Finance

Ward All

Summary The December 2022 revenue position forecasts an underspend of £1,086k; which excludes schools. This position is inclusive of the use of all revenue budget contingencies of £4,853k included in the 2022/23 revenue budget, as agreed by Cabinet in February 2022. Cabinet will remember that in addition to the base budget contingency, other revenue budgets were temporarily available to augment that for 2022/23 to the level shown above.

As well as the revenue budget contingency of £4,853k, further ‘covid contingency’ was earmarked from re-purposed reserves at £1,820k and this is one-off funding only. This is not included/ used in this forecast as clearly not required, and therefore would be available if the outturn confirmed the forecast underspend.

The forecast position has improved by £2,455k since October, which was the last update provided to December Cabinet:

October monitor	£1,369k overspend
December monitor	£1,086k underspend

The improved forecast has come about primarily from one off grant funding that has been received from Welsh Government. Since October, the Council has received confirmation of the following additional grant income totalling £1,888k:

Children’s social care – Elimination of profit funding	£1,282k
Homelessness – No One Left Out Approach funding	£606k

The grant funding is welcome but has not changed the overall pattern of the Council’s financial performance in 2022/23 where:

(1) Service areas are overspending - £5,047k

A small number of significant issues gives rise to an overspend against service area budgets (excluding schools) of £5,047k:

- Overspend on pay budgets. Impact of agreed pay award which represents a total increase to salary budgets of around 6%, against a budgeted increase provision of only 4%, excluding schools. £2,398k
- Overspend on Housing budgets. Homelessness provision £1,897k

- Overspend in Children's social care. Placement costs £4,022k

A further net £541k of overspending is also included in this forecast, which includes non-delivery of savings both this current year and previous year's savings. More detail is included in the report.

(ii) Mitigated by net underspending in non-service budgets - (£1,463k):

Significant variances are forecast against the following non-service budgets:

- Capital Financing underspend - interest payable and receivable (£2,281k)
- Council Tax Reduction scheme underspend (£973k)
- NDR and empty homes underspend (£130k)
- Net overspend against other headings, including HB £1,671k
- Council Tax deficit £250k

(iii) Further Mitigation from the revenue core/ temporary contingencies in place – (£4,671k)

Schools are separately projected to overspend by £5,284k, a proportion of which will have been planned, and this will reduce school reserves by that amount. As well as the impact of a higher pay award compared to the budget increase allowed for, schools are drawing down on reserves built up over the previous two years as they move to catch up / strengthen provision after the impacts of Covid and catch up on maintenance/ related improvements. Robust monitoring needs to be maintained in this area, as whilst no schools have set a deficit budget, there are a couple of schools that have entered an in year deficit position following the impact of the pay award being reflected in individual school forecasts.

Whilst the service area overspending has been mitigated by forecast underspends against non-service budgets, the level of overspending in a number of discreet areas within services is significant and the 2023/24 draft budget proposals included provision to deal with these on-going. It is important to note that the monitoring position earlier in the year was far worse and robust action was required to reduce overspending. This action, coupled with the recent Welsh Government grant awards, has been the reason for the improved position now being reported.

The appendices to the report are as follows:

- Appendix 1 Overall budget dashboard –December 2022
- Appendix 2 Revenue summary monitor – December 2022
- Appendix 3 Projected school balances
- Appendix 4 2022/23 projected reserve movements

Proposal That Cabinet:

- Note the overall budget forecast position resulting from the issues included in this report and the outstanding uncertainties and risks still present.
- Agrees that the Chief Executive and the Executive Board continue to review and challenge service area forecasts in an attempt to manage the overall forecasts within the core revenue budget, including revenue budget contingencies.
- Note the key risks identified throughout the report, particularly in relation to homelessness and social care placements.
- Note the overall position in relation to schools, when compared to previous years, but also note the risk that deficit positions could emerge in the future if good financial planning and management is not undertaken.
- Note the forecast movements in reserves.
- Approve allocation of the 2021/22 underspend that remained unallocated at outturn as set out in section 4 of the report, noting the resulting level of the Council's general and earmarked reserves.

Action by Cabinet Members / Head of Finance / Executive Board:

- Chief Executive and Executive Board continue to review the issues resulting in the current service area position and, with HoS, continue to take robust action to manage overall forecasts in line with available core revenues budgets.
- Cabinet Members discuss financial forecasts and issues in their portfolio areas and agree recommended action to bring those back in line with available budgets, as much as is possible.
- HoS deliver agreed 2022/23 and previous year budget savings as soon as practically possible, but by the end of the financial year at the latest.
- Cabinet Members and HoS promote and ensure robust forecasting throughout all service areas.

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Strategic Directors
- Head of Finance
- Head of Law and Standards
- Head of People, Policy and Transformation

Signed

1 Background

1.1 Cabinet will remember the external factors that continue to impact on the Council. The following key issues are not only a key consideration for in year budget management but also for financial planning. In addition to building on the unprecedented circumstances of the last few years and following the drastic economic changes over the last 12 months, the key emerging challenges that face councils, including Newport, include:

- **Increasing inflationary costs** – Whilst the annual inflation rate fell to 10.5% in December, the impact of rapidly increasing inflation since the budgets were set for 2022/23 is having a significant impact on the costs that the Council incur;
- **Pay awards** – additional costs incurred in respect of NJC pay award (which encompasses most Council staff), following approval of an average pay award of 6.4% compared to budget provision of 4%. The additional cost of the NJC award compared to the 4% budgeted in 2022/23 is in the region of £3.5m;
- **Increasing demand** – the increasing demand for services and therefore costs stemming from legacy issues coming from the Covid pandemic period as well as population and demographic/ societal changes. These are most acute in the usual budget areas of social services and education; but also, now housing services.

1.2 When setting the budget for 2022/23, although the effects of the Covid-19 pandemic were potentially set to ease, it was known that the Welsh Government (WG) Hardship Fund would end and, therefore, any costs associated with recovery from the pandemic would fall upon the Council. Therefore, on that basis, Cabinet agreed a package of mitigation in terms of a mix of temporary and permanent base budget provision and reclassification of one-off specific earmarked reserves, as follows.

Revenue budget provision - £4,853k

- existing permanent base budget contingency budget for normal financial risks - £1,373k
- temporary headroom in Capital Financing budget - £2,000k
- temporary headroom in city centre investment budget - £980k
- new permanent budget provision for 2022/23 for in-year mitigation as well as any more permanent budget adjustments required for future years - £500k

Reserves - £1,820k

In addition to the above revenue budget provision, uncommitted reserves were repurposed for 2022/23. These total £1,820k, are one-off and could be reprioritised if not required.

1.3 Having established these budget contingencies for the current year, we have seen legacy impacts relating to Covid within these forecasts. As expected, the continuation of a change in societal behaviour has seen the shortfall against car parking income continue as referenced later within the report. In addition, and crucially, two new issues have emerged during the current year since the budget was agreed:

- NJC and Teacher's pay award for 2022/23 being higher than provision allowed for (+2.4% higher for NJC and +1% higher for Teacher's). Whilst the Independent Welsh Pay Review Body's recommendations were agreed in principle by the education minister in November 2022 there is a risk that planned strike action could lead to further change.
- Inflationary increases over the last 6 months have impacted on the Council's own direct budget e.g., fuel, and major external contracts such as school transport. Officers continue to manage these, as best as possible, in negotiations / discussions with suppliers. Recent conversations have turned to contract negotiations for the forthcoming year and the financial impact this will have on the challenging medium term position.

1.4 Cabinet will note that there has been a significant improvement of £2,455k in the overall forecast position since the last update was provided in December and this is predominantly because of

one off grant funding that has been received from Welsh Government. Since the last update, the Council has received confirmation of £1,282k 'Elimination of Profit' funding for social care and £606k 'No One Left Out Approach' (NOLOA) funding to support homelessness. This has been treated as one off funding, as although we are aware there will be an increase in NOLOA funding next year it will not be at current levels.

A summary of the key areas contributing to the overall position, excluding schools, is set out below:

Children's Services overspend. Emergency & other placements.	£4,022k
Housing & Communities overspend. Homelessness provision	£1,897k
Other Service Area Variances	(£3,269k)
Impact of 2022/23 proposed pay award (non-schools)	£2,398k
Non-Service - Council Tax, CTRS, capital financing & other non-Service budgets	(£1,463k)
Sub-total – overspend before contingencies	£3,585k
Core budget - general revenue budget contingency	(£1,373k)
Temporary / new revenue budget contingency	(£3,298k)
Total	(£1,086k)

- 1.5 As shown, the combination of the factors outlined above is a total projected underspend of £1,086k, excluding schools. This underspend includes the use of all the revenue budget contingencies of £4,671k. The revenue budget provision previously quoted has reduced from £4,853k to £4,671k following the temporary reallocation of budget to deal with service specific covid legacy issues.

2 Key Areas Contributing to Position

- 2.1 Appendices 1 and 2 provide detail regarding the composition of the overall position above and the issues that have led to that.
- 2.2 The following section details some of the key areas that feature within the position. As any under or overspend within schools is dealt with through a transfer to or from school reserves, the overall impact is neutralised within the overall position, and does not affect the bottom line:

- (i) Risk-based areas net overspending
- (ii) Other budget areas
- (iii) Non-service variances
- (iv) Undelivered budget savings

(i) Risk-based areas net overspending

- 2.3 Collectively, areas that have been agreed as requiring a risk-based approach to monitoring are projecting an overspend of £5,937k. This is shown in Appendix 1. Notable individual areas include:
- Children's Out of Area placements - £985k overspend where 20 placements are forecast based on current known and trend-based placements with the budget affording only 15.
 - Children's Emergency placements - £3,037k overspend reflecting a substantial increase in demand for these high-cost placements and challenges in identifying suitable accommodation. Forecast based on current known placements (£2,958k) and a modest allowance for further placements between now and the year end.
 - Education special and SEN transport £496k overspend reflecting higher operator's costs due to inflation and car parking income shortfall of £343k.

A number of risk-based areas are underspending and contribute to some mitigation of areas overspending of which the most significant is:

- Education primary free school meals (£840k) underspend largely due to the uptake in free school meals being lower than anticipated and additional grant funding from WG in the form of an administrative payment for the universal provision of free school meals. The uptake on meals will continue to be closely monitored throughout the term.

Full details of each 'risk-based budget area' and their forecasts and variance are shown in Appendix 1.

(ii) Other budget areas

2.4 The main emerging issue this year is the significant pressure evident within Housing & Communities, in relation to homelessness. Although an overspend of £1,897k is being forecast here, this is net of very recently announced funding of £606k, in additional to £723k previously announced, from WG in relation to the 'No One Left Out Approach' grant regime. The gross overspend, therefore, is £3,226k.

The main issues are:

- The continuing large number of individuals/ households accommodated in temporary accommodation following the period of the pandemic.
- The lack of suitable accommodation options resulting in significant use of hotel and B&B options at much higher cost than more traditional options.
- The inability of Housing Benefit payments to cover these costs as the level of subsidy is capped for short term accommodation - the differential per week can exceed £500 and is not afforded / being paid by those accommodated.

2.5 The WG Hardship Fund has covered these heightened costs over the last two years and was not available in 2022/23 – further base budget funding was put into this service of £389k plus a new WG grant of £723k, which has recently been increased by a further £606k, and continuation of Housing Benefit (HB) contributions. The continuing higher numbers accommodated in high-cost options, however, exceed the HB contributions and the additional base budgets added in 2022/23.

2.6 Whilst a sustainable option to resolve this issue may be longer term in nature, this pressure will impact on the Council's medium term plan. A financial investment has been identified within the Council's draft budget and forms part of the overall budget gap for 2023/24. The pressure is unlikely to ease in the short term and could potentially worsen with the cost-of-living crisis and this risk will be closely monitored on an ongoing basis.

2.7 Other issues, across service areas, include:

- £132k pressure within Education to cover building inspections
- £528k overspend in relation to spend on tree surveys & inspections
- £1,012k overspend within infrastructure in relation to fleet maintenance. This is the product of rising fuel prices, as well as increasing costs associated with maintenance
- £520k overspend on car parking due to underachieved income budgets of £343k, as a result of changes in behaviour following the pandemic, and the balance linked to increased repair costs.
- £330k within People, Policy & Transformation connected with Estate Management. This is mainly due to the costs associated with temporary boiler hire.
- £227k under achieved rental income and in increase in maintenance costs within the commercial and industrial estate portfolio

(iii) Non-service variances

2.8 The key variances in relation to non-service include:

- Underspends against capital financing, specifically non PFI interest (£2,281k)
- HB technical errors and other unrecoverable overpayments from DWP £302k
- Bad debt provision increase for 2022/23 £680k

- NDR and empty homes underspend (£130k)
- Contribution to capital to fund landfill engineering £1,012k
- Council Tax income shortfall based on current collection rates £250k
- Council Tax Reduction scheme underspend (£973k)
- Other non-service variances (£323k)

Both the core revenue contingency budget and the other temporary contingencies are within non-service.

(iv) Undelivered budget savings

- 2.9 Although the much better than anticipated settlement from WG meant that the budget for 2022/23 could be balanced without the requirement to find new savings for this financial year, other than those already agreed, close monitoring of this area continues to be required, given the impact that the pandemic has had on the delivery of savings. Continued management of these savings is also important in the context of the financial challenges that the Council faces in 2023/24 and beyond as it is likely that significant savings will be required in order to balance the budget.
- 2.10 The position on delivery of savings is shown within Appendix 1, with an overview provided in the table that follows. The performance on forecast delivery of 2022/23 savings suggests being achieved by year-end are 95% of target. This represents a shortfall of £44k. More significantly than the savings shortfall for 2022/23 are the unachieved savings from previous years. This shortfall amounts to £497k. All undelivered savings are expected to be delivered in full in 2023/24 or have been dealt with as part of the draft budget..

Summary by Portfolio	Social Services	Environment & Sustainability	Transformation & Corporate	Non Service	Total
2022/23 MTRP Target (£) Total	380	100	52	280	812
Total Savings Realised by Year End 2022/23	380	70	38	280	768
Variation to MTRP Target	0	-30	-14	0	-44
Variation % to MTRP Target	0%	-30%	-27%	0%	-5%
Undelivered Savings from Previous Years	-166	-41	-90	-200	-497
Total Undelivered Savings	-166	-71	-104	-200	-541

- 2.11 In terms of the specific savings unachieved to date, these relate to a range of services, including non-service. The largest unachieved saving relates to interest income generation, intended to be achieved via investment in longer-term stock market funds. This hasn't been pursued to date because of the risk with tying up funds during a period of significant economic uncertainty, especially in the months immediately following the pandemic. Although some of that uncertainty remains, it has been possible to fully mitigate via increased interest returns on existing investments, partly facilitated by recent interest rate rises, meaning that this unachieved target does not impact upon the overall position.

3 Schools

- 3.1 At the end of last year, there was a significant improvement in school balances due to over £4.8m of unexpected grants being received late in the year. This resulted in the overall school reserves increasing from £9.6m to £15.7m. Schools are drawing down from these balances in the current year and therefore significantly contributes to the net overspend of £5.3m that is forecast. This overspend is inclusive of the requirement for schools to meet the cost of the higher than anticipated pay awards for both teaching and non-teaching staff. This is adding an in-year pressure of £2.2m.
- 3.2 This projection is based on expenditure forecasts against governor approved budgets. The impact of the pay award has been allocated against individual schools and is reflected within the summary included within Appendix 3. The overall position incorporates an assumption that £700k of additional grant funding will be received from WG during the year. Should this not materialise, the position will worsen, and school balances reduce further than anticipated.

- 3.3 Appendix 3 highlights the impact that the projected overspend will have upon aggregate school balances, with balances projected to total £10.5m by the end of the year. For 2022/23, there are two schools that are reporting a deficit position. It, therefore, remains necessary to closely scrutinise each position and ensure that recovery plans are in place and being delivered as intended.
- 3.4 Officers continue to closely monitor school balances over the medium term as part of the Council's deficit avoidance and prevention strategy. An analysis on the use of reserves was undertaken at budget setting to identify the proportion of one-off and recurring overspending and whilst the majority of the in-year overspending is one-off, the number of schools with low surplus balances have increased and will need to be monitored closely over the medium term to avoid reporting a deficit position in future years as well as additional support to the schools reporting an in-year deficit.
- 3.5 A summary table of the position for each sector is shown below:

	Reserves balance 31/03/22	In year Under/(overspend)	Reserves Balance 31/03/23
	£	£	£
Nursery	127,060	(66,698)	60,362
Primary	10,523,965	(4,345,379)	6,178,586
Secondary	4,561,437	(1,299,722)	3,261,716
Special	524,514	(272,633)	251,881
Total	15,736,976	(5,984,431)	9,752,544
Assumed grant and other compensation		700,000	700,000
		-	-
Total	15,736,976	(5,284,431)	10,452,544

4 Use of Reserves

- 4.1 Appendix 4 illustrates the planned movement in reserves throughout the year. Cabinet should note the opening balance as of 31st March 2022, forecast planned transfers in/(out) of reserves in 2022/23 and the forecast balance as of 31st March 2023. Current projections suggest that 26% of the Council's reserves will be utilised by the end of the financial year.
- 4.2 Cabinet are asked to approve the allocation of prior year revenue underspend as set out below and note the reserve forecasts included within Appendix 4.

Allocation of prior year revenue underspend

- 4.3 The following reserve transfer is recommended to utilise the prior year residual underspend yet to be allocated. It is recommended that the 2021/22 residual balance is allocated to capital expenditure reserve to create additional headroom and manage on-going risks in the programme.

(i) 2021/22 residual balance to be allocated £7,895k

5 Outlook for the remainder of the year and way forward

- 5.1 As we are nearing the end of the financial year, many of the significant areas of overspending are known with reasonable certainty and the values attributed are realistic. As always, however, there is potential for the position to change, for the reasons/ issues listed below and these continue to be monitored as we enter the final months of the financial year
- 5.2 The on-going pay dispute with Teaching Unions is a key issue. Whilst the recommendation from the Independent Welsh Pay Review Body was agreed in principle in November 2022, planned strike action in the coming months could lead to further change. There is no additional budget provision available to fund teachers' pay above the 5% level, therefore any further increases agreed from September 2022 will worsen the overall position. In addition, and as always, the

finance team will be reviewing the Council's financial provisions and individual reserves which deal with specific risks such as outstanding insurance claims and other litigation / regulatory risks, and these could change the position.

- 5.3 Potential upside opportunities are the possibility of further WG funding. Despite being informed by WG that no additional funding was available, the Council has received confirmation of £1.9m since October in relation to elimination of profit funding and homelessness support and explains the improved position. We are yet to receive confirmation on the continuation of this funding so for now assume that it is one off.
- 5.4 The downsides (further deterioration) risks are now linked to further deterioration and issues in our demand led budgets and activities. Whilst forecasts include the impact of this and where necessary, additional provision has been made for anticipated changes in the last quarter of the financial year, there is always an inherent risk that these could change; in particular in the key areas of social care, homelessness, and SEN.
- 5.5 Given the challenges that are likely to manifest themselves in the 2023/24 budget, there is a need to reduce service area overspending further, especially in the key areas that have been set out above. In addition, any new pressures will need to be managed within existing resources as much as is practically possible.

Timetable

Ongoing

Risks

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

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Risk of overspending, due to increased demand, cost increases or unforeseen costs.	H	M	Regular forecasting and strong financial management. Services to identify ways to absorb pressures within existing budgets. Existence of contingency budgets to provide mitigation.	CMT / SFBCPs and budget holders HoF
Poor forecasting	M	M	A revised approach to forecasting in non-service areas to avoid significant cost being reported late in the financial year, as has occurred in previous years. Review and refinement in service areas of risk-based modelling. Chief Executive and Cabinet setting out clear expectations of budget manager and HoS responsibilities for robust forecasting and financial management	Asst. HoF SFBCPs and budget managers CX / Leader

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Managing the in-year financial position within available resources is a key requirement for the Council and a key component of sound financial management. The medium-term challenges being faced by all councils heightens the need for the Council to avoid an overspend within this financial year.

Options Available and considered

In terms of the overall forecast position and financial management there are no options – the Council needs to operate within its overall budget.

Preferred Option and Why

To note the challenging financial position being reported for service areas and the mitigation that has helped to reduce the overspend position within the overall budget.

Comments of Chief Financial Officer

The report includes all the detailed financial issues and implications.

The Council's financial performance for 2022/23 has moved to a relatively modest underspend due to some welcome one-off grants predominantly. This means that the one-off reserve established to manage the risk of overspending in 2022/23 may not be needed if the position is confirmed after closing the accounts.

In the context of the challenging 2023/24 final budget decisions, it is very important to manage the 2022/23 spend within budget and whilst significant budget investment for those key areas of overspending was factored into the draft 2023/24 budget; services will need to exercise diligent and robust financial management in that year as the on-going issues and pressures affecting services will continue more than likely.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage.

Comments of Head of People, Policy and Transformation

The Well-being of Future Generations Act requires public bodies to apply the five ways of working to financial planning, which balances short-term priorities with the need to safeguard the ability to meet long-term needs. This report gives an indication of the revenue forecast position and the issues affecting financial management during 2022/23 and notes that any future reductions in funding will need to reflect and be consistent with the five ways of working. The analysis and review of reserves, as set out in this report, is vital for ensuring financial resilience over the long-term, and is regularly undertaken by the Head of Finance.

There are no HR implications arising directly from this report.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

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

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to

update Cabinet on the current year financial performance against the budget agreed for the year. However, fairness and equality are considered as part of service delivery and will feature in annual finance reports, such as the Budget Report and Capital Strategy.

In terms of the Wellbeing of Future Generations (Wales) Act, and the five ways of working contained within it, this report highlights examples of these being supported. For example, whilst this report is focussed on the current year, there are references to the longer-term impact, via medium term financial planning, and on taking preventative action, to ensure that financial problems existing now are addressed as quickly as possible, to ensure they do not have a detrimental impact in future years. Analysis and review of reserves, which are critical for financial resilience over the long term, is regularly undertaken by the Head of Finance and detailed in this report.

In the case of the Welsh Language, the service will continue to ensure that, wherever possible, services or information is available in the medium of Welsh.

Consultation

N/A

Background Papers

Dated: 9 February 2023

Appendix 1

Budget Monitoring Position – December 2022

Position by Directorate

	Current Budget £'000	Forecast £'000	Variance £'000
Social Services	88,374	89,781	1,407
Education	16,871	16,545	(326)
Regeneration & Economic Development	5,813	5,698	(115)
Environment & Sustainability	31,852	35,657	3,806
Transformation & Corporate	24,041	24,316	275
Service Area Budget	166,950	171,997	5,047
Schools	122,267	127,552	5,284
Service Area Budget (inc Schools)	289,217	299,549	10,332
Schools - transfer to reserve	0	(5,284)	(5,284)
Non Service	52,422	47,661	(4,761)
Total Budget (excluding contingency)	341,639	341,926	287
General Contingency	1,373	0	(1,373)
Total Budget (including contingency)	343,012	341,926	(1,086)

Position Summary

- The revenue forecast reflects an underspend of £1.1m. Overspending in service areas (£5m) is largely due to the impact of the pay awards, increased demand in services such as Children’s Services and Housing & Communities (in relation to out of area and emergency placements - £4m, homelessness provision - £2.1m and the impact of inflation in Infrastructure.
- The impact of service area overspending and the pay awards is being partly offset by underspending in non service areas:
 - Underspend against general contingency (£1,373k)
 - Underspend against COVID contingency (£3,298k)
- Schools forecast position shows an overspend against available budget, which will be offset against surplus balances carried forward.
- Due to the continued challenging economic context, there is a requirement for services to continue to review their respective positions and take action to reduce overspending to avoid further financial challenges in 2023/24 as much as possible. These actions may include:
 - Delivery of in year and prior year savings
 - Identification of in-year savings and early delivery of 2023/24 savings
 - Utilisation of additional grant funding to offset expenditure already incurred
 - Absorbing emerging pressures within existing budget
- It is important to note that the current national inflationary challenges have the potential to worsen during the remainder of the year, which could increase overspends in some services. Therefore, it is critical that services continually review emerging issues and take action to mitigate them as soon as possible.

Detailed explanations can be found within service area dashboards



Undelivered Savings:

- 2022/23 - £44k
- Previous years - £497k
- Overall, projected undelivered savings are resulting in forecast overspend against budget of £541k.

Budget Monitoring Position –December 2022

Key Assumptions and Risks

- There are some key factors that are leading to the overspend position that is being forecast and those have the potential to change during the remainder of the year, especially as the economic situation is so volatile and subject to change:
 - Demand for services – in most cases, the financial projections are based on current numbers, with some allowance for increased demand during the remainder of the year. Should demand exceed expectations, overspending may increase beyond current forecasts.
 - Pay award – The NJC pay award for 2022/23 has been confirmed and the impact included within the service area position. For teachers, whilst the Independent Welsh Pay Review Body's recommendations were agreed in principle by the Education Minister in November 2022, there is a risk that planned strike action in February and March could lead to further change. For now, the 5% principle agree pay award has been reflected within the overall schools position.
 - Inflation – overspends being driven by the current inflationary challenges (e.g. fuel prices within Fleet Maintenance), are based on current known information. Should inflation, and therefore prices, continue to rise, this will add to the level of overspend being reported.
 - Cost of living crisis – a deficit is currently being projected in relation to Council Tax, on the assumption that debt recovery may be more challenging than in previous years. In terms of CTRS, a significant underspend is being reported. Should the cost of living crisis worsen further, it could result in more take up for CTRS, which will reduce the underspend currently being forecast.
 - Grant funding – other than within Schools, there is no assumption of additional grant funding, over and above what is currently forecast, from WG during the year. Should this be received, wherever possible, this will be used to offset existing expenditure and should reduce overspends in certain services.
 - Use of reserves – no use of corporate reserves (e.g. COVID reserve or Pay Reserve) is currently being assumed within the position. This is because there remain further risks, which could necessitate the use of these reserves in order to balance the overall position at outturn.

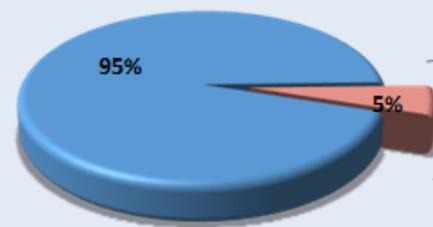
Budget Monitoring Position – December 2022

Staff Forecasts

Overall Staffing	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	74,306	74,306	74,306	74,685	76,723	74,510	75,637	75,372	73,892	73,832	73,832	73,832
Forecast (£'000)	74,306	74,306	77,388	77,904	79,607	77,728	78,670	77,685	76,345	76,345	76,345	76,345
Variance (£'000)	0	0	3,082	3,219	2,894	3,218	3,033	2,313	2,513	2,513	2,513	2,513

- The main reason for the overspend shown is the impact of the 2022/23 pay awards. In addition, there are a number of vacancies across the Council and the challenges with recruiting to certain posts has resulted in in-year savings arising. In some cases, these savings are being offset by an increased requirement for additional staff time and agency staff.

2022/23 Delivery of Savings (Forecast)



■ Savings Achieved ■ Savings Unachieved

Analysis of Unachieved Savings



- The first chart shows that 95% of the total savings are forecast for full delivery in 2022/23;
- The second chart illustrates the areas where savings are forecast not to be delivered (5% of overall target);
- The delivery of savings in 2022/23 has been significantly affected by the ongoing pandemic and the resulting overspends against budget have been reflected within the forecast;
- In addition to the £44k undelivered savings in 22/23 there remains £497k of undelivered savings from previous years. £166k within social care, £41k within Infrastructure, £26k within Finance, £64k within People Policy & Transformation and £200k in Non Service

Overall Summary by Directorate	Social Services	Environment & Sustainability	Transformation & Corporate	Education	Regeneration & Economic Development	Non Service	Total
2022/23 MTRP Target (£) Total	380	100	52	0	0	280	812
Total Savings Realised by Year End 2022/23	380	56	52	0	0	280	768
Variation to MTRP Target	0	-44	0	0	0	0	-44
Variation % to MTRP Target	0%	-44%	0%	0%	0%	0%	-5%
Undelivered Savings from Previous Years	-166	-41	-90	0	0	-200	-497
Variation to MTRP Target - previous and current year	-166	-85	-90	0	0	-200	-541

Budget Monitoring Position – December 2022

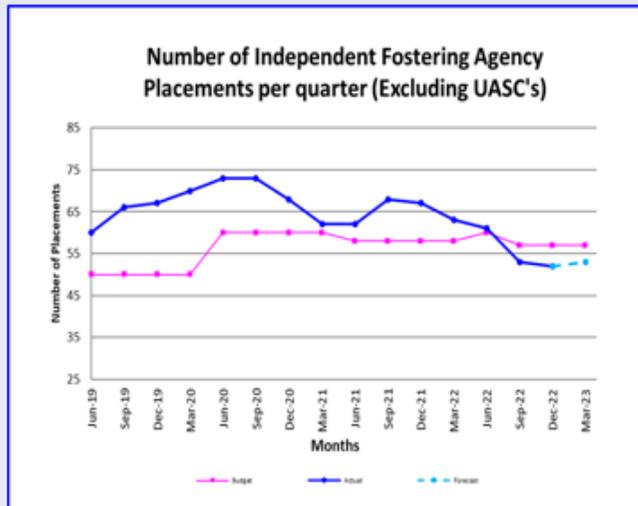
	Annual Budget £'000	Fore cast £'000	Variance £'000
Risk Based Areas			
Children Services			
Independent Fostering Agencies	2,415	2,265	(150)
Out of Area Residential	2,889	3,874	985
In House Fostering	3,708	3,536	(172)
When I'm Ready	268	140	(128)
Special Guardianship Orders	1,304	1,389	85
Legal fees	780	780	0
In House Residential	2,084	2,315	231
Emergency Placements	200	3,237	3,037
Inter-Agency Adoption Fees	375	401	26
Direct Payments - Children Services	280	282	2
Adult Services			
Community Care - Residential Service	26,373	29,116	2,743
Community Care - Supported Living	13,650	12,729	(921)
Community Care - Non Residential Service	14,294	14,102	(192)
Community Care Income - Residential & Non Residential	(9,111)	(10,760)	(1,649)
Education			
SEN Out of County Placements	3,850	3,616	(234)
SEN Local Provision Development	931	1,298	367
Special Home to School Transport	881	1,282	401
SEN Transport	1,806	1,901	96
Catering FSM (Primary)	923	82	(840)
Catering FSM (Secondary)	101	140	39
Catering FSM (Special)	5	10	5
SEN Recoupment Income	(320)	(615)	(295)
Regeneration & Economic Development			
Development Control Fee Income	(742)	(800)	(58)
Housing & Communities			
Homelessness B&B Net Cost	530	2,427	1,897
Environment & Public Protection			
Commercial/ Asbestos Income	(1,306)	(1,235)	71
Infrastructure			
Home to School Transport - Primary	1,080	1,160	80
Home to School Transport - Secondary	1,279	1,325	46
Home to School Transport - College	128	59	(69)
CPE - Fines income	(715)	(691)	24
Car parking income	(1,564)	(1,221)	343
People, Policy & Transformation			
Commercial & Industrial Properties Income	(1,411)	(1,243)	168
Total Net Budget	64,964	70,900	5,937

- In 2022/23, there are over 25 budget areas identified as having the potential to be high risk or highly volatile. This list is reviewed on an on-going basis
- Although some of these areas are currently forecast underspent against budget, they will be continually monitored given the potential to have a significant impact should the forecast worsen.

Budget Monitoring Position – December 2022

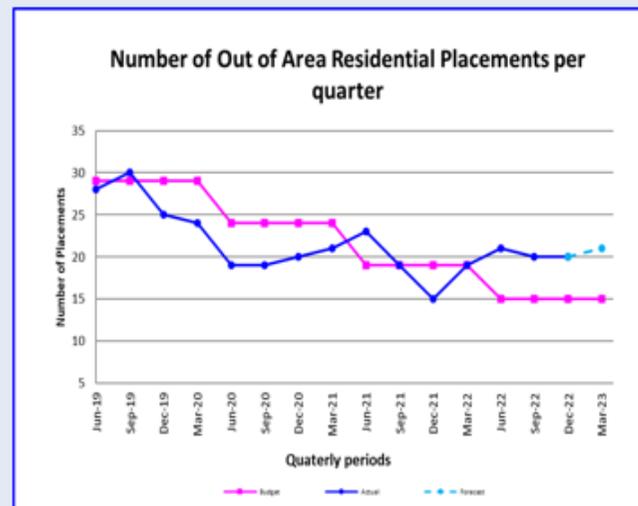
Risk Based Monitoring graphs –

Independent Fostering Agencies



- The 2022-23 budget was set to be able to afford 60 placements per month at an average monthly cost of £2,809 (£648 per week). A £130,000 virement has been done to Special Guardianship Orders and the budget is now able to afford 57 placements per month.
- The Service ended the 2021-22 financial year with 63 placements in Independent Fostering Agencies. The total number of placements remains at 52 at the end of December 2022.
- No trend placements are included to bring the number of placements forecast at 52 by the end of March 2023.
- The individual placement cost can vary significantly per child reflecting individual care needs.
- 61.54% of current placements fall within the £727 to £900 per week price range. Over 78.85% of placements are costing more than the average weekly cost the budget can afford. Any potential overspend from this is offset by the lower placement numbers.

Out of Area (OOA) Residential Placements

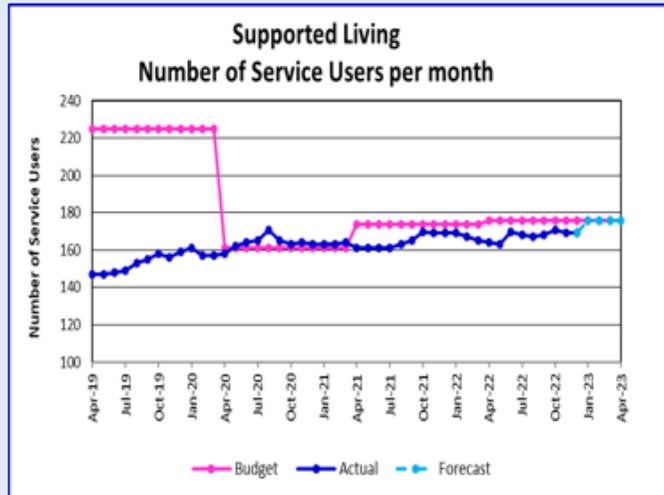


- The 2022-23 gross budget for out of area placements is £4,185,985 with a grant contribution of £1,297,000. This is sufficient to fund 15 placements per month at an average monthly cost of £22,533 (£5,200 per week).
- The Service ended the 2021-22 financial year with 19 placements. The total number of placements increased to 20 at the end of December 2022 compared to 19 at the end of November 2022.
- 1 trend placement is included to bring the number of placements forecast to 21 by the end of March 2023. Costs have increased due to 3 placements requiring additional support and new placements added.
- The individual placement cost can vary significantly per child reflecting individual care needs.
- 35% of placements fall within £5,801 to £12,700 per week price range.
- There is a £135.5k expected contribution from Health and £131.2k internal recharge to Education included in the forecast that was not budgeted for.

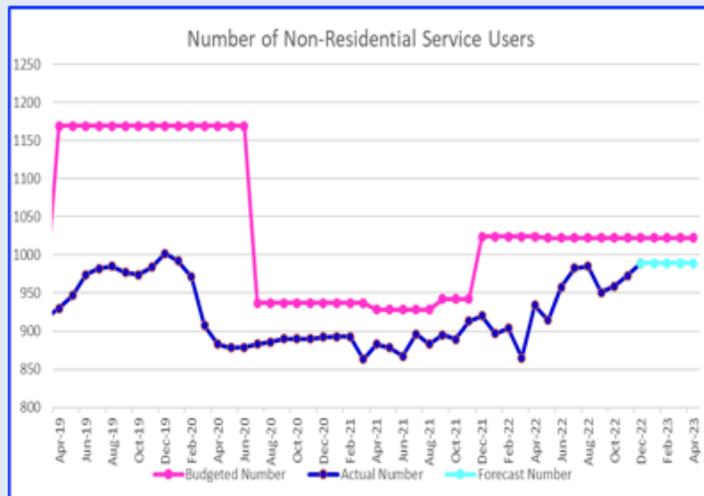
Budget Monitoring Position – December 2022

Risk Based Monitoring graphs

Community Care – Supported Living



Community Care – Non Residential

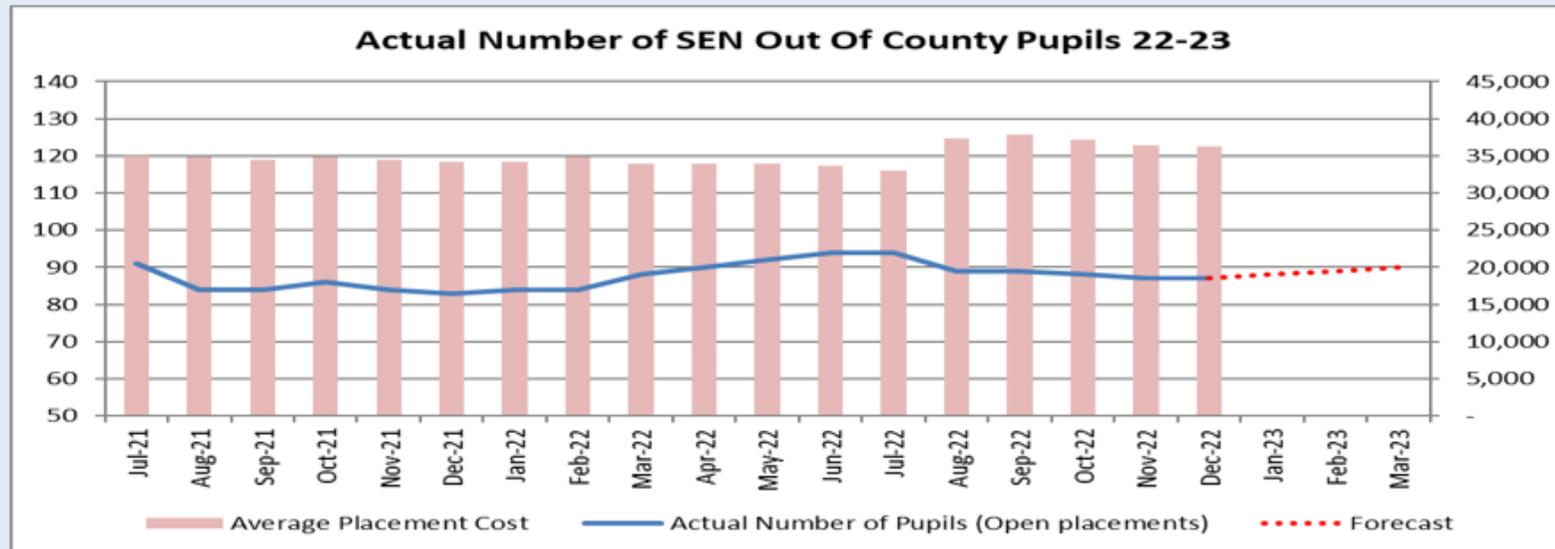


- The 22/23 budget can support 176 service users at an average weekly cost of £1,487.
 - The average weekly cost is calculated based on 22/23 actual average package cost plus an assumption of 11% for fee increase due to the need to pay the real living wage.
 - Due to individual needs, package costs for supported living currently vary from £565 per week to £5653 per week.
 - Full year forecasts at the end of December 2022 show that just under 60% of weekly package costs are below the average package costs level.
 - Some of this will be as a result of fee negotiations achieving lower percentage increases in this sector than was allowed for in the budget. This will offset other areas where fee negotiations were higher and once negotiations are concluded across all providers/sectors the budgets will be realigned by Heads of Service for 23/24.
 - It is expected that numbers of care packages will remain below budget until December and then gradually rise to 176 by the end of March 2023.
 - The lower placement numbers and package costs are resulting in the £921k underspend forecast this month.
-
- The budget for 22/23 can afford 1022 service users at an average cost of £269 per week.
 - As at December 2022, the forecast includes 989 services user who were in receipt of, or expected to start a service.
 - There are currently 598 service users with a care package cost of under the current average weekly amount. This calculates to 60% of the current level of users which is contributing to an overspend on the non-residential budget.
 - A remaining balance of a prior year MTRP saving for community opportunities of £100k will not be achieved in 22/23 as a result of non-residential services for Learning Disability service users being due for re-tender.
 - Fee increases for the sector are anticipated to be up to 30% compared to the budgeted increase of 11%. The costs have been factored into the forecasts.

Budget Monitoring Position – December 2022

Risk Based Monitoring graphs

SEN Out of County Placements – Local Authority and Independent



- At month 9 (December 2022) there were 87 open placements.
- Overall demand for SEN support/placements has increased over the past few years and the trend is expected to continue, in particular for pupils with Social and Emotional Behaviour Disorder (SEBD) needs, Autistic Spectrum Disorder (ASD) and Profound Multiple Learning Difficulties (PMLD). A new ASD base at Rogerstone was opened in 21/22. The base will retain pupils in County and avoid the higher Out of County costs. The team are also sourcing additional places within schools.
- The 2022-23 SEN OOC budget can accommodate 106 placements at an average cost of £37k. There are currently 87 open placements and Inclusion previously anticipated 90 placements by the end of the financial year.
- Placements ranging between £10k and £20k account for 21% of the total number of placements.
- There are 3 placements in excess of £100k per year due to the complex needs of the individuals.

Budget Monitoring Position – December 2022

Schools

The projected in-year overspend decreased from £5.556m to £5.284m in December. This revised position includes the pay award pressure for NJC staff and teaching staff, an adjustment for Trigger funding and an adjustment for assumed late grants and other compensation.

50 out of 56 schools have an in year overspend in this financial with year with 2 schools forecasting a closing deficit balance at 31 March 2023. Projected total school reserves are forecast to be £10,453k as at 31 March 2023, up £272k from the previous month.

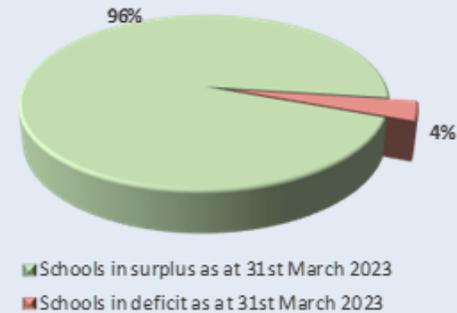
The local authority continues to closely monitor school balances over the medium term as part of our deficit avoidance and prevention strategy. An analysis on the use of reserves was undertaken at budget setting to identify the proportion of one-off and recurring overspending and whilst the majority of the in year overspending is one-off, however following recent changes, the number of schools with low surplus balances have increased and will need to be monitored closely over the medium term to avoid reporting a deficit position in future years as well as additional support to the 1 school who is reporting an in-year deficit.

Schools forecasting deficit reserves at YE	December
Llanwern High School	0
Maindee Primary School	0
Pillgwenlly Primary School	(114)
St Andrews Primary School	0
St Woolos Primary School	(6)
Total Net Budget	(120)

Balances held by Schools as at 31st March



Proportion of Schools Forecasting Deficit as at 31st March 2023



APPENDIX 2 Revenue Summary Monitor – December 2022

	Current Budget	Projection Revised	(Under) / Over
	£'000	£'000	£'000
Summary Revenue Budget 2022/23			
Social Services			
Children Services	28,186	30,486	2,300
Adult Services	59,264	58,537	(727)
Prevention & Inclusion	925	758	(167)
	88,374	89,781	1,407
Transformation & Corporate			
Finance	5,155	5,044	(110)
People, Policy & Transformation	14,274	14,563	289
Law & Standards	4,612	4,709	96
	24,041	24,316	275
Environment & Sustainability			
Housing & Communities	4,688	6,582	1,895
Environment & Public Protection	15,060	15,460	400
Infrastructure	12,104	13,615	1,511
	31,852	35,657	3,806
Chief Executive			
Regeneration & Economic Development	5,813	5,698	(115)
Education	16,871	16,545	(326)
Schools	122,267	127,552	5,284
	144,950	149,795	4,844
Capital Financing Costs and Interest			
Capital Financing Costs and Interest (Non-PFI)	14,564	12,283	(2,281)
Public Finance Initiative (PFI)	9,007	9,007	-
	23,571	21,290	(2,281)
Sub Total - Service/Capital Financing	312,788	320,839	8,050
Contingency Provisions			
General Contingency	1,373	-	(1,373)
Covid Contingency	3,298	-	(3,298)
Centralised Insurance Fund	604	604	-
Non Departmental Costs	40	40	-
Other Income and Expenditure	1,395	3,175	1,780
	6,710	3,819	(2,891)
Levies / Other			
Discontinued Operations - pensions	1,651	1,376	(275)
Discontinued Operations - Ex Gratia Payments	3	3	(0)
Levies - Drainage Board, Fire service etc	9,416	9,453	37
CTAX Benefit Rebates	13,458	12,485	(973)
	24,528	23,316	(1,212)
Transfers To/From Reserves			
Base budget - Planned Transfers to/(from) Reserves	(1,015)	(1,015)	-
Earmarked reserves: Transfer to/(from) Capital	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	(5,284)	(5,284)
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-
Invest to Save Reserve	-	880	880
Invest to Save Reserve (from)	-	(880)	(880)
	(1,015)	(6,299)	(5,284)
Total	343,012	341,676	(1,336)
Funded By			
WG funding (RSG and NNDR)	(265,612)	(265,612)	-
Council Tax	(77,400)	(77,400)	-
Council Tax Deficit	-	250	250
Total	0	(1,086)	(1,086)

APPENDIX 3 Schools Funding and Balances

School Name	Opening Reserve 22/	Final ISB Allocation (inc Post 16)	In Year U/(O) Spend March 23	Closing Reserve 31/03/23
	£	£	£	£
10287 Bassaleg School	932,981	8,721,530	(543,576)	389,405
10280 Newport High	567,967	5,985,395	(276,782)	291,185
10281 Caerleon Comprehensive	279,815	7,568,143	25,010	304,825
10282 The John Frost School	550,230	7,588,795	(347,665)	202,565
10283 Llanwern High	296,723	5,492,473	(209,694)	87,028
10284 Lliswerry High	(56,833)	5,804,206	272,841	216,008
10285 St Josephs R.C. High	597,736	6,904,888	(192,888)	404,848
10286 St Julians School	1,091,911	8,119,303	(30,197)	1,061,714
10288 Ysgol Gyfun Gwent Is Coed	300,908	2,916,961	3,229	304,137
Sub Total	4,561,437	59,101,695	(1,299,722)	3,261,716
10228 Alway Primary	257,659	1,710,267	(97,939)	159,720
10237 Caerleon Lodge Hill	255,388	1,414,107	(101,781)	153,606
10238 Charles Williams CIW	620,879	1,971,662	(15,456)	605,423
10203 Clytha Primary	102,111	917,065	(84,348)	17,762
10204 Crindau Primary	253,609	1,523,258	(88,165)	165,445
10205 Eveswell Primary	571,440	1,700,669	(106,082)	465,358
10201 Gaer Primary	275,986	1,925,332	(222,366)	53,620
10231 Glan Usk Primary	336,535	2,424,598	(31,429)	305,107
10270 Glan Llyn Primary	231,043	1,861,869	77,431	308,474
10206 Glasllwch Primary	116,351	928,330	(97,093)	19,258
10207 High Cross Primary	78,684	1,016,474	(48,081)	30,603
10250 Jubilee Park	281,615	1,523,490	(62,461)	219,155
10208 Langstone Primary	242,091	1,283,953	(96,814)	145,277
10209 Llanmartin Primary	167,842	812,472	(46,856)	120,986
10233 Lliswerry Primary	226,510	2,233,851	(112,554)	113,957
10210 Maesglas Primary	97,174	1,169,546	(73,187)	23,988
10211 Maindee Primary	225,681	2,028,859	(201,907)	23,774
10248 Malpas CIW Primary	158,433	1,157,004	(97,115)	61,318
10212 Malpas Court Primary	138,272	1,286,774	(107,228)	31,045
10213 Malpas Park Primary	226,501	966,191	(4,541)	221,960
10214 Marshfield Primary	188,750	1,673,038	(74,245)	114,505
10230 Millbrook Primary	187,728	1,280,993	(107,725)	80,003
10249 Milton Primary	250,483	1,860,676	(157,257)	93,226
10232 Monnow Primary	230,381	1,636,905	(160,521)	69,860
10215 Mount Pleasant	105,385	966,074	(40,927)	64,458
10216 Pentrepoeth Primary	173,703	1,785,712	(106,687)	67,016
10217 Pillgwenlly Primary	69,023	2,401,078	(183,308)	(114,285)
10229 Ringland Primary	149,982	1,121,140	(63,289)	86,692
10202 Rogerstone Primary	97,972	2,448,433	30,313	128,284
10218 Somerton Primary	136,211	674,487	(52,251)	83,960
10239 St Andrews Primary	294,235	2,796,707	(254,001)	40,234
10220 St Davids RC Primary	216,769	906,187	(87,556)	129,213
10221 St Gabriels RC Primary	205,523	769,448	(64,667)	140,856
10222 St Josephs RC Primary	117,732	828,794	(15,527)	102,205
10235 St Julians Primary	697,925	2,399,562	(462,953)	234,972
10223 St Marys Rc Primary	302,078	1,522,583	(121,168)	180,910
10224 St Michaels RC Primary	192,218	884,308	(133,195)	59,023
10225 St Patricks RC Primary	128,100	833,355	(47,041)	81,059
10226 St Woolos Primary	93,178	1,311,359	(98,948)	(5,770)
10243 Tredegar Park Primary	722,700	1,718,332	(344,081)	378,618
10236 Ysgol Gym Bro Teyrnnon	392,833	849,065	(160,636)	232,197
10227 Ysgol Gym Casnewydd	369,166	1,470,917	(71,763)	297,403
10234 Ysgol Gym Ifor Hael	214,689	782,220	(105,349)	109,340
10271 Ysgol Gym Nant Gwenlli	123,397	425,329	155,372	278,769
Sub Total	10,523,965	63,202,475	(4,345,379)	6,178,586
10061 Newport Nursery	127,060	280,689	(66,698)	60,362
Sub Total	127,060	280,689	(66,698)	60,362
10405 Maes Ebbw	231,844	4,047,671	(92,076)	139,768
10410 Bryn Derw	292,670	2,498,555	(180,557)	112,112
Sub Total	524,514	6,546,226	(272,633)	251,881
Assumed additional grant and other compensation			700,000	700,000
Pay Award Pressure				
Grand Total	15,736,976	129,131,084	(5,284,431)	10,452,544

APPENDIX 4 Planned Movement in Reserves

Reserve	Balance at 31-Mar-22	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Balance at 31-Mar-23 (Forecast)
x	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund	(6,500)													(6,500)
Balances held by schools for future use	(15,737)												5,284	(10,453)
Earmarked Reserves:														
Music Service	(127)													(127)
Pay Reserve	(1,418)													(1,418)
Insurance Reserve	(1,162)													(1,162)
MMI Insurance Reserve	(602)													(602)
Education Achievement Service	(92)													(92)
Schools Redundancies	(1,098)												185	(913)
General Investment Risk Reserve <i>(see separate tab for detail)</i>	(2,631)												(128)	(2,759)
European Funding I2A & CFW	(1,398)												(76)	(1,474)
MTFP Reserve <i>(see separate tab for detail)</i>	(9,401)												2,852	(6,549)
EMS Redundancies	(78)													(78)
Landfill (fines reserve) - £11k transferred from another r	(332)												(11)	(343)
COVID Risk Reserve	(1,820)													(1,820)
SUB TOTAL - RISK RESERVES	(20,159)	-	-	-	-	-	-	-	-	-	-	-	2,822	(17,337)
Capital Expenditure <i>(see separate tab for detail)</i>	(9,928)												3,299	(6,629)
Displacement Headroom	(10,279)												8,467	(1,812)
Capital Grants Unapplied	(3,210)													(3,210)
Transformation Fund	(7,567)												1,161	(6,406)
Super Connected Cities	(170)												128	(42)
School Works	(27)													(27)
School Reserve Other	(929)												472	(457)
Schools ICT Sustainability	(50)												(50)	(100)
Feasibility Reserve	(54)												3	(51)
Chartist Tower	(256)												256	-
Usable Capital Receipts <i>(see separate tab for detail)</i>	(9,390)												1,921	(7,469)
Streetscene Manager Support - £11k balance to be trans	(11)												11	-
SUB TOTAL - ENABLING RESERVES	(41,871)	-	-	-	-	-	-	-	-	-	-	-	15,668	(26,203)
Municipal Elections	(180)												180	-
Local Development Plan	(515)												20	(495)
Strategic Development Plan	(110)												(55)	(165)
Glan Usk PFI	(1,607)												-	(1,607)
Southern Distributor Road PFI	(39,940)												897	(39,043)
Building Control	(124)												(38)	(162)
Loan modification technical reserve (IFRS 9)	(513)												105	(408)
Soft Loan interest equalisation reserve	(1,648)												300	(1,348)
Kingsway	(64)												64	-
SUB TOTAL - SMOOTHING RESERVES	(44,701)	-	-	-	-	-	-	-	-	-	-	-	1,473	(43,228)

Reserve	Balance at 31-Mar-22	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Balance at 31-Mar-23 (Forecast)
x	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Works of art	(21)												-	(21)
Theatre & Arts Centre	(232)												-	(232)
Environmental Health - Improve Air Quality	(49)													(49)
Apprenticeship Scheme	(7)													(7)
City Economic Development Reserve	(90)												-	(90)
Welsh Language Standards	(127)												39	(88)
Port Health	(20)													(20)
Financial System Upgrade	(600)												304	(296)
SS Covid recovery	(563)												563	-
Events	(275)												(35)	(310)
Voluntary Sector Grants	(27)												27	-
IT Development	(53)												53	-
Joint Committee City Deal Reserve	(662)													(662)
Civil Parking Enforcement	(193)												253	60
Community Covid Recovery Fund	(500)													(500)
City Services – refurbishment & deansing of open spaces	(19)												19	-
Green Recovery Task Force	(1,000)												43	(957)
Business Support	(81)												81	-
Business Development Grants	(250)												250	-
Community Occupational Therapy	(53)												50	(3)
Directly Managed Community Centres Maintenance	(50)												-	(50)
Infrastructure (see separate tab for detail)	(647)												527	(120)
TSB Contribution	(40)													(40)
COVID Reserve (see separate tab for detail)	(426)												75	(351)
Homelessness Prevention	(327)												327	-
Chief Education Grant	(568)												457	(111)
Home to School Transport - St Andrews	(499)												316	(183)
Housing Supply review	(25)												25	-
Anniversary tree planting / green canopy	(3)													(3)
Cariad Casnewydd	(170)												4	(166)
Community Gardening Schemes	(180)													(180)
Market Arcade owner contributions	(51)													(51)
Parks & Open Spaces	(2,500)												1,200	(1,300)
Discretionary Rate Relief	(900)												173	(727)
Domiciliary Care Service Capacity	(500)					87				77			34	(302)
Social Services PPE Reserve	(212)												212	-
St. Andrews Primary	(305)												148	(157)
Communications Corporate Requirement	(232)													(232)
Decarbonisation Projects	(90)												90	-
Prior Year Underspend - 21/22	(7,895)												7,895	-
SUB TOTAL - OTHER RESERVES	(20,442)	-	-	-	-	87	-	-	-	77	-	-	13,129	(7,149)
RESERVES TOTAL	(149,409)	-	-	-	-	87	-	-	-	77	-	-	38,376	(110,869)

Mae'r dudalen hon yn wag yn

Report

Cabinet

Part 1

Date: 15 February 2023

Subject **Capital Programme Monitoring and Additions Report – December 2022/23**

Purpose To provide to Cabinet with a forecast of capital spend against budget based on the activity incurred to the end of December 2022.

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

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

Author Chief Accountant

Ward All

Summary The Council has an extensive capital programme, investing across the authority in areas such as schools, heritage assets, energy efficiency schemes, invest to save programmes and in the regeneration of the city centre. This report updates the Cabinet on its capital programme and the predicted outturn for the 2022/23 financial year, and specifically.

- The starting capital programme budget for 2022/23 was £117.4m. This was revised to a budget of £81.4m, and then £88.4m at the October and December Cabinet meetings, respectively. This report requests approval to increase the 2022-23 budget by a net £1.4m to now be £89.8m.
- Against that revised budget, costs are predicted to be £61.3m introducing a £28.5m net variance.
- Of this variance, service managers and budget holders have confirmed that £27.1m relates to delayed progress with schemes (slippage).
- Approval of slippage, and associated revisions to budgets, is not being sought at this point of the financial year, as a trial to influence accountability and performance. This change of approach was outlined in reports received by Cabinet earlier in the year.

Proposal

1. **To approve the additions to the Capital Programme requested in the report (Appendix A).**
2. **To note the predicted capital expenditure outturn position for 2022/23.**
3. **To note the available remaining capital resources ('headroom') and the earmarked usage of that resourcing.**

Action by Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Service Budget Holders and Project Managers
- Capital Strategy and Asset Management Group (CSAMG)
- Norse Representatives
- Head of Finance

Signed

Background

The Council has a 5-year capital programme, with the current one ending in 2022/23. Figures provided to members commonly also include some anticipated 2023/24 and 2024/25 costs, but this merely reflects funding in relation to existing schemes that extend beyond our current 2022/23 programme end, for example the conclusion of the Council's Sustainable Communities for Learning Band B programme. Cabinet receive monitoring updates throughout the financial year and the Capital Programme has been updated to reflect changes as they are received i.e., additions and slippage (moving budget into future years).

	2018/19 - 2021/22 Outturn	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
April Budget	139,703	117,386	34,699	5,647	0	0	0	297,434
Revised Budget Approved by October Cabinet	139,703	81,435	65,947	18,179	6,530	584	10,609	322,987
- Additions/deletions		6,996	1,212	302	0	0	0	8,510
November 22/23	139,703	88,432	67,159	18,481	6,530	584	10,609	331,497
Additions/deletions	0	1,402	-14,887	15,259	2,347	2,089	2,073	8,283
Revised budget	139,703	89,834	52,272	33,740	8,877	2,673	12,682	339,779

These revisions and the changes made to the programme throughout the financial year are shown in summary form in the table below, the detail of which is shown in Appendix A.

Additions

The growth to the capital programme is materially affected by the volume of extra grants secured by colleagues, predominantly with Welsh Government, some of which are the outcome of bidding processes that occur throughout the year. Some of these grants are multi-year awards but the majority are specific to 2022-23 and will need to be spent by the end of the financial year. So as the year progresses, such grant awards naturally tail off as there becomes insufficient time to incur the necessary eligible expenditure.

The following table summarises the source of funding for the additions, Cabinet is requested to note and approve the amendments detailed in Appendix A.

Nature	Value £'000
New Grants and Contributions	6,066
Section 106 afforded	0
Service/Council afforded	967
Capital Receipts afforded	892
Reserve afforded	250
External Contributions	109
Total	8,283

There remains an unresolved issue in relation to Band B which, as outlined in the previous report, has culminated in a temporary credit adjustment to the overall programme whilst dialogue with Welsh Government continues.

Spending/Outturn 2022-23

Against a budget of £89.8m, costs predicted to be incurred total £61.3m, introducing a £28.5m net variance.

The following table reflects the activity per service area, with a more detailed scheme by scheme analysis in Appendix C.

Services	Capital Expenditure 2022/23					
	22/23 Budget approved Dec Cabinet	Additions	22/23 Budget to be approved Deb Cabinet	22/23 Forecast Outturn	22/23 Forecast Slippage	Over / Underspend
Education	38,916	122	39,038	33,129	(5,908)	(1)
Environment & Public Protection	8,406	1,102	9,508	8,624	(756)	(127)
Housing & Communities	44	0	44	0	(44)	0
People, Policy & Transformation	3,856	0	3,856	3,786	(97)	27
Prevention & Inclusion	3,601	0	3,601	2,421	(669)	(510)
Regeneration & Economic Development	18,633	50	18,683	7,203	(10,664)	(817)
Social Services	1,072	95	1,167	1,147	(224)	205
City Services	13,905	31	13,937	5,013	(8,688)	(235)
Total	88,432	1,402	89,834	61,324	(27,050)	(1,459)

The £28.5m variance should not be regarded as an underspend, as much of it relates to schemes that span more than one financial year, and so is more likely to necessitate a slippage request subsequently. The column of “true” over and underspends that service managers will be eradicating or afforded throughout the year are reflected in the last column and total £1,459k net underspend now, but which is largely the net effect of grant that is unlikely to be used in full and will be returned to grant originators.

Anticipated slippage has increased substantially from £17.1m at the last monitoring report date to £27.1m, but this is mainly in relation to a small number of schemes, which are detailed below. Even with the amount of slippage reported in this monitoring report, the actual capital expenditure incurred to the end of December totalled £31.9m. To achieve the predicted outturn of £61.3m, colleagues will be required to incur an additional £29.4m in the last 3 months of the financial year. Whilst this pattern of expenditure is not out of line with previous years, there still remains 48% of the latest forecast to be spent before the end of the finance year. Therefore, a significant increase in the pace of spend is needed to mitigate the risk of further slippage occurring before the end of the year.

To avoid slippage from occurring, project managers are expected to control their schemes robustly and monitor them closely to ensure accurate forecasting. Slippage can sometimes occur as the profile of spend is far too optimistic and budget holders also need to ensure that the profile of spend for a scheme when added to the profile is as accurate as possible.

The main areas of change within December monitoring are:

- **Primary Free School meals** – Slippage is now expected of £600k since the last monitoring report. Surveys and designs across all schools' sites have taken longer than anticipated due to the complexities across the different sites. This grant has also been provided to all Welsh authorities in line with the recent free primary school meals scheme, which has meant that authorities are looking to use a limited number of suppliers for the equipment, who are already engaged with projects in other Councils. Education colleagues have been in discussion with Welsh Government to agree a new profile of spend. This has been agreed across Wales, on the agreement that the first phase of funding (£1.2m) can be spent this financial year. This will be challenging but schemes are already in place to enable this to happen. The programme of works has ensured that school kitchens remain in operation throughout the school terms
- **Open School Outside Hours** – Slippage is anticipated of £597k. Whilst several schemes are expected to be finished this financial year, delays in design and procurement for some projects, in addition to obtaining statutory approvals means that some of the planned works will be completed in Summer 2023. For some schools, this will be less disruptive and easier to manage on site.
- **Use of Electric Buses** - Grant awards are yet to be made, as it has taken time to devise a scheme that complies with state aid considerations. Payments are also unlikely to be made in full until evidence of taking ownership of new buses is available. A 9–12-month delay between order and delivery to operators is apparent, and a request has been made of WG to roll the funding forward into 2023-24.
- **Annual sums** – The expected slippage of £1,744 relates to improvements in structures currently being tendered and is now likely to be delivered after March.
- **Windmill Farm** – The expected overspend forecast for the project is £240k, with unforeseen requests from Natural Resource Wales and issues surrounding the car park causing delays on the project and increasing the costs. Colleagues have been in discussions with Aneurin Bevan to make them aware of the overspend and request additional funds to cover the overspend.

Policy on available capital resources ('Capital Headroom')

Since February 2018, the Council has been working within a framework which maximises capital expenditure whilst keeping within the level of capital resources and planned borrowing funded within the Council's Medium Term Financial Plan. The framework agreed that:

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

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

During 2021/22 budget setting, the Council prudently anticipated that there would be a need to provide some headroom to afford new costs/schemes before the end of this current capital window. As a result, borrowing of headroom of £4.5m was financed to allow for this need. This borrowing headroom sits alongside uncommitted balances in the Capital Expenditure Reserve and uncommitted capital receipts to form the total headroom outlined below.

Borrowing, Capital Reserves & Receipts Headroom to 2024/25	£'000
Borrowing Headroom	57
Unallocated Capital Expenditure Reserve	1,525
Unallocated Capital Receipts*	1,474
<u>Potential Commitment</u>	
21st Century Schools - SOP Extension	(1,267)
Total	1,789

The utilisation of the borrowing headroom, to date, is detailed in the following table.

Borrowing Headroom to 2024/25	£'000
Level of Borrowing Approved as per 2021/22 Capital and TM Strategy	4,500
<u>Total Committed to Date</u>	
Transporter Bridge	-365
Rose Cottage Sewerage Works	-23
St Andrews Demountables	-349
Education Accessibility Works - Phase Two	-372
Newport Indoor Market	-1,000
Additional Transporter Bridge Costs	-2,921
Central Library works for staff displaced from Infostation	-140
<u>Potential Commitment - subject to change, not in the capital programme</u>	
Levelling up round 2 bid match funding potential	-1,000
<u>Decommitments</u>	
Solar Farm budget	1,727
Amount Remaining	57

Update on Capital Receipts

Appendix D provides details of the receipts received this year to date, which together with the unallocated balance brought forward provides headroom of £1.5m to afford new capital aspirations. There have been no changes to the capital receipts since the last monitoring report.

That table also shows capital receipts held for the NCC/WG 'Joint Venture funds' totalling £2.2m. In relation to these receipts, the Council does not have unilateral decision in their use. Commonly, it will involve engagement with Welsh Government and, as previously reported to Cabinet, these funds tend to be "ringfenced" for city centre regeneration given the original asset sales involved.

Risks

Risk Title / Description	Risk Impact score of Risk if it occurs* (H/M/L)	Risk Probability of risk occurring (H/M/L)	Risk Mitigation Action(s)	Risk Owner
Overspend against approved budget	M	L	Regular monitoring and reporting of expenditure in accordance with the timetables set by Cabinet/Council should identify any issues at an early stage and allow for planned slippage of spend.	Corporate Directors / Heads of Service / Head of Finance
Programme growing due to unforeseen events	M	M	Good capital monitoring procedures and effective management of the programme should identify issues and allow for plans to defer expenditure to accommodate urgent works. Priority asset management issues are now being dealt with through a specific programme allocation.	Corporate Directors / Heads of Service / Head of Finance
Excessive levels of slippage between financial years	M	H	Regular monitoring of capital expenditure takes place and slippage is identified at the earliest stage possible. A more robust approach will be taken when schemes are added to the programme to ensure that a realistic profile is initially captured in the programme.	Corporate Directors / Heads of Service / Head of Finance

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

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

Options Available and considered

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

Preferred Option and Why

- To approve the changes to the Capital Programme and note the projected outturn position as set out in the report, including the use of capital receipts.

- Agree to prioritise capital expenditure to maintain spend within the current affordability envelope, recognising that the revenue pressures from future borrowing can add to any budget gap reflected in the MTFP.

Comments of Chief Financial Officer

This report provides an overview of progress against the Capital Programme, including the success in accessing external grant funding, which accords with the agreed framework designed to limit borrowing levels and, therefore, the impact upon the revenue budget.

However, as outlined previously, the extent of grant funding also contributes additional pressure to deliver, as many of those bids are annual or time-limited in nature, as well as compromising the ability to other schemes already approved. This is evidenced by the fact that the total programme budget for 2022/23 is now almost £90m, although actual projected expenditure is only £61.3m, representing a variance of 32%. This is despite having undertaken a reprofiling exercise with Heads of Service over the summer period and regular conversations with project managers regarding the ability to deliver schemes in line with the revised profiles.

Previous reports have outlined a change in the approach to seeking Cabinet approval for slippage to be transferred from the current year to future years, whereby approval will now be sought once, at the end of the financial year, rather than at each report interval. Part of the reason for this change is to more clearly highlight the total scale of slippage across the year and increase accountability and responsibility for this issue. It remains important that this issue is addressed via the new governance arrangements being introduced for capital programme oversight, to ensure that risks such as foregoing external grant funding and undertaking borrowing when not actually required are avoided as much as possible.

As the Council finalises its new capital programme, from 2023/24, the level of slippage being identified will have a direct bearing on the size of the future programme. The draft programme from 2023/24, as outlined in the draft 2023/24 Capital Strategy, contains no new schemes, partly because of the level of schemes that are unfinished, or not started in some cases, from 2022/23. The draft programme for next year is, therefore, already large and presents a significant challenge in terms of delivery, and any further slippage will only add to that challenge. Therefore, it remains important that project managers and Heads of Service robustly and continually review scheme profiles to ensure they remain realistic and, overall, the Council has a programme that it can be confident in delivering.

As well as slippage, the other main risk highlighted in this report is the remaining level of capital headroom. In a challenging financial climate where capital resources are likely to be limited over the medium term, the current level of headroom is low and provides limited scope to pursue new initiatives or react to increasing costs of schemes. Therefore, unless it proves possible to add to the level of capital reserves or increase capital receipt generation, clear prioritisation will be required in order to ensure that headroom remains available for the most critical situations only.

Comments of Monitoring Officer

There are no legal issues arising from this report.

Comments of Head of People, Policy and Transformation

Good capital monitoring procedures and effective management of the programme should form a basis for sound and sustainable investment in Council assets and the estate. Further budget additions will need to continue to be considerate of the requirements of the Wellbeing of Future Generations Act for public bodies to apply the five ways of working to financial planning, which balances short-term priorities with the need to safeguard the ability to meet long-term needs.

There are no direct HR implications associated with the report.

Scrutiny Committees

N/A

Fairness and Equality Impact Assessment:

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

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to update Cabinet on the prior year financial performance against the approved Capital Programme. However, fairness and equality are considered as part of service delivery and will feature in annual finance reports, such as the Budget Report and Capital Strategy.

An effective capital programme enables the Council to support long term planning in line with the sustainable development principle of the Wellbeing of Future Generation (Wales) Act

Long-term - This capital programme looks at both short and long term and links with the Corporate Plan and its priorities. It considers the overall capital programme in terms of the Council's Treasury Management activities and its associated costs, both short and long term to the Council.

Prevention – The capital programme, where possible, acts to prevent problems occurring or getting worse by considering the overall Council estate and how that can best be managed and maintained.

Integration - This report meets a number of wellbeing goals and, in addition, supports three of Newport City Council's wellbeing objectives.

- To promote economic growth and regeneration while protecting the environment
- To enable people to be healthy, independent and resilient
- To build cohesive and sustainable communities

Collaboration - The capital programme is developed and updated through engagement across the Council and certain projects are also being delivered in collaboration with other external bodies which helps the Council meet its Wellbeing objectives.

Involvement – Due to the variety of projects which are within the capital programme, there is involvement from a variety of stakeholders across the Council and the city which seeks to ensure that there is a key focus on sustainability, community benefit and wellbeing of citizens.

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

The development and the monitoring of the Capital programme will ensure it does not discriminate but promotes equality and delivers the objectives of the corporate plan.

Consultation

N/A

Background Papers

Capital Strategy and Treasury Strategy - February 2022

Capital Outturn report 2021/22

July Monitoring and Additions Report – Cabinet 12th October 2022

October Monitoring and Additions Report – Cabinet 14th December 2022

Dated: 9 February 2023

Appendix A – Additions and changes to the Programme

Funding Source	Narrative	Previous Years' Budget 2018/19 - 2021/22	2022/23 Budget	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	TOTAL Budget for this Capital Plan Duration
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	October Budget as agreed by Dec Cabinet	139,703	88,432	67,159	18,481	6,530	584	10,609	331,497
	ADDITIONS / DELETIONS								
	Education								
Grant	Supporting Learners with Additional Learning Needs		143	879					1,022
Grant	Education Maintenance Grant - 22/23			1,725	830				2,555
	Environment & Public Protection								
Grant	Tredegar Park Tennis Courts Refurbishment		134						134
Revenue Contribution	Low Carbon Heat Grant Designs		60						60
Revenue Contribution	Docksway Landfill Capping Works		907						907
	Regeneration & Economic Development								
Receipts / Reserve / Contribution	Coleg Gwent Demolition Costs		50	1,200					1,250
	Social Services								
Grant	Cambridge House - HCF Grant		20	1,630					1,650
Grant	Forest Lodge HCF grant funding		75	596					671
	City Services								
Grant	20mph Core Allocation		31						31
	Sub Total Additions and Deletions	0	1,423	6,030	830	0	0	0	8,283
	Amendments								
	Glan Llyn - Fixtures and Fittings Band B		(21)						(21)

Welsh Medium Primary School	-	150	44	1,233	958	437	2,624	1,159	-	-
St Gabriels RC Primary IT Replacement	-	-	-	-	-	-	-	-	-	-
Pentrepoeth - IT Replacement	-	-	-	-	-	-	-	-	-	-
John Frost School IT Replacement	-	-	-	-	-	-	-	-	-	-
Blaen-y-Pant Bungalow (Educational Use)	52	(0)	14	-	-	-	-	-	-	-
St Mary's Toilet Refurbishment.	-	42	-	-	-	-	-	-	-	-
Somerton Primary - ICT Equipment	11	-	-	-	-	-	-	-	-	-
Feminine hygiene hardware & toilet facilities.	34	-	-	-	-	-	-	-	-	-
Gaer Annexe Education Use	-	416	95	(16)	-	-	-	-	-	-
Lliswerry High (S106 Funds)	110	80	1	6	-	-	-	-	-	-
Lliswerry IT Replacements	53	-	-	-	-	-	-	-	-	-
Maesglas Reducing classroom size	-	64	109	422	-	-	-	-	-	-
Llanmartin Primary ICT	10	-	-	-	-	-	-	-	-	-
Malpas Park Primary	11	0	-	-	-	-	-	-	-	-
Reducing Classroom size bids (St Woolos)	-	61	647	22	-	-	-	-	-	-
Bassaleg Demountables	-	116	102	(0)	-	-	-	-	-	-
ICT Equipment Lease (Clytha Primary)	-	20	-	-	-	-	-	-	-	-
ICT Equipment Lease (St Mary's)	-	11	-	-	-	-	-	-	-	-
Bassaleg ICT	-	69	-	-	-	-	-	-	-	-
Ring and Perimeter Fence	-	0	85	-	-	-	-	-	-	-
St Patricks ICT	-	12	-	-	-	-	-	-	-	-
Bassaleg Demountable - year 7 Admission	-	-	765	14	-	-	-	-	-	-
Lliswerry High S106 Fencing	-	-	-	-	15	-	-	-	-	-
ED Tech Grant	-	-	202	84	76	-	-	-	-	-
ICT Equip Lease Ysgol Gymraeg Ifor Hael	-	10	-	-	-	-	-	-	-	-
Maindee Primary Toilets	-	-	177	-	-	-	-	-	-	-
Charles Williams Renovations	-	-	104	32	2,204	352	-	-	-	-
Lliswerry Safeguarding	-	-	51	2	-	-	-	-	-	-
Milton IT replacement	-	-	25	-	-	-	-	-	-	-
ST Michaels IT	-	-	16	-	-	-	-	-	-	-
Pentrepoeth - site accessibility	-	-	-	135	349	210	-	-	-	-
St Mary's Urgent Capital repairs grant	-	-	-	-	396	1,716	1,478	-	-	-
Education Maintenance Grant	-	1,470	574	49	-	-	-	-	-	-
Education Maintenance Grant - 1920	-	-	732	352	672	-	-	-	-	-
Education Maintenance Grant - 20/21	-	-	-	132	1,550	834	-	-	-	-
Education Maintenance Grant - 21/22	-	-	-	-	1,875	803	-	-	-	-
Education Maintenance Grant - 22/23	-	-	-	-	-	1,725	830	-	-	-
Education Accessibility Studies - Phase 1	-	-	2	47	248	-	-	-	-	-
Education Accessibility Studies - Phase 2	-	-	-	-	63	569	-	-	-	-
Free school meals capital works	-	-	-	-	1,800	1,267	-	-	-	-
Lliswerry High laptop refresh	-	-	-	33	-	-	-	-	-	-
Maindee Primary LED Lighting Upgrade	-	-	-	-	72	-	-	-	-	-

Rogerstone Primary Floodlights	-	-	-	22	-	-	-	-	-	-
Pillgwenlly Primary ICT Replacement	-	-	-	-	42	-	-	-	-	-
Screens Bassaleg Demountables	-	-	-	-	6	-	-	-	-	-
Education Asset Improvements - balance to be drawn down	1,055	200	1	-	-	-	-	-	-	-
Open Schools Outside Hours	-	-	-	-	1,022	-	-	-	-	-
Supporting Learners with Additional Learning Needs	-	-	-	-	143	879	-	-	-	-
Prior Year Scheme - Various	(38)	(39)	(3)	-	-	-	-	-	-	-
Education - Sub total	10,031	5,613	7,196	14,233	39,038	33,926	21,679	1,559	46	30
Renewable Energy Investment	-	2	-	-	-	-	-	-	-	-
Refit	-	-	-	65	1,000	935	-	-	-	-
Low Carbon Heat Grant NISV	-	-	-	321	332	-	-	-	-	-
Low Carbon Heat Grant Caerleon Comp	-	-	-	119	114	-	-	-	-	-
Low Carbon Heat Grant Kimberley Nursery	-	-	-	91	-	-	-	-	-	-
Low Carbon Heat Grant Rogerstone Primary	-	-	-	482	51	-	-	-	-	-
Nature Networks - Monkey Island	-	-	-	4	85	-	-	-	-	-
Nature Networks - Shaftsbury Allotments	-	-	-	2	51	-	-	-	-	-
Nature Networks - Old Tredegar Golf Course	-	-	-	58	15	-	-	-	-	-
Tredegar Park Cycle improvements	-	3	62	44	45	-	-	-	-	-
Penrynville Development (Sorrell Hill, Barack Hill and Allt-yr-yn)	-	-	26	-	26	-	-	-	-	-
Tredegar Park Tennis Courts Refurbishment	-	-	-	-	195	-	-	-	-	-
Newport Station Footbridge - LTF	77	314	655	8,445	1,697	-	-	-	-	-
Gwastad Mawr Flood Attenuation Works	2	-	25	41	75	-	-	-	-	-
Green Infrastructure	-	-	35	198	285	-	-	-	-	-
Electric Vehicle grant aided replacement	-	-	-	-	320	-	-	-	-	-
ATF Core Allocation 22/23	-	-	-	-	740	-	-	-	-	-
Lighthouse Inn gateway to the levels	-	-	-	94	93	-	-	-	-	-
Local Places for Nature Grant	-	-	-	-	250	-	-	-	-	-
Low Carbon Heat Grant Designs	-	-	-	-	120	-	-	-	-	-
EVCI grant	-	-	-	200	-	-	-	-	-	-
Parks Improvements	-	-	-	-	700	400	-	-	-	-
Cemeteries Improvements	-	-	-	-	500	900	-	-	-	-
Gwent Green Grid GI Project	-	-	-	-	69	-	-	-	-	-
Gwent Green Grid Trees Project	-	-	-	-	30	-	-	-	-	-
Gwent Green Grid Access Project	-	-	-	-	73	-	-	-	-	-
St Julian's High LED Lighting Upgrade	-	-	-	-	99	-	-	-	-	-
Docksway Landfill Capping Works	-	-	-	-	2,030	-	-	-	-	-
Newport East MUGA Reprovision	-	-	-	-	514	-	-	-	-	-

Environment & public protection - Sub total	79	319	803	10,162	9,508	2,235	-	-	-	-
Gypsy/Traveller Site Development	2,993	78	10	30	44	-	-	-	-	-
Housing & communities - Sub total	2,993	78	10	30	44	-	-	-	-	-
IT Replacement Schemes	94	9	-	423	150	95	95	52	-	-
Asset Management Programme	1,066	1,245	1,801	1,936	1,901	-	-	-	-	-
Civic Centre / Info Station Service Relocations	116	121	-	-	29	-	-	-	-	-
Information Station	-	-	141	-	248	-	-	-	-	-
Library (infostation move)	-	-	-	47	1,454	-	-	-	-	-
Corporate EDMS Rollout	-	13	-	-	-	-	-	-	-	-
Flexiprint	-	-	-	54	-	-	-	-	-	-
CRM	250	276	246	134	-	-	-	-	-	-
Local Full Fibre Network	-	-	-	-	-	-	-	-	-	-
I-trust Development	-	91	164	-	-	-	-	-	-	-
Assistive Technology in Social Care	-	-	-	-	74	-	-	-	-	-
Print 2010- Managed Printer Service	131	-	50	-	-	-	-	-	-	-
People, policy & transformation - Subtotal	1,656	1,756	2,402	2,594	3,856	95	95	52	-	-
Disabled Facilities	898	1,092	784	909	1,259	-	-	-	-	-
DFG ICF Funding	-	-	-	48	29	-	-	-	-	-
DFG ICF Backlog Funding	-	-	-	-	595	-	-	-	-	-
Safety at Home	364	375	243	401	378	-	-	-	-	-
ENABLE Adaptations Grant	197	197	197	197	247	-	-	-	-	-
Homelessness Prevention Grant	98	-	-	-	-	-	-	-	-	-
Flying Start Schemes	-	-	-	-	-	-	-	-	-	-
FS Maintenance 1819 / 1920	31	38	-	-	-	-	-	-	-	-
FS Shaftsbury Community Centre	183	0	-	-	-	-	-	-	-	-
Childcare - Flying Start	-	546	256	925	473	-	-	-	-	-
City Wide Maintenance & Repair of Premises	-	-	59	72	-	-	-	-	-	-
Improvements to Flying Start Facilities	-	-	116	(3)	-	-	-	-	-	-
All Wales Play Opportunities	-	-	144	0	-	-	-	-	-	-
Castle Kids Refurbishment Works	-	-	17	-	-	-	-	-	-	-
Flying Start Capital Grant 21/22	-	-	-	301	-	-	-	-	-	-
City Wide Equipment Replacement	-	-	-	105	-	-	-	-	-	-
FS East Hub ROSPA Inspection	-	-	-	24	-	-	-	-	-	-
FS Hubs City Wide Redecoration & Repair	-	-	-	90	-	-	-	-	-	-
Childcare Offer IT	-	-	-	48	-	-	-	-	-	-

Childcare Offer Capital COVID	-	-	-	65	-	-	-	-	-	-
All Wales Play Opportunities 21-22	-	-	-	144	-	-	-	-	-	-
Gaer/Ringland -Upgrade storage facilities	-	-	-	15	-	-	-	-	-	-
Maintenance work various FS settings	-	-	-	37	-	-	-	-	-	-
IT equipment new laptops	-	-	-	20	-	-	-	-	-	-
Flying Start Capital Grant 22/23	-	-	-	-	225	-	-	-	-	-
Small Grant Scheme Childcare Offer	-	-	-	-	396	-	-	-	-	-
Prevention & inclusion - Sub total	1,772	2,249	1,816	3,397	3,601	-	-	-	-	-
Indoor Newport Market	(2)	-	1,086	4,473	441	-	-	-	-	-
Market Arcade Townscape Heritage Scheme	39	266	1,043	692	737	-	-	-	-	-
Info Station NSA enabling	536	-	-	-	-	-	-	-	-	-
123-129 Commercial Street (Pobl Regen)	623	623	-	(0)	-	-	-	-	-	-
Cardiff City Region Deal	1,208	-	196	-	315	2,375	4,167	1,145	-	-
Cardiff City Region Deal - Cost of Carry	-	-	-	-	(0)	-	-	2,037	2,628	12,649
Mill Street Development Loan	-	2,341	1,184	214	261	-	-	-	-	-
Neighbourhood Hubs	915	1,344	-	-	-	-	-	-	-	-
Arva Investment Loan	385	333	-	-	-	-	-	-	-	-
Charlist Tower	-	1,344	(1)	-	256	-	-	-	-	-
PAC System	-	57	-	-	-	-	-	-	-	-
TRIP thematic Funding	-	-	49	398	842	-	-	-	-	-
Clarence House Loan	-	-	-	48	702	-	-	-	-	-
POBL Empty Properties Phase One	-	-	-	15	-	-	-	-	-	-
Transforming Towns Griffin House	-	-	-	-	246	-	-	-	-	-
Transforming Towns Placemaking	-	-	-	-	107	473	332	-	-	-
Central Library - Structural Works	72	17	30	18	9	518	-	-	-	-
Transporter Bridge	72	913	80	-	-	-	-	-	-	-
Transporter Bridge - Phase 2 Delivery	-	-	-	519	10,000	5,605	-	-	-	-
Medieval Ship	-	-	-	8	4	-	-	-	-	-
Placemaking capital projects	-	-	-	-	200	300	-	-	-	-
Leisure centre New build	-	-	-	1,386	4,512	2,270	7,467	4,086	-	-
Coleg Gwent Demolition Costs	-	-	-	-	50	1,200	-	-	-	-
Prior Year Scheme - Various	(7)	(18)	(9)	-	-	-	-	-	-	-
Regeneration & economic development - Sub total	3,841	7,220	3,656	7,771	18,683	12,740	11,966	7,268	2,628	12,649
Telecare Service Equipment	97	12	35	28	32	-	-	-	-	-
Equipment for Disabled Grant (GWICES)	165	165	165	165	165	-	-	-	-	-
Centrica Lodge	(6)	(3)	-	-	-	-	-	-	-	-
Home Care System	32	-	-	-	-	-	-	-	-	-
SMAPF	320	305	296	558	-	-	-	-	-	-

Adult Call up System	-	-	76	-	-	-	-	-	-	-
3 New Homes	701	792	588	(2)	-	-	-	-	-	-
Oaklands Respite Home	505	102	-	-	-	-	-	-	-	-
Windmill Feasibility Study	41	110	25	1,204	160	-	-	-	-	-
Rose Cottage Sewerage Works	-	-	-	20	3	-	-	-	-	-
Rosedale Annexes	-	-	-	29	471	-	-	-	-	-
Disbursed accommodation and Covid-19 equipment	-	-	331	345	240	-	-	-	-	-
Cambridge House - HCF Grant	-	-	-	-	20	1,630	-	-	-	-
Forest Lodge HCF grant funding	-	-	-	-	75	596	-	-	-	-
Social Care - Sub total	1,855	1,483	1,517	2,347	1,167	2,226	-	-	-	-
City Services Annual Sums	-	322	125	954	2,361	-	-	-	-	-
Pye Corner Railway Station Development Works	21	-	-	-	-	-	-	-	-	-
Bus station - Friars Walk Development	29	93	-	-	-	-	-	-	-	-
Fleet Replacement Programme	797	1,912	2,039	2,046	1,598	-	-	-	-	-
Flood Risk Regulation Grant	24	34	27	-	-	-	-	-	-	-
Cemetery Infrastructure Improvements	16	30	30	46	-	-	-	-	-	-
Composting	567	-	-	-	-	-	-	-	-	-
Docksway Cell 4 Development	1,555	1,046	-	-	-	-	-	-	-	-
Decriminalised Parking	232	874	21	-	-	-	-	-	-	-
Update Facilities in Parks	18	47	-	-	-	-	-	-	-	-
Decommissioning of Cemetery Office & Toilets	11	-	-	-	-	-	-	-	-	-
Building Improvements to Lodges	14	94	-	-	-	-	-	-	-	-
Small Scale Works Grant	34	-	-	-	-	-	-	-	-	-
Road Refurbishment Grant Scheme	931	198	-	-	-	-	-	-	-	-
Street Lighting LEDs	564	2,202	152	(15)	-	-	-	-	-	-
LTF - Active Travel Northern 2018/19	290	196	102	(0)	-	-	-	-	-	-
Local Transport Fund - Active Travel Design 2018/19	240	-	-	-	-	-	-	-	-	-
LTNF - ECO Stars	42	41	-	-	-	-	-	-	-	-
Safe Routes - St David's RC Primary	84	145	37	1	-	-	-	-	-	-
Collection Change Programme	1,175	-	-	-	-	-	-	-	-	-
LTF Monkey Island Bridge Lliswerry Pill	29	121	-	-	-	-	-	-	-	-
LTF Sustainable Transport	25	309	-	-	-	-	-	-	-	-
Smaller Bins - MTRP BC	70	1,177	-	-	-	-	-	-	-	-
Riverside Park	20	-	-	-	-	-	-	-	-	-
Road Safety Capital 2018/19	-	1,379	-	(0)	-	-	-	-	-	-
Tredegar Park Car Park	-	-	12	-	-	-	-	-	-	-
Bus Stop Enhancements	-	24	375	-	-	-	-	-	-	-

CCTV	-	37	8	-	-	-	-	-	-	-
Core ATF Allocation	-	340	-	-	-	-	-	-	-	-
Inner City Links	-	684	249	7	-	-	-	-	-	-
Lliswerry Road (81)	-	9	-	-	-	-	-	-	-	-
28-30 Stow Hill (11/0269)	-	7	-	-	-	-	-	-	-	-
Forbisher Road (15/0720)	-	9	-	-	-	-	-	-	-	-
Festive lighting	-	109	-	-	-	-	-	-	-	-
Improving Flats Recycling Towards 70%	-	344	-	-	-	-	-	-	-	-
Increased Recycling at Docks Way	-	86	-	-	-	-	-	-	-	-
Plastic Waste Prevention Project	-	30	-	-	-	-	-	-	-	-
Road Refurbishment Grant Scheme 2020/21	-	-	711	(4)	-	-	-	-	-	-
Road Refurbishment Grant Scheme 2021/22	-	-	-	715	-	-	-	-	-	-
Park Square Lights	-	-	71	-	-	-	-	-	-	-
Implementation of Household Collections	-	202	-	-	-	-	-	-	-	-
AHP Waste										
Safe Routes - St David's RC Primary Year 2	-	-	21	20	-	-	-	-	-	-
Sustainable Transport Improvements Year 2	-	-	208	77	-	-	-	-	-	-
Upgrading and Replacement of Bus Stops	-	-	128	-	-	-	-	-	-	-
Road Safety Capital A48 Llandeud	-	-	74	0	-	-	-	-	-	-
Resilient Roads	-	-	65	-	-	-	-	-	-	-
Carnegie Court Emergency River Works	-	-	1,096	12	154	-	-	-	-	-
Local sustainable transport measures in response to Covid	-	-	499	13	-	-	-	-	-	-
Western Corridor-Inner City Links	-	-	536	1,144	-	-	-	-	-	-
Monkey Island Bridge Yr. 2	-	-	587	225	-	-	-	-	-	-
Core Allocation Yr. 2	-	-	69	21	-	-	-	-	-	-
Flood and Coastal Erosion Risk Management	-	-	-	-	-	-	-	-	-	-
Ultra-Low Emission Grants	-	-	205	615	-	-	-	-	-	-
Creation of a Reuse+Repair Hub	-	-	456	57	-	-	-	-	-	-
Increased Recycling - Bag Sorting at Household Waste Recycling Centre	-	-	-	25	-	-	-	-	-	-
Velodrome Lights	-	173	128	36	-	-	-	-	-	-
Repair & Reuse Activities in Town Centres	-	-	-	-	-	-	-	-	-	-
Repair & Reuse Newport Makerspace	-	-	69	-	-	-	-	-	-	-
Green Recovery (Ash Die Back)	-	-	190	-	-	-	-	-	-	-
Newport Fflesci Demand Responsive Bus Pilot Scheme	-	-	-	968	-	-	-	-	-	-
Core Allocation Yr. 3	-	-	-	1,134	-	-	-	-	-	-
Bettws and Malpas Canal Link	-	-	-	1,008	-	-	-	-	-	-
Eastern Links	-	-	-	19	-	-	-	-	-	-
Bus Stop Enhancements - Yr. 2	-	-	-	808	-	-	-	-	-	-

A467 Improvements Resilient roads	-	-	-	11	-	-	-	-	-	-
EV Development and Infrastructure	-	-	-	651	-	-	-	-	-	-
Road Safety Traffic Enforcement Cameras	-	-	-	136	-	-	-	-	-	-
SRIC & Road Safety Grant	-	-	-	192	-	-	-	-	-	-
Local Places for Nature Grant	-	-	-	109	-	-	-	-	-	-
Depot Infrastructure Charging	-	-	-	293	-	-	-	-	-	-
Allotment Support Grant	-	-	-	36	-	-	-	-	-	-
City Centre Active Travel Infrastructure	-	-	-	31	-	-	-	-	-	-
Community Cycle Hub	-	-	-	52	-	-	-	-	-	-
Private sector bus electrification	-	-	-	-	6,323	-	-	-	-	-
20 mph core allocation	-	-	-	-	282	-	-	-	-	-
Resilient Roads	-	-	-	-	1,485	-	-	-	-	-
Safe Routes in communities 22/23	-	-	-	-	50	-	-	-	-	-
Bus Infrastructure	-	-	-	-	900	-	-	-	-	-
Lliswerry Recreation Ground Changing Rooms	4	339	-	-	-	-	-	-	-	-
Park Drive Play Area Improvements	-	-	19	-	-	-	-	-	-	-
Breen Road Play Area Improvements	-	-	3	-	-	-	-	-	-	-
Improvements to Throwing Facilities at Newport Athletics Stadium	-	-	156	-	-	-	-	-	-	-
Improvements to Marshfield Village Sports Pitches	-	-	14	13	-	-	-	-	-	-
Upgrade of Facilities NISV Somerton Park	-	-	-	238	-	-	-	-	-	-
Underwood Play Area	-	-	-	-	-	-	-	-	-	-
Jubilee Gardens	-	-	-	-	-	-	-	-	-	-
Sports Wales Verti Drainer	-	-	-	-	-	-	-	-	-	-
Beechwood Park Tennis Court Refurb	-	-	-	45	-	-	-	-	-	-
Bridge Assessments	-	-	-	-	-	-	-	-	-	-
Active Travel Improvements	-	-	-	-	-	-	-	-	-	-
Road Safety and Training	455	-	-	-	-	-	-	-	-	-
General Traffic Management	-	-	-	-	-	-	-	-	-	-
Streetwide Improvements	-	-	-	-	-	-	-	-	-	-
Street Lighting Column Replacement	-	-	-	-	-	-	-	-	-	-
Peterstone Sewage Scheme	1	28	(13)	322	583	-	-	-	-	-
Flood recovery works - Tredegar Park	-	-	-	-	-	-	-	-	-	-
Kingsway car park operation - expansion of car park services to take on the operation of Kingsway Car Park	-	-	343	73	100	-	-	-	-	-
Placemaking capital projects (hostile vehicle)	-	-	-	-	100	1,050	-	-	-	-
Prior Year Scheme - Various	(11)	(0)	-	-	-	-	-	-	-	-

City Services - Sub Total	7,238	12,641	8,811	12,133	13,937	1,050	-	-	-	-
TOTAL EXPENDITURE	29,466	31,358	26,210	52,669	89,833	52,273	33,740	8,879	2,674	12,682
Financed By:										
General Capital Grant	(4,754)	(3,858)	(4,107)	(2,030)	(2,827)	(1,379)	(69)	-	-	-
Supported Borrowing	(4,058)	(4,077)	(4,097)	(4,072)	(3,736)	(0)	(525)	-	-	-
Unsupported Borrowing	(2,125)	(5,787)	(1,771)	(1,387)	(10,014)	(15,386)	(13,695)	(5,341)	(2,648)	(12,662)
Prudential Borrowing	(84)	(123)	-	-	(40)	-	-	-	-	-
External Grants	(12,911)	(13,055)	(15,174)	(43,158)	(52,922)	(24,158)	(16,289)	(3,538)	(26)	(20)
S106	(868)	(523)	(410)	(1,216)	(609)	(3,670)	(328)	-	-	-
Other Contributions	(242)	(268)	(75)	(1)	(793)	(191)	-	-	-	-
Capital Receipts	(3,136)	(820)	(25)	(18)	(2,759)	(2,725)	(950)	-	-	-
Revenue Contributions	(75)	(68)	(38)	(489)	(1,780)	-	-	-	-	-
Reserves	(1,081)	(2,777)	(464)	(169)	(14,354)	(4,764)	(1,883)	-	-	-
Finance Lease	(131)	-	(50)	(128)	-	-	-	-	-	-
TOTAL	(29,466)	(31,358)	(26,210)	(52,669)	(89,834)	(52,273)	(33,740)	(8,879)	(2,674)	(12,682)

Appendix C – Capital Programme 2022/23

	Adjusted Budget 2022/23 £000's	Projected Outturn £000's	Variance (- favourable) £000's	Potential Slippage £000's	(Under)/Overspend £000's
21st Century Schools - Special Sector					
Maes Ebbw	85	85	-	-	-
Iscoed Secondary Band B	7,584	7,584	0	0	-
Bassaleg Secondary Band B	17,001	15,857	(1,144)	(1,144)	-
Caerleon Secondary Band B	168	36	(132)	(132)	-
Whiteheads Primary Band B	1,230	908	(322)	(322)	-
Maesglas Primary Band B	-	20	20	20	-
Glan Llyn - Fixtures and Fittings Band B	26	26	-	-	-
St Andrews Demountables Band B	1,453	713	(740)	(740)	-
Welsh Medium Primary School	958	118	(840)	(840)	-
Llswerry High S106 Fencing	15	15	-	-	-
ED Tech Grant	76	76	-	-	-
Charles Williams Renovations	2,204	956	(1,248)	(1,248)	-
Pentrepoeth - site accessibility	349	355	6	6	-
St Mary's Urgent Capital repairs grant	396	396	-	-	-
Education Maintenance Grant - 1920	672	672	-	-	-
Education Maintenance Grant - 20/21	1,550	1,121	(428)	(428)	-
Education Maintenance Grant - 21/22	1,875	1,994	119	119	-
Education Accessibility Studies - Phase 1	248	244	(4)	(4)	-
Education Accessibility Studies - Phase 2	63	63	-	-	-
Free school meals capital works	1,800	1,200	(600)	(600)	-
Maindee Primary LED Lighting Upgrade	72	72	(0)	1	(1)
Pillgwenlly Primary ICT Replacement	42	42	-	-	-
Screens Bassaleg Demountables	6	6	-	-	-
Open Schools Outside Hours	1,022	425	(597)	(597)	-
Supporting Learners with Additional Learning Needs	143	143	-	-	-
Education - Sub total	39,038	33,129	(5,909)	(5,908)	(1)
Parks Improvements	700	46	(654)	(654)	-
Refit	1,000	800	(200)	(200)	-
Low Carbon Heat Grant NISV	332	332	-	-	-
Low Carbon Heat Grant Caerleon Comp	114	114	-	-	-
Low Carbon Heat Grant Rogerstone Primary	51	51	-	-	-
Tredegar Park Cycle improvements	45	35	(10)	-	(10)
Lighthouse Inn gateway to the levels	93	93	0	0	-
Cemeteries Improvements	500	598	98	98	-
Gwent Green Grid GI Project	69	69	-	-	-
Gwent Green Grid Trees Project	30	30	-	-	-
Gwent Green Grid Access Project	73	73	-	-	-
St Julian's High LED Lighting Upgrade	99	99	-	-	-

Docksway Landfill Capping Works	2,030	2,030	-	-	-
Newport East MUGA Reprovision	514	514	-	-	-
Pentonville Development (Sorrell Hill, Barack Hill and Allt-yr-yn)	26	26	-	-	-
Tredegar Park Tennis Courts Refurbishment	195	193	(2)	-	(2)
Newport Station Footbridge - LTF	1,697	1,697	-	-	-
Gwastad Mawr Flood Attenuation Works	75	60	(15)	-	(15)
Nature Networks - Monkey Island	85	85	-	-	-
Nature Networks - Shaftsbury Allotments	51	51	(0)	-	(0)
Green Infrastructure	285	185	(100)	-	(100)
Nature Networks - Old Tredegar Golf Course	15	15	0	-	0
Electric Vehicle grant aided replacement	320	320	-	-	-
Local Places for Nature Grant	250	250	-	-	-
ATF Core Allocation 22/23	740	740	-	-	-
Low Carbon Heat Grant Designs	120	120	-	-	-
Environment & Public Protection - Sub total	9,508	8,624	(884)	(756)	(127)
Gypsy/Traveller Site Development	44	0	(44)	(44)	-
Housing & Communities - Sub total	44	-	(44)	(44)	-
IT Replacement Schemes	150	76	(74)	(74)	-
Asset Management Programme	1,901	1,901	0	0	-
Civic Centre / Info Station Service Relocations	29	29	-	-	-
Assistive Technology in Social Care	74	74	-	-	-
Information Station	248	225	(23)	(23)	-
Library (infostation move)	1,454	1,454	(0)	-	(0)
Print 2010- Managed Printer Service	-	27	27	-	27
People, policy & transformation - Sub total	3,856	3,786	(70)	(97)	27
Disabled Facilities	1,259	543	(716)	(669)	(47)
DFG ICF Funding	29	29	-	-	-
DFG ICF Backlog Funding	595	595	0	-	0
Childcare - Flying Start	473	175	(298)	-	(298)
Flying Start Capital Grant 22/23	225	225	-	-	-
Small Grant Scheme Childcare Offer	396	183	(213)	-	(213)
Safety at Home	378	425	47	0	47
ENABLE Adaptations Grant	247	247	-	-	-
Prevention & inclusion - Sub total	3,601	2,421	(1,179)	(669)	(510)
Indoor Newport Market	441	441	-	-	-
Market Arcade Townscape Heritage Scheme	737	120	(617)	(617)	-
Cardiff City Region Deal	315	315	(0)	-	(0)
Mill Street Development Loan	261	0	(261)	-	(261)

Chartist Tower	256	258	1	-	1
TRI Thematic Funding	842	285	(557)	(0)	(557)
Clarence House Loan	702	702	-	-	-
Transforming Towns Griffin House	246	246	-	-	-
Transforming Towns Placemaking	107	45	(63)	(63)	-
Central Library - Structural Works	9	9	(0)	-	(0)
Transporter Bridge - Phase 2 Delivery	10,000	3,647	(6,353)	(6,353)	-
Medieval Ship	4	4	-	-	-
Leisure centre New build	4,512	1,031	(3,481)	(3,481)	-
Coleg Gwent Demolition Costs	50	50	-	-	-
Placemaking capital projects	200	50	(150)	(150)	-
Regeneration & economic development - Sub total	18,683	7,203	(11,480)	(10,664)	(817)
Rosedale Annexes	471	247	(224)	(224)	-
Telecare Service Equipment	32	0	(32)	-	(32)
Windmill Feasibility Study	160	400	240	-	240
Rose Cottage Sewerage Works	3	0	(3)	-	(3)
Disbursed accommodation and Covid-19 equipment	240	240	-	-	-
Cambridge House - HCF Grant	20	20	-	-	-
Forest Lodge HCF grant funding	75	75	-	-	-
Equipment for Disabled Grant (GWICES)	165	165	-	-	-
Social Care - Sub total	1,167	1,147	(20)	(224)	205
City Services Annual Sums	2,361	618	(1,744)	(1,744)	-
Peterstone Sewage Scheme	583	583	(0)	(0)	-
Fleet Replacement Programme	1,598	1,073	(525)	(525)	-
Carnegie Court Emergency River Works	154	154	0	-	0
Private sector bus electrification	6,323	0	(6,323)	(6,323)	-
Kingsway car park operation - expansion of car park services to take on the operation of Kingsway Car Park	100	27	(73)	(3)	(70)
20 mph core allocation	282	282	-	-	-
Resilient Roads	1,485	1,485	-	-	-
Safe Routes in communities 22/23	50	15	(35)	-	(35)
Placemaking capital projects (hostile vehicle)	100	6	(94)	(94)	-
Bus Infrastructure	900	770	(130)	-	(130)
City Services - Subtotal	13,937	5,013	(8,924)	(8,688)	(235)
Total	89,834	61,324	(28,509)	(27,050)	(1,459)

Appendix D – Recent Capital Receipts Activity

Unallocated Capital Receipts	Receipts Received in Year £'000	Total Available Receipts 2022/23 £'000
GENERAL CAPITAL RECEIPTS		
Balance b/f from 2021/22		7,174
Sales		
Vehicle sales	52	
Land next to Ringland Health Centre	256	
Overage for land adjoining Stelvio Road	30	
Sale of 5 Whitestone Av, Swansea (NCC share)	34	
		372
Commitments within the Capital Programme		
Fleet Replacement Programme	-1,223	
Replacement for Education maintenance grant funding 20/21 used on general activities	-1,566	
New Leisure Centre	-1,000	
St Mary's Primary School	-950	
Indoor Market Further Developer Loan	-441	
		-5,180
Recent Cabinet approval (still subject to call in)		
Newport Centre demolition (Council share)	-892	
		-892
Total Amount Uncommitted		1,474
NEWPORT UNLIMITED		
Balance b/f from 2020/21		2,216
Sales		
None		0
Usage		
None	0	0
Commitment		
None	0	0
Total Amount Uncommitted		2,216
TOTAL NCC RECEIPTS (Uncommitted)		3,690

Report

Cabinet



Part 1

Date: 15 February 2023

Subject 2023/24 Budget and Medium Term Financial Plan (MTFP)

Purpose To present to Cabinet the results of the public consultation on the draft 2023/24 budget proposals, as set out in their December 2022 meeting, and provide an update on any changes in budgetary assumptions in the intervening period. Cabinet are requested to agree their final budget proposals and recommend the associated Council Tax level required for agreement at Full Council in their meeting on 28 February 2023.

Author Head of Finance

Ward General

Summary The draft budget proposals for 2023/24 agreed in the December Cabinet meeting have been subject to detailed consultation, and the results have been set out within this report and its appendices.

Since the December Cabinet, the results of the draft settlement have been confirmed. Newport will receive an 8.88% uplift which was the fourth greatest increase received by an individual council, against an overall 7.9% net funding increase for Local Government across Wales. This was much higher than that included within planning assumptions.

Whilst the final settlement will not be known until early March 2023, no changes are expected other than potentially cost neutral movements in specific grants into/ out of the final settlement. Therefore, Cabinet are finalising their 2023/24 budget based on the funding position made up of the draft Revenue Support Grant, the confirmed increase in the Council's tax-base and Council Tax income at the rate that will be recommended at this meeting.

This report summarises the key aspects of the draft budget, feedback on the consultation and other key contextual matters before setting out the current position on the 2023/24 budget which Cabinet will consider. The final proposals will be announced at the meeting, following consideration of the above.

Section:

- 1 Background
- 2 Finalising the budget
- 3 Financial planning assumptions
- 4 Public consultation

- 5 Medium term financial plan (MTFP)
- 6 Risk, reserves, financial resilience, and performance
- 7 2023/24 proposed Council Tax

Appendix:

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

Proposal Cabinet is asked:

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

1. To note the formal consultation on the budget as outlined in section 4 and the feedback received, shown in Appendices 1 to 4.
2. To note the equality issues and the Fairness and Equalities Impact Assessment (FEIA) on the budget proposals, shown in Appendix 9.
3. To review and confirm budget proposals (appendix 5 - 6), as currently summarised within the medium term financial plan (appendix 7).
4. To agree the 2023/24 fees and charges of the council shown in appendix 11.

Overall revenue budget and resulting council tax 2023/24 (section 6 and 7)

5. To note the significant risks and uncertainties within budget planning and specific issues highlighted in section 6 of this report and the mitigation in place to manage.
6. To review and agree the re-purposing of specific earmarked reserves as set out in Appendix 10a
7. To note the current level of council tax for Newport City Council and the monetary value of various percentage increases and how this compares to levels of council tax at other councils as shown in table 5.
8. To recommend an overall net budget and resulting council tax to full Council, noting that a formal resolution including the Police and Crime

Commissioner for Gwent and Community Councils' precepts will be presented to Council on 28 February.

9. To approve expenditure and use of reserves in line with the summary shown in appendix 10b, noting they are based on detailed proposals reviewed by Cabinet in their December 2022 meeting.

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

Heads of Service – implement all delegated savings with immediate effect and apply new fees and charges from 1st April.

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Strategic Directors
- Head of Law and Standards
- Head of People, Policy and Transformation

Signed

1 Background

- 1.1 Budget preparations for 2023/24 presented a distinct set of challenges, building on the unprecedented circumstances of the last few years and the drastic economic changes that we have seen over a relatively short period of time. Councils are dealing with pressures on a scale never seen before. Inflation, soaring energy bills and increasing demand have resulted in significant budget shortfalls over the immediate and medium term.
- 1.2 As a result, the 2023/24 budget shortfall presented to Cabinet in December 2022 was £27.6m prior to cost reduction plans (£55.8m over the medium term). Savings of £11,561k were identified at that stage and formed part of the budget consultation that commenced immediately following the December Cabinet meeting. It was recognised at that point that further savings would potentially be required in order to balance the budget and this would be confirmed once the outcome of the draft settlement was known.
- 1.3 The Welsh Government (WG) draft settlement was received on 14 December and confirmed that funding would increase by 8.88% for 2023; additional funding of £11.7m, over and above that already assumed. This was a welcomed uplift as it enables the Council to support a growing population, support major cost and demand pressures that the Council continues to face during a challenging economic period, however, it was not sufficient to mitigate, in full, the extent of the financial challenges being faced. Therefore, this confirmed that a budget gap remained, and Cabinet announced draft school budget savings in their December Cabinet.
- 1.4 As always, the budget process has continued since Cabinet agreed the detailed budget proposals for consultation in December 2022. The external considerations impacting on the Council have been key in the financial planning and the movement since the position shared in December highlights the continued volatility. The table below sets out the changes that have arisen during this time, mainly relating to changes in planning assumptions in cost pressures and new savings in non-service budgets with no service impacts, and the revised MTFP reflects the current budget position.

Table 1: Key changes to pressures/ investments since December

	2023/24 £'000
December 2022 MTFP balance	16,078
Draft settlement: +8.88% in 23/24	(11,738)
Post draft settlement budget gap	4,340
Schools contribution to overall budget gap	(8,475)
Change in budget assumptions	
Pay Inflation - revisions made to pay assumptions for both NJC and teachers <i>detail within body of the report and Appendix 8</i>	4,710
School Business rates - Revaluation will see increase in schools RVs	110
Fleet Maintenance - increase in fuel costs	275
Passenger Transport - Increase resource within passenger transport	111
	5,206
Non service budget reductions	
Release of covid base budget	(160)
Housing Benefit - reduction in HB technical overpayments pressure	(200)
Non Service - reduced budget required for non operational pensions	(200)
Non Service - release budget temporarily re-classified for Covid risk mitigation in 22/23	(980)
Non Service - increase Council tax reduction scheme saving	(300)
	(1,840)
Children's Services - remove social care demand pressure - eliminate funding	(1,360)
Homelessness - reduced pressure following confirmation of WG funding	(335)
Revised budget gap/ (surplus)	(2,464)

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

- 1.5 The Council's final settlement will be announced on 1 March 2023. Apart from late transfers of specific grants into/ out of the final settlement, which should be neutral in their impact, no other changes are anticipated. Cabinet will, therefore, agree final budget proposals and recommend a council tax level to Council based on the draft settlement.

2 Finalising the budget

- 2.1 Within the context of the above, Cabinet have considered their final budget decisions. In doing this, key considerations include:
- (i) key assumptions and budget proposals included within the draft budget – section 3;
 - (ii) results of the public consultation – section 4;
 - (iii) the medium-term context within which Cabinet are making this decision – section 5;
 - (iv) financial risks and reserves – section 6.

3 Financial planning assumptions

- 3.1 It is important to provide Cabinet with an update on the key assumptions that have been included within the medium term financial plan (MTFP), the 2023/24 draft budget and the quantum of investments and savings.
- 3.2 The table below illustrates the key assumptions and their financial consequence before the 2023/24 budget requirement is considered and includes the recently revised pay award assumptions noted in table 1 above for 2023/24. As always, future years assumption are subject to on-going review.

Table 2: Financial implication of key assumptions

MTFP Summary	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Base change in WG Revenue Support Grant (+8.8% in 23/24 and +3% thereafter)	(23,599)	(8,676)	(8,937)
Residual increased share of the total Revenue Support Grant due to data changes showing increased relative spending need	0	(1,012)	0
Estimated increase in NCC share of RSG due to population changes	0	(500)	(500)
C. Tax @ 9.5% in 23/24 and 4% thereafter	(6,325)	(2,853)	(2,968)
Pay award and increments - NJC staff (inc. schools non teaching staff and other pay) +6% in 23/24 and 2.5% thereafter	9,879	2,832	2,863
Pay award - teachers +3.5% since December assumption 23/24	6,107	4,463	4,348
Contract inflation - 0% to 245% (energy) in 23/24 reducing to 15% over the life of the MTFP	22,530	16,173	12,982
Demand investments (inc. social care demand and homelessness)	5,133	787	1,476
School demand (inc. new and growing schools)	785	1,221	1,164
Cost reduction - new savings	(13,201)	(284)	0
Schools contribution to budget gap	(8,475)	0	0

Increasing costs and demand

Inflationary Increases

- 3.3 At the time of writing, with inflation forecast to be 9.4% for Q1 2023, this is possibly one of the most important considerations in the setting of this budget. Aside from pay, key areas of concern are energy, fuel, and food. Forward purchasing arrangements for energy have largely protected the Council from the impact of energy price increases in the current year but energy bought for 2023/24 are substantially increased - 245% for gas and 137% for electricity. Although they remain volatile, wholesale energy prices have fallen significantly in recent months and so it is expected that energy inflation will reduce down to more typical levels by the end of the current MTFP.
- 3.4 Contract inflation is applied to budgets only where the Council has a contractual commitment for increased costs or where costs unavoidably increase outside of the Council's direct control, ensuring that budgets are set at a realistic level, for example social services community care contracts that incorporates the living wage uplift payable to staff plus the running costs of the homes.

Staff Costs

- 3.5 Sustained levels of high inflation have placed upward pressure on pay costs as shown by the investment required in 2023/24. This amount is inclusive of the shortfall in the current year over and above the budgeted level of 4%. For 2022/23, the average NJC pay award was an increase of 6.4% and an additional cost of £3.6m has been factored into the base budget for the 2023/24 to make good this shortfall.
- 3.6 There is very significant uncertainty in respect of pay. For teachers, whilst the Independent Welsh Pay Review Body's recommendations of a 5% increase from September 2022 was agreed in principle by the education minister in November 2022, there is a risk that planned strike action could lead to further change and uncertainty as to when any change might apply from, at the time of writing this. We

are now aware that the non-teaching unions have asked for a 'inflation plus 2%' pay rise for all other staff for 2023/24 and those negotiations are now in progress.

- 3.7 As a result of recent pay awards and the forecast National Living Wage increase which has a substantial impact on the LG pay negotiations, a 6% pay award has been assumed for NJC staff and further provision of 3.5% has been added to teachers in 2023/24. These 'updated (higher)' assumptions reflect the key elements noted above but in light of the actions in para. 3.6 above; are very uncertain and once again, the Council may find itself with lower pay award budget provision than are subsequently agreed.
- 3.8 Thereafter, the MTFP assumptions for pay are increases of 2.5% per annum for all staff groups.

Service Demand

- 3.9 Alongside inflationary pressures, the Council is experiencing exceptional levels of demand and cost pressure in some areas; most significantly in Children's Services, linked to the number and complexity of placements for children looked after, and homelessness. Whilst new 'Eliminate' Grant funding has been awarded for 3 years enabling the pressure linked to children looked after placements to be removed in 2023/24, the pressure will be required in 2025/26 when the grant comes to an end, as set out within the MTFP. Demand pressures will need to be closely monitored for the two services above, as well as across a range of other services such as adult social care.
- 3.10 Appendix 5 sets out the budget investments over and above inflation. These are investments required to deal with the exceptional levels of demand that the Council is experiencing and to ensure budgets are realistic to deal with the demands being faced within key areas. In particular, social care, homelessness and schools are key areas of significant investment in 2023/24.

Schools

- 3.11 Cabinet considered the schools' funding position during their December meeting which included a cash increase of up to £10,395k for the overall school budget. This was based on an assumed level of inflationary pay award and non-pay increase as noted above plus the additional costs of new/ expanding schools. For the full three-year MTFP period, assessed school pressures amounted to £28m, based on current assumptions. These will, like other MTFP assumptions, continue to be reviewed regularly and any actual proposed funding increases confirmed through the budget process.
- 3.12 Since December, key assumptions including pay have been revisited and further pressures have been identified and factored into the MTFP as set out in table 1 above. The updated, gross, investment is set out below.

Table 3: Revised schools pressures 2023/24 to 2025/26

	2023/2024 £'000	2024/2025 £'000	2025/2026 £'000
Teaching staff - pay award - 23/24 +3.5% since December update and 2.5% thereafter	5,507	4,463	4,348
Non Teaching school staff - pay award - 6% in 23/24 and 2.5% thereafter	3,087	899	921
Contract & Income Inflation	3,941	3,463	1,745
New and growing Schools	368	1,345	1,278
Secondary School Transitions	417	(124)	(114)
Other School investment	1,437	566	566
	14,757	10,612	8,744

- 3.13 Given the size of the school budgets relative to the overall budget, Cabinet are aware that protecting the school budgets in its entirety would be extremely challenging on all other Council services. In that sense, it is being proposed that the school budget contributes to balancing the overall Council budget. A draft saving of £8,475k based on the December Cabinet draft budget has been included within the MTFP as schools contribution to the overall councils budget gap. This results in a net increase in school funding of £5.6m or just under 5% in 2023/24 alone.
- 3.14 The draft settlement provided all Wales information in respect of specific grants. The one area of notable change is the Additional Learning Needs Transformation grant has nearly doubled from £6.6m to £12m across Wales.
- 3.15 Further final detailed investments will be agreed at the meeting when consideration will be given to the feedback from consultation.

Savings

- 3.16 The identification of significant new savings is a requirement to balance the budget for 2023/24. The draft proposed savings identified for 2023/24 total £11,561k, the detail of which can be found within Appendix 6. In addition, since December, officers have continued to identify further recurring savings which will provide permanent mitigation against the financial pressures. These additional areas of mitigation total £12m including the schools proposal of £8,475k and the reduction in key pressures following confirmation of additional grant funding from WG. Details of which can be found within Appendix 8.

Funding – RSG and Council Tax

- 3.17 As table 2 above confirms, the budget gap and the resulting savings requirement for the Council are significantly affected by funding assumptions – the WG grant and council tax increases.
- 3.18 In addition to RSG and council tax funding; specific grants are a key element of the Council's funding which often assists in supporting core service delivery. A significant level of specific grant funding is received from WG each year and at this time; we still await the finer details of funding levels for 2023/24. It is likely that a number of grants will see real terms decreases in funding during 2023/24 and it is proposed, in line with the Council's current working policy, that service areas deal with these matters with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to be able to absorb the impact within existing resources. This may involve reducing/ stopping services that WG specific grants no longer fund. These grants will be included within service areas budgets once the value and conditions are known.

4 Public consultation

- 4.1 The budget proposals agreed by Cabinet in December have been consulted on through a range of stakeholder groups and formats, which are as follows:
- With Trade Unions via the Employee Partnership Forum on 19 January 2023 (minutes included within Appendix 1);
 - With all Scrutiny Committees in their January 2023 meetings where Members discussed the detailed investments and savings proposals, plus the MTFP. Their reports and conclusions are included in Appendix 2;

- With the Schools' Forum on 19 January 2023. Responses are included in Appendix 3;
 - With the public from 14 December 2022 to 2 February 2023. An analysis of responses is included in Appendix 4;
 - Engagement with Newport Fairness Commission – their response will help inform the decisions taken by Cabinet and further budget engagement work.
- 4.2 During the 2023/24 budget consultation just under 1,800 responses were received. This is a significant increase over the previous year, which was affected by the restrictions surrounding the Covid-19 pandemic. In this year's consultation we were able to make wider use of Bus Wi-Fi Consultation technology as passenger numbers have increased again. The availability of bus Wi-Fi consultation also enabled us to undertake pre-budget engagement on the prioritisation of council services.
- 4.3 During the budget consultation we have carried out several engagement exercises with the public, which included:
- A pre-budget public survey to identify the services that matter most to people, as a means of informing medium term budget planning and the investments set out in the draft budget. This survey forms part of an approach to make engagement on the budget and service planning an ongoing process throughout the year;
 - Carrying out an online survey via the public Wi-Fi on Newport buses that received 653 responses;
 - An in-depth online survey, which received 820 responses;
 - Promotion via the media to all households using Newport Matters, Council Facebook & Twitter, and Council Website;
 - Requesting partner networks to circulate details of the consultation e.g. One Newport contacts, Newport Youth Council, 50+ Forum, voluntary sector contacts;
 - Engagement with Newport Fairness Commission – their response is included in Appendix 4a;
 - Engagement with Newport Youth Council so that young people's voices are included in the consultation;
 - Attendance at public events to promote the budget consultation including the four participatory budgeting sessions, and Warm Welcome sessions in venues across Newport;
 - Service Area led events directly with affected service users and their families e.g. adult services, library services.
- 4.4 In addition to completed surveys, around 400 representations have been received from organisations and have been considered by Cabinet Members and Officers as part of the budget consultation, these are particularly in relation to the proposals on:
- Domestic Residual and Garden Waste collections
 - Social care - Oaklands / Short Break Services / Cwtch Centre
 - Car parking charges
 - Growing Spaces
 - Council Tax increase
 - A response to multiple proposals from Aneurin Bevan University Health Board CAMHS, Complex Needs and Public Health Nursing Team.
- 4.5 The comments received in these representations are consistent with those summarised in Appendix 4.

5 Medium Term Financial Plan (MTFP)

5.1 The MTFP is the articulation of the financial challenges and includes the savings identified over the next three years. The scale of the budget challenges significantly outweigh funding increases; therefore, consideration must be given to how the Council is able to continue operating effectively for the residents of Newport whilst maintaining financial sustainability. With savings totalling circa £80m having already been identified over the last decade, it will not be possible to balance the 2023/24 and medium term budget through efficiencies alone. This means that required savings will impact upon front line service delivery. The Head of Finance will continue to work with the Corporate Management Team and Cabinet to develop the budget strategy over the medium term to ensure the following issues and uncertainties are accounted for as appropriate:

- the economic challenge, in the context of major cost and demand pressures. The cost of living and energy crisis and the lasting impact that current levels of inflation have on future pay and other cost pressures;
- increasing demand within service areas over and above provision already made within the MTFP;
- potential financial issues on school budgets.

5.2 The Council has recently approved its new Corporate Plan, and this will be supported by a Transformation Plan and other plans to achieve the outcomes within it. The Transformation Plan is in the development stage and whilst this will form a key part of the strategy for addressing the budget gap in the future, it will not in itself deliver the quantum of savings required over the medium term. Therefore, further work is required to build a budget and transformation strategy that ensures sustainable services and financial stability. As part of this the development of a detailed delivery and implementation plan with potential savings is required.

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

6 Risk, reserves, financial resilience, and performance

6.1 A key driver in the 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 2023/24 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 16 risks that are considered to have a significant impact on the achievement of the Council's objectives and legal obligations. Overall, 8 of these risks are severe and in many cases link the issues set out within the economic context and earlier sections 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 Three current risks in the corporate risk register with significant uncertainty are (i) stability of social services providers, (ii) pressures on adult services and (iii) pressure on delivery of children services and in the case of challenges facing social care have already been considered earlier in this report.
- 6.5 Outside of the risk register, and as noted in this report above, there are also other key issues and risks which the Cabinet's attention needs to be drawn too:
- Uncertainty on the adequacy of pay provision for 2023/24 financial year, given on-going disputes and the trajectory of the National Living Wage.
 - The inherent risk in delivering a quantum of savings which is far higher than any previous year.
- 6.6 In the context of the challenging economic climate, the budget has the following areas of mitigation will be required to support the challenges set out above.
- existing revenue contingency budget £1.373m;
 - existing revenue budgets not yet committed, and which are set aside to manage revenue budget risks in the short term c£1m;
 - specific reserves earmarked for general budget risks, including the 'pay reserve' and residual covid risk reserve at £2.3m;
 - investment in revenue budgets to mitigate risks on an ongoing basis.
- 6.7 The HoF is required to independently assess and report, to Council, 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

- 6.8 A robust view is taken in managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and Appendix 10 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council currently. Key headlines include:
- Earmarked Reserves: Although the Council's reserves have increased in recent years, nearly all of these are earmarked for specific purposes. However, as a last resort they do provide some mitigation 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, as well as delaying the identification of recurring mitigation for the identified budget gap. At the request of Cabinet, the Executive Team have reviewed these and have identified the potential availability of £2,537k from a small number of reserves for repurposing; Cabinet are being recommended to consider and approve these for re-purposing.
 - 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: Although the position in relation to school reserves has improved over the last couple of 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 net spend against school budgets this year will see reserve balances reduce to £10,453k by the end of this financial year, though this could change in the last quarter as so often is the case if new grants are received.
- Current budget savings-managing the revenue budget – demands on the revenue budget: The Council has identified and continues to monitor budget reductions of £800k in 2022/23 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 £25m 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.

6.9 The Council is developing a strategic transformation programme and has its 'transformation plan fund' (previously 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.

Fairness and Equality Impact Assessments (FEIAs)

6.10 In line with the council's legal duties as set out in the Equality Act 2010 and the Welsh Language (Wales) Measure 2015, all proposals that are subject to public consultation have undergone a full equality impact assessment, which have been updated to reflect public consultation responses.

6.11 Appendix 9 provides the impact assessment for the new saving proposals individually listed in Appendix 6, showing any issues, after mitigation, of any equalities issues that Cabinet and Council need to be aware of.

7 2023/24 proposed council tax

7.1 The draft budget includes a council tax increase of 9.5% in 2023/24 and 4% base assumption in future years.

7.2 Despite the draft settlement included an improved RSG, recent developments and revisions made to planning assumptions means that there remains a budget surplus of £2,464k. Cabinet will decide on how this budget surplus is to be addressed to give a balanced position.

Table 4: 2023/24 available and required budget

<p>The table below shows the available and required budget funding with a 9.5% increase in council tax. Cabinet will be aware that beyond 2023/24 there has been a further 4% increase implicit in</p>	
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our MTFP planning parameters. In setting council tax, the Council needs to be aware of the need to set a balanced budget.	
Council Tax at Band D at 9.5%	£1,392.85
Budget requirement	£000
Base budget 2022/23	343,012
Inflation	36,071
Transfer to reserves	563
DRAFT BASE BUDGET 2023/24 (before investments/savings)	379,646
Budget investments – (£12,502k (inc. increase of £1,205k required in council tax benefit based on 9.5% council tax increase))	13,707
Budget savings	(21,676)
DRAFT BASE BUDGET 2023/24	371,677
Draft funding available	
Draft WG settlement	289,211
Current council tax at new tax base	77,400
Increased council tax @ 9.5%	7,530
Total	374,141
Balance to allocate	(2,464)

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

- delete previously agreed savings
- providing additional capacity within services
- fund new initiatives and policies
- consider the level of council tax required to balance the budget. A 0.1% change in council tax equates to £65k. The current MTFP and draft 2023/24 budget assumes an increase of 9.5%.

7.4 For contextual purposes, the table below shows the weekly increases in council tax based on a number of scenarios and current values at other Welsh councils. Given the low starting point on Newport council's tax, it will still be lower than most (if not all) of the councils shown, even at a 9.5% increase and the actual monetary increases in tax are low in themselves.

Table 5: Scenarios illustrating weekly council tax increases

Weekly Increase	£1.47	£1.96	£2.32	£2.45
Increase per annum	£76.32	£101.76	£120.84	£127.20
Newport Band D tax 2023/24	£1,348.33 (6%)	£1,373.77 (8%)	£1,392.85 (9.5%)	£1,399.21 (10%)
Comparison with existing Band D council tax (rounded)				
Current year (2022/23) before any increase:				
Caerphilly	£1,254			
Newport	£1,272			
Cardiff	£1,335			
Wrexham	£1,372			

Torfaen	£1,449
Swansea	£1,462
Monmouthshire	£1,477

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

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The overall aim of the budget and MTFP is to ensure resource allocation is based on priorities, supports the delivery of the Council's soon to be developed transformation plan, savings proposals and protects the financial health of the Council.

Options Available and considered

Cabinet has various options open to them on the detailed proposals contained within this report. Taking a strategic medium term view, Cabinet should approve the three-year plan as summarised in the MTFP, though they could approve 2023/24 proposals only. For 2023/24 Cabinet must agree a revenue budget and then the resulting council tax for Council.

Preferred Option and Why

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

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

Comments of Chief Financial Officer

All financial details are included in the body of this report. The Cabinet have the responsibility to allocate funding to services and priorities and to make a recommendation to Council on the level of Council Tax required to support their resulting total net budget.

As the report indicates, the budget has been prepared under the most challenging situations facing public services and Local Councils in particular here. The report highlights a number of key risks; some within the Council's Corporate Risk Register. It is essential that revenue budget contingency is maintained given the uncertainty with these risks as this supports the budget as well as providing some level of protection to reserves in order for them to be utilised as planned and not cause additional financial pressures in future years. These are outlined in the report and the HoF/S151 officer will provide an overall opinion on the budget following the finalisation of the budget, given some c£2.5m of resources are left plus a small amount of reserves to allocate. In saying that, a reasonable level of revenue budget contingency exists at this point and whilst not impact free, the reserves of the Council provide further mitigation in the worst-case scenario.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to consider the budget consultation responses and agree the final savings proposals in order to deliver a balanced budget for 23/24. Where the relevant business cases are not delegated to Heads of Service and Cabinet Members in accordance with the Council's scheme of delegation, Cabinet are required to take the final decisions on those business cases in the light of the responses to the public consultation, prior to making a recommendation to Council regarding the budget for 23/24. The implementation of the business cases are executive matters, with the exception of any which purely relate to staffing proposals and operational matters which are non-executive matters delegated to Heads of Service. Business cases which have an impact on the delivery of services, have been the subject of Equality and Fairness Impact Assessments to ensure that the Council has regard to its public sector equality duties under the Equality Act and is also acting fairly in terms of the impact of the proposed changes on service delivery. In addition, where specific proposals have impacted on staffing levels, these have been the subject of a staff consultation process. The setting of the overall base budget and council tax rate for 23/24 is a matter for full Council, as these are non-executive reserved matters under the Constitution. Therefore, Cabinet will need to recommend the final budget and the proposed Council tax increase to full Council for approval in accordance with the Local Government Finance Act 1992.

Comments of Head of People, Policy and Transformation

The 2023/24 Budget and Medium-Term Financial plan report gives Cabinet the opportunity to consider the implications and opportunities in the deployment of resources across a range of functions and services over the next three years. This is set against a backdrop of highly challenging financial pressures, which have created a difficult environment and increased financial uncertainty. This is despite the Council having received a relatively favourable draft funding settlement from Welsh Government.

The Council's head count and full-time equivalent has reduced significantly over the last number of years to meet the financial challenges. The Council's workforce will be impacted by the proposals to deliver services in different ways or cease. It should be noted that a number of Council vacancies are also proposed for deletion as part of the budget savings. A consequence of the deletion on vacancies puts further strain on the ability of the remaining workforce to deliver services, potentially leading to wellbeing concerns for our staff. The Council's Wellness at Work policy and supplementary wellbeing support will become more integral in supporting the workforce to adapt to the challenges ahead.

All staff potentially affected by the budget proposals have been consulted with, or will be as and when necessary, and the relevant trade unions have made representations, which are referenced in this report.

As part of the annual consultation process opportunities have been made available for the public to express their views and again these are included in the report for the consideration of Cabinet. Views have been gathered via email, letter, the on-line consultation pages, through free bus Wi-Fi and discussions with relevant groups.

The Local Authority is required to ensure it considers the impact of decisions made today on future generations and also the impacts on protected equalities groups. This has been done through the use of Fairness and Equality Impact Assessments. It should be noted that meeting the sustainable development principle is becoming increasingly difficult whilst the Council faces both immediate long-term financial pressures.

Scrutiny Committees

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

Fairness and Equality Impact Assessment:

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

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

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

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

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

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

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

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

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

Consultation

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

Background Papers

December 2022 Cabinet report - 2023/24 Budget and Medium Term Financial Plan

Dated: 9 February 2023

Mae'r dudalen hon yn wag yn

Minutes

Employee Partnership Forum

Date: 19.01.23

Time: 10am

Venue: Microsoft Teams Meeting

To: Councillor D Batrouni (Cabinet Member for Organisational Transformation), Councillor D Davies (Deputy Leader/Cabinet Member for Education and Early Years), Tracy Mckim (Head of People, Policy & Transformation), Robert Green (Assistant Head of Finance), Kevin Howells (HR and OD Manager), Richard Jackson, Craig Jenkins (NASUWT), John Griffiths (NEU), Peter Garland (UNISON) John Lane (UNISON), Richard Hughes (NAHT), Taylor Strange (Governance Support Officer), Steve Belcher (UNISON), Rowena Hayward (SW), Mark Rowland.

Apologies of absence

Richard Hughes Shone Carle's, Mererid Lewis Davies, John Lane, Howard Mason, Jade Davies, and Amanda Bouadana

Declaration of interest

No declarations of interest were made.

A point of order was raised that Agenda items 6 and 7 had been discussed at a different forum and therefore were no longer required within the current meeting.

Minutes of the Last Meeting: (Pages 3 - 8)

The Minutes of the previous meeting on **9th December 2022** were accepted as a true and accurate record.

Budget Update (Budget position, VR, and 2 years limit)

The Assistant Head of Finance noted that this item had been discussed briefly in the previous meeting but that a few things had changed since then. The Assistant Head of Finance confirmed that they had received the draft settlement from Welsh Government and so they were able to look at the Cabinet's decision regarding schools.

The Assistant Head of Finance stated that the Welsh Government settlement was higher than presumed at £11.7 Million in cash which is higher than the national average due to the 8.9% uplift in the population of Newport. The Assistant Head of Finance added that although higher than expected settlement was still not enough to balance the £16 Million budget gap. The Assistant Head of Finance furthered that base assumptions around pay needed to be reconsidered or this would create pressures 1 or 2 years in the future.

Appendix 1 – Minutes from Employee Partnership Forum

The Assistant Head of Finance noted that the proposal is being consulted on and is predicted on the NCC funding half of the pay pressures as well as all pupil number pressures, with schools being required to absorb remaining pay pressures plus other inflammatory pressures in full. The Assistant Head of Finance state that this was still under review and outlined the timetable of upcoming events.

- Public Consultation would run until the 2nd of February 2023 with it noted that feedback would be considered throughout that period.
- The feedback will be considered at Cabinet on the 15th of February 2023.
- Council will then meet on the 28th of February 2023 to approve Council tax and overall budget
- The Final Welsh Government settlement expected in early March

Questions

S. Belcher thanked the Assistant Head of Finance for the presentation and noted that although the situation was still tough it was not as bad as they were first led to believe. S. Belcher stated that Council tax is not the sole income for the council and added that there had not been any figures showing the impact of an increase rate of Council tax.

The Assistant Head of Finance noted that the last update would have been verbal and stated that they are consulting on a 9.5% increase and added that the figures would be available in the Cabinet report but added that he could distribute them if needed.

R. Hayward noted that the meeting between GMB, the Deputy Leader and the Leader was helpful and queried if they were able to meet privately with senior management of the services that are have been put up to be reduced (specifically Social Services) prior to the consultation closing.

The HR and OD Manager agreed that this could be arranged and noted that it would have to be prior to the 2nd of February.

R. Hayward wished to note that staff working in Adult services such as working with Adults with Learning Difficulties or mental illness had faced multiple cuts previously and have lost valued resources which is having a large impact on morale and creating a feeling of being abandoned.

R. Hayward added that although it was understood that processes have to be followed it is important to note many comments have come from the timings in which announcements are being made such as just before Christmas or weekends leaving staff feeling unsupported.

The Cabinet Member for Organisational Transformation noted that this will be reviewed to attempt to improve those timings and added that the Cabinet do not want to make any of these choices. The Cabinet Member for Organisational Transformation noted that the Head of Finance advised them that the situation can change rapidly and added that the purpose of these meetings was to ensure that staff feel heard. The Cabinet Member for Organisational Transformation explained that the timings are led by legislation and if consultations start too early false information may be put out and added that the Cabinet wish to minimise stress on staff.

C. Jenkins commented that the Pupil to Teacher ratio in Newport is quite low meaning less teachers per child and added that it had been noted previously that funding for schools in Newport was lower than other local authorities.

Appendix 1 – Minutes from Employee Partnership Forum

C. Jenkins added that it is not clear how education is a priority in how the schools are being funded and stated that they would robustly defend any loss to teachers for the sake of the learners.

The Cabinet Member for Organisational Transformation thanked C. Jenkins for his comments and enquired into the sense of energy costs and energy intake from each school. M. Rowland stated that the full impact of the energy crisis would not be seen until approximately 2023/2024 due to the bulk purchase of energy. M. Rowland queried what the percentage cut for school budgets would be in real terms.

The Assistant Head of Finance noted that it would not be consistent between schools as it would depend largely on the formula and added that the biggest element of inflation pay would be subject to review. The Assistant Head of Finance explained that there would not be a large amount of value in looking at individual figures as they are still subject to change.

P. Garland stated that he would welcome a chance to meet with the directors as there had been a number of concerns regarding whether service areas were still able to function properly after the cuts. P. Garland added that after seeing many cuts staff wish to be assured, they will be protected in terms of future cuts.

The HR and OD Manager noted these comments and confirmed that the requested meetings by R. Hayward and P. Garland with senior staff could be held together. The Cabinet Member for Organisational Transformation thanked P. Garland and added that it is important to be honest and transparent.

R. Hayward noted that for staff meetings it is important that the Managers and HR have been fully briefed beforehand, so they are able to provide accurate advice to staff. R. Hayward noted that there had been some confusion surrounding voluntary redundancy and the period in which they can reapply for a job with the Council.

R. Hayward added that there had also been confusion around accessing pensions after taking voluntary redundancy and added that it may be of use to circulate a FAQ sheet that contained the basics to avoid misunderstandings.

The HR and OD Manager explained that it is the case that when someone takes voluntary redundancy, they would not be able or expected to return to work within the council for 2 years however noted that there is a discretionary measure that would allow reemployment if there was a need from the service area. The HR and OD Manager stated that there is a form of FAQ list but that some staff would not be able to access this and confirmed that they could circulate one.

P. Garland added that there had been a push for voluntary redundancy and that staff had been given a short time span with a lack of information to make that decision. P. Garland also added that there had been some confusion between voluntary and compulsory redundancy.

C. Jenkins stated that there appeared to be a cut to teaching staff to support background staff and noted that there was a need for every penny to be invested in frontline staff as they are the ones that make the difference to learners.

S. Morgan noted C. Jenkins comments and noted that all areas would be asked to take similar cuts. S. Morgan added that they are looking at areas that could take more cuts but that there were certain statutory requirements that had to be met.

Appendix 1 – Minutes from Employee Partnership Forum

C. Jenkins stated that he understood it would be important to increase the Teacher to pupil ratio and prioritise frontline staff.

S. Morgan agreed but stated that there are statutory requirements and that they have no choice.

C. Jenkins highlighted that if that was the case whether there were any justifications for spending £632,000 purely to satisfy statutory requirements.

S. Morgan informed the Forum that of certain ways in which they would be able to access the data.

M. Rowland asked if there had been any updates on out of county placements and any savings that could be made in that area.

S. Morgan stated that most of the work had been going on for a while and added that local placements are more value for money. S. Morgan noted that a good example of some of the work that they had carried out had been 'Catch 22' which was hosted within Newport.

S. Morgan noted that there would always be a need for out of county placements but that they had been working with Headteachers to start an inclusion group. S. Morgan noted that they had handpicked headteachers that were very good at dealing specific needs and highlighted that it was important to look at what different schools could offer such as wrap around care and that it would always be more beneficial for the families and children that they stay.

Flexitime Review

The Cabinet Member for Organisational Transformation introduced the agenda item and welcomed the HR and OD Manager to speak.

The HR and OD Manager noted that the 'New Normal' policy had been signed off on and rolled out and that there would be a 6-month review. The HR and OD Manager asked that the GMB and UNISON representatives support with any comments they may have received.

R. Hayward stated she was glad that they were having a review and noted that many members had been in contact regarding the reduction in the carry over for flexitime and noted that for many the extra day that could be carried over had been a lifeline for them.

The Cabinet Member for Organisational Transformation noted that they would review this and thanked R. Hayward for her feedback.

6 Update on NASUWT Items raised at the 13.10.22 EPF meeting

No Longer required as stated in agenda item 2.

Update on Impact of Budgetary Situation Upon Schools

No Longer required as stated in agenda item 2

Date of Next meeting

The date for the next Employee Partnership Forum is scheduled during half term, however the HR and OD Manager will liaise with Democratic Services to arrange an alternative date.

Minutes

Employee Partnership Forum

Date: 09.12.22

Time: 9:30am

Venue: Microsoft Teams Meeting

Attendance: Councillor D Batrouni (Cabinet Member for Organisational Transformation), Councillor D Davies (Deputy Leader/Cabinet Member for Education and Early Years), Rhys Cornwall (Strategic Director) Robert Green (Assistant Head of Finance), Kevin Howells (HR and OD Business Manager),, Richard Jackson, Craig Jenkins (NASUWT), John Griffiths (NEU), Peter Garland (UNISON) John Lane (UNISON), Richard Hughes (NAHT), Taylor Strange (Governance Support Officer), Steve Belcher (UNISON), Rowena Hayward (SW), Mark Rowland, Mererid Lewis-Davies, Debbie Scott (NEU),

1. Apologies for Absence

Tracy Mckim, John Griffiths

Council Budget Overview

Councillor Batrouni introduced the meeting and handed over to the Assistant Head of Finance to give a brief overview of the Council Budget.

The Assistant Head of Finance first highlighted that the budget deficit is something that all councils are facing. With the reason for such shortfall not being due to reduced funding but rather the increased costs driven by high inflation.

The global energy crisis has hit the council hard in the next financial year as the council buys energy a year in advance, with the expected increase on electricity being 100% and 200% on gas.

The demand on services has also seen an increase as a result of the cost-of-living crisis as well as lasting impacts from the Covid 19 Pandemic. With Homelessness and Social services being impacted the hardest.

The net total deficit is roughly 33 million, which is 10% of the council's net budget. The deficit covers all pressures anticipated for next year, as well as factoring in future pay awards. However as these are only estimates, the costs could exceed these estimates and as the last few months have shown us, it can be unpredictable.

The Assistant Head of Finance also wanted to highlight that there has been a swing in the budget position in the last 6-9 months outlining the pace of change.

Due to the funding not increasing with inflation, the rise in cost issue may begin to settle in 2 or 3 years but a funding pinch could occur in 3 or 4 years.

Appendix 1 – Minutes from Employee Partnership Forum

The Welsh Government Local Settlement is due to be released next week, close to the date of the cabinet meeting on the 14th of December. In 2021 an indicative amount was given for 2022/23 2023/24 and 2024/2025, the amount was 3.5%.

It was also announced that the UK Government was giving increased funding to the Welsh Government, although it was unclear how much of the funding would go to local government and what conditions would be put on it.

The 33 million deficit is the estimate that the Council are currently working on. The Council will need to further consider other factors such as the expected announcement by Welsh Government on funding.

With the proposed council tax increase of 9.5%, in addition to increased core funding from Welsh Government due to positive data changes amounting to circa £2.5m, the net budget gap reduces to £27 million. A large proportion of this gap will need to be addressed via service area savings.

Each service area has been asked to give a savings proposal, some of which have been put forward to public consultation and some are being dealt by Heads of Service under the Councils scheme of delegation.

Between the Heads of Service decisions and public consultation £11 million worth of saving are being proposed. There is currently no proposal for schools in the pack for Cabinet. Cabinet wanted to wait to see the Welsh Government funding before announcing the schools budget impact. School's budget will be discussed during the cabinet meeting.

Overall, this means a £16 million gap will still remain. However, once the true figure of the Welsh Government Settlement comes through then the final figure will be clear on what is needed to balance the budget.

Workforce Impact and Timeline

Kevin Howells the HR & OD Manager outlined the timetable of the upcoming events.

- Staff consultation started on the 8th of December and will run for a minimum of 45 days (2nd February)
- The agenda for the cabinet meeting was published on the 8th of December in preparation for the meeting on the 14th of December.
- The staff and public consultation period of both Head of Service decisions and public consultation will run until the 2nd of February.
- A further Employee Partnership Forum will be held on the 3rd of February to get feedback from the consultation period.
- The Cabinet will meet on February the 15th to consider all feedback from the trade unions as well as public consultation.
- Heads of Service decisions could be implemented from the 3rd of February
- Proposals subject to public consultation will then pass from Cabinet to full council later in February with the decisions then able to be implemented following on from the 1st of March. It is not clear what the individual impact will be on schools, however around Feb/March once the indicative budgets for schools are given, any school savings will then be assessed to see what the impact is.

The Cabinet Member for Early Years and Education wanted to clarify that the reason the school budget was held back from publication today was so that the Council could give a more accurate picture to schools following the Welsh Government announcements on funding.

Appendix 1 – Minutes from Employee Partnership Forum

Rhys Cornwall, the Strategic Director noted several brief points.

- The Strategic Director Informed the members that this was the greatest budget reduction in recent times with it being 2.5 times larger than the greatest budget reduction during austerity.
- England has less of a reliance on central government money and so may have felt less of an impact, however he wanted to state that this isn't a budget reduction issue but rather a fast-moving issue linked with inflation.
- All local authorities in Wales are feeling pressure
- The local authority will do everything it can to reduce the impact on staff such as reducing vacant posts and redeploying where possible.
- Finally, the Strategic Director wanted to say that the full impact on staff is fully understood.

Questions

S Belcher wanted to highlight several points.

- Understands that the catastrophic budget is not what councillors wanted.
- Feels that this is a Wales wide issue with the most disadvantaged being impacted the most
- UNISON will not support compulsory redundancies however will support the council where they can
- A full response from the union will come out in due course.

S Belcher also asked 2 questions

- The first being that he wants members to consider any options to preserve jobs and maintain services?
- And secondly, he wants the narrative to not be that the pay awards were the cause of the budget issues as he highlighted that staff pay hasn't seen a significant rise in over 12 years and some staff still aren't up to a reasonable level of pay.

The chair stated that all suggestions will be listened to carefully.

The Strategic Director agreed with Steve that he does not want the narrative to be focused on the pay awards as he understands that there have been very low pay awards in recent history.

R Hayward echoed what Steve said as well as thanking the Strategic Director for making it a focus to not have the narrative be on the recent pay awards. And highlighted several points.

- R Hayward mentioned being in some of the meetings during the start of the staff consultation, noting that that Newport have very dedicated staff as well as several staff being in tears as their positions were being cut.
- R Hayward raised issues that staff were being informed of their position being cut at the start of the consultation and doesn't feel this was in the spirit of consultation, as they felt like individuals shouldn't be identified as losing their jobs during consultation. Adding that the savings requirements would cause a major strain on some organisations such as Barnardos partnership.

Appendix 1 – Minutes from Employee Partnership Forum

- R Hayward also raised an issue that although she is aware that the budget must be balanced but has felt that the timing of staff reduction notification being so close to Christmas is important point to consider.
- With services seeing large cuts such as those in Oaklands it would lead to a limited service for those in need. Also, this raised a question on whether removing or reducing services would longer term be more impactful.
- R Hayward outlined that the change in weekend working meant a reduction in pay enhancements this is then a change in terms and conditions.
- GMB will challenge decisions they deem necessary as they are there to support their members
- GMB requested that they would like to give a response at the cabinet meeting on the 14th of December, with them happy to follow all procedure so that they can. With the hope that Cabinet listens carefully to their statement.

The Strategic Director informed the member that the meeting is open to the public but informed them that in order to speak at the meeting it must be approved by the Leader.

The Chair asked whether he could speak on the matter due to being a member of GMB.

The HR & OD Manager informed the Cabinet Member that due to this meeting not being one of decision making, that he was allowed to respond on the matter.

The Chair agreed that the consultation period should be one that takes in any viable options. As well as passing the request to speak at Cabinet the Leader in regard to the Cabinet meeting.

C Jenkins informed the meeting that John Griffiths has given his apologies as well as echoing the points made previously by S Belcher and R Hayward
C Jenkins further went onto to state that his organisation does not support compulsory redundancy as well as requesting a further meeting to discuss the school budget following next week's cabinet meeting.

The Chair informed that he would look into this. On consultation with the HR & OD Manager and Democratic Services informed the member that the next EPF meeting was scheduled for the 19th of January.

The Chair asked if the 19th January was an acceptable date for the next meeting and an opportunity to ensure the school budget position was discussed whilst still in consultation. This was instead of the 3rd February date previously provided, which was intended to capture any further feedback from TU's. Feedback would be captured on the 19th January (EPF) and also received via written responses from the TU's up until the 3rd of February for inclusion in the Cabinet feedback reports.

C Jenkins stated this was acceptable as it was within the consultation period. The rest agreed.

M Rowlands highlighted that it was critical that teachers and governing bodies have enough time to respond to the budget information.

The Cabinet Member for Education and Early Years informed the member that following the cabinet meeting on the 14th of December that they will be informed of any changes to the school budget.

Appendix 1 – Minutes from Employee Partnership Forum

P Garland informed the meeting that having been in a staff consultation meeting yesterday that the staff cared first and foremost about the clients they were responsible for. As well as stating that a reduction in vacant posts and therefore a reduction in positions should also lead to a reduction in workload expectations. As staff cannot work at the same capacity with less staff members.

The Chair informed the members that the Cabinet decisions have been very difficult as Newport in his opinion had always tried to protect schools and social services staff.

The Chair furthered this by stating that all services areas have experienced cuts during austerity and therefore no service area has been protected during the new budget cuts.

The Chair informed the members that schools will be given as much notice as possible of any decisions that impact them. As well as sending thanks to staff who cared firstly about clients even in the face of cuts.

R Hayward asked where on the Cabinet pack were the HOS decisions and where were the Cabinet decision.

The Strategic Director informed the member that there were two Appendices, one for Heads of Service decisions and one for public consultation.

The Strategic Director informed all members that if there were any specific proposals by service areas that would like to be discussed further, then this could be facilitated with the Heads of Service.

The Strategic Director also informed the members that the impact of removing vacant posts on services ability to perform duties will be considered.

2. Date of Next Meeting:

19th January 2023

Mae'r dudalen hon yn wag yn

PERFORMANCE SCRUTINY COMMITTEE - PLACE AND CORPORATE

Draft Budget Proposals 2023-24 and Medium Term Financial Plan

Invitees:

- Meirion Rushworth – Head of Finance
- David Walton – Head of Housing and Communities
- Silvia Gonzalez-Lopez – Head of Environment and Public Protection
- Stephen Jarrett – Head of Infrastructure
- Elizabeth Bryant – Head of Law and Standards
- Tracey Brooks – Head of Regeneration and Economic Development
- Tracy McKim – Head of People, Policy and Transformation
- Alastair Hopkins – Senior Finance Business Partner

The Head of Finance introduced a brief overview of the budget process and advised that at the moment there had been a change to reflect the level of savings. There was a £2million budget gap last year. In February 2022 the MTFP showed a £2million budget gap, in Spring 2022 inflation increased as well as food and fuel cost increases along with emerging budget challenges around Housing and Homelessness with Social Care also a big issue which moved the position.

The Cabinet Member report showed the movements with pay being increased by £6 million. There was an £18 million increase in contract inflation where energy was a big part of that, with Gas prices rising as well as Social Care contract inflation. There were budget pressures in Social Care with £3.5 million needed for Housing Area and Homelessness. There were budget targets for each area and there was a £12million of budget savings presented here to Committee. The Revenue Support Grant (RSG) was confirmed in December 2022 and the budget gap was £16 million where the increase in RSG was about 9%. 50% of the budget proposals have been consulted and the other 50% was done under Delegated Authority.

HC2324/01 - Library and Adult Community Learning Services

The Head of Housing and Communities gave a brief overview of the proposal to the Committee, which included a change to services with a saving of £110,000 for the first financial year and £15,000 the following year. It is also proposing to reduce library opening hours, particularly a one-day closure at Rogerstone and Betts Libraries. A reduction in Malpas Library opening hours and to refashion Pill Library with a smaller library space and other areas of saving such as a reduction of staffing hours and a greater investment in digital borrowing.

Members asked the following:

- What will the function of Central Library be, and would other services be integrated?

It was confirmed that the Central Library would become a community hub and a coordination point, although those wider changes are former decisions to change services, not related to these proposals.

- What will happen to the staff affected, and would they be engaged with other services?

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It was confirmed that this proposal was just about changing the way the building is used and using the staff in a more flexible way.

- A Member referred to Appendix 10 where there was a £110,000 saving in year 1 with £88,000 worth of costs in that saving. What is the net amount?

The Head of Housing and Communities advised that in all the budget proposals, there is a recurring saving, so the one off cost would be against the recurrent £110,000 saving each year.

HC2324/02 - Reduce financial support to the Shop Mobility scheme in 2023-24

The Head of Housing and Communities gave a brief overview of the proposal to the Committee, which was to reduce the financial support to the Shop Mobility scheme from £17,000 to £10,000.

Members asked the following:

- A Member asked the value of this scheme and the benefits of the city centre or in terms of the access allowing people being able to get out and how was this being looked at, as the saving was noted to be a very small amount.

It was explained the service was looked at as a whole with the non-statutory functions being where the savings were achievable.

- Will this mean the service will end, or is there a replacement that will take up the service provision?

The Committee were advised that we do need to recognise that in order to make the necessary savings, we must look to these non-statutory budgets. It is not the intention to cease the service, but this is a component of the funding that Shop Mobility currently receive.

- A Member asked whether there was any data of how the service was used with the fall in traffic in the city centre due to the pandemic.

The Strategic Director stated that this data could be provided at a later date for the Committee and there was a wider public consultation taking place also.

- Query was made regarding the investment of £3.5 million for Homelessness provision and was the revenue locked in for each year.

It was confirmed that this figure would be locked in for each year as the landscape was pre and post covid was totally different.

- A Member commented on households continuing in temporary accommodation and would the situation improve.

The Head of Housing and Communities explained that the Housing system needed to be looked at as a whole with more development in the city. There was a plan to engage with the private rental sector to increase supply, to look at people in

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temporary accommodation and other issues they faced. A project was being looked at to develop a rapid re-housing transition. This was all very challenging and would take time to galvanise all the resources.

- How much funding had increased since Covid?

The Committee were advised that the Social Housing grants have increased since Covid with an additional Welsh Government grant with other pots of capital funding also available. The funding pots were grants where distribution had not been agreed yet and this was a big challenge. A Member then asked whether the basic amount had increased and could it be supplemented. It was advised that this was a combination of things as in the Covid years the costs were picked up by Welsh Government and so this was a large re-adjustment.

- A Member commented that the £3.5million was the bottom line of what we have to find.

The Head of Housing and Communities explained that the extra money given allowed the Council to fulfil their statutory duties which have expanded and with the issues of supply in the city, more people had to be given temporary accommodation. The Committee requested a report on Housing's statutory duties to be presented to Committee which was agreed by the Strategic Director and the Head of Housing and Communities.

- The Committee queried the investment of £11,000 for a Homelessness Officer. Is this a new role?

The Committee were advised that this was for a new role, funded for 9 months which would take us through to the end of the year. The Strategic Director advised that this was an investment made last year and is showing up now as a part investment this year.

EPP2324/02 - Community Safety Warden Service Restructure

The Head of Environment and Public Protection gave a brief overview of the proposal to the Committee, which included a saving of £169,000 saving a year.

Members asked the following:

- Is this a deletion of the service?

Members were advised that the service will remain, the proposal would be to reduce the service to half the number of staff the service area previously had. The service will still be 7 days a week, but with less hours and less face to face interaction.

- Do we know what the peak hours are? These would need to be covered.

The Strategic Director advised they do; reports have been conducted and the majority of the Warden service work is non statutory which is an area that can be reduced. Staff have been consulted with to discuss how the service can be made

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more efficient. The Head of Environment and Public Protection reiterated that at data is looked at and will focus on what is needed and based on what requests the service gets.

- Do we work with social landlords to mediate on issues that the Community Safety Wardens may get involved with? Have you spoken to them to see whether they would contribute to the service?

The Committee were advised that we do, and we are revisiting the conversations with Registered Social Landlords on the contributions made to this. This is a model that works well already with Waste Enforcement. To date, the service is funded by the Council, however speaking to social landlords about contributions is something they could perhaps look at in the future.

- Members voiced disappointment to see reduction in services but commented that this could be an opportunity to work more effectively with partners. Comment was also made that Rent Smart Wales seem to be inactive with anti-social behaviour issues and should have more involvement. The Strategic Director advised that although the service area is trying to make a budget saving with proposed reductions, it should not result in a reduction of quality of the service.

EPP2324/04 - Increased fees and charges within Environment and Leisure Services

The Head of Environment and Public Protection gave a brief overview of the proposal to the Committee, which was to introduce higher fees and charges for services provided within the Environment and Leisure services including Parks, Cemetery, Countryside and Grounds services, where the Authority has seen significant increases in the supply chain for either the purchase of goods or operational costs such as maintenance, energy or fuel and has to pass these onto the customer, and also increase charges where these have been benchmarked against service provision elsewhere within the authority and/or other neighbouring local authorities.

- The Committee had no comments or questions on this item.

EPP2324/05 - Introduce parking charges to four park and countryside car parks

The Head of Environment and Public Protection gave a brief overview of the proposal to the Committee, which was to install pay and display meters in Glebelands, Christchurch viewing point, Morgan's Pond (off Bettws Lane), and Bettws Lane (opposite Newport High School).

Members asked the following:

- Could a £50,000 saving be generated from people paying fees?

It was confirmed that this was included and repairing equipment had been considered.

- A Member commented on some of the parking machines being covered up previously due to them being broken or vandalised.

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It was something the team were aware of and there was going to be a move towards card payments and a payment app being looked at to be used to pay for parking and models varied with a slight charge back to the Council, so these issues had to be considered. There was a provision for charges which was not to be passed on to residents.

- A Member commented on the proposed areas being locked in the evening, for example Bettws area, as the bigger parks were locked at night time.

Members were advised that the charges applied between 8am- 5pm in the evening and was not 24 hours.

- A Member stated that they did not support this proposal it as it was near green spaces, but they wanted to consider youth sports teams who used the parks, this was an issue at the Glebelands, and it would be great to see an exemption here.

Members were advised that the charges were £1 for two hours and £3 for up to 5 hours so the team were trying to keep charges down.

- A Member commented on the impact of parking on residents in adjacent streets and asked what was their financial projections for each car park and how many visitors were expected.

It was confirmed that there had been a lot of conversations around this and despite a worry there had been no displacement.

- A Member commented that there were reports of cars that had allegedly been hit on Waterloo Road while driving as there was now parking on both sides of the street.

Members were told that this was a difficult issue, but the park would be kept open as the other option was to shut the park which was not wanted. A breakdown of costs was looked at and there was a proposal per different side.

- A Member commented that there were more cars parked on the side than in the car park which was difficult, and it was important to ensure that we take neighbours views into account. It was also asked whether there was any return on investment and with the smaller car parks when would the charges return a profit.

It was noted that a breakdown provided to the Committee would help and that it was immediate in the first year of savings. In the first year after this it did vary from car park to car park such as an income per year of £50,000 excluding any yearly maintenance costs.

- A Member asked regarding subsidies with people using the leisure centre for 2 hours free, who provided this subsidy?

It was explained that Kingsway carpark was different as it was a long lease and there were some historic agreements with some businesses which did vary and elsewhere

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there were some parks which had business spaces so there were a number of concessions.

EPP2324/06 - Household Waste Recycling Centre - Charging for non-household waste

The Head of Environment and Public Protection gave a brief overview of the proposal to the Committee, which Household Waste Recycling Centres (HWRC) need to accept household waste free of charge as the cost of collection and recycling / disposal is met through Council Tax charges. Although not required to, Newport City Council also accepts construction waste and DIY materials at the HWRC as these are commonly produced by residents. The Council incurs additional charges to handle and recycle these types of wastes and a small fee is proposed to offset these charges. Fees would be in place from 1st April 2023, payable at the time of booking with an appointment to attend the HWRC through the current booking system.

Members asked the following:

- Could these items be recycled and sold on to builders for rubble.

It was confirmed that all this material was recycled and there was a process for how it was recycled. For each material- rubble etc there was a small income but there was a lot of mixed material which had a lot more cost. The equipment skips etc net of all the income received and this was taken into consideration.

- A Member asked whether we had the systems to do this and whether the manpower was there to be checking what people brought in.

It was noted that residents did follow the rules and the site was monitored. People were asked to bring in waste and it was charged at the time of booking. A size of a bag was not imposed as an average weight was used.

- Was there an expectation that there would be an increase of trade waste cost and were the amount of trips people made being recorded to investigate this activity.

Before the system was introduced it was hard to anticipate who was coming to the site as there was an increase in people using it. There were no limits in the number of times that people could use the site. It was a free available service so as waste was segregated this was not considered but it could be done if necessary.

- Has an increased of fly tipping been thought about?

It was confirmed that there was no evidence of any fly tipping, and these were systems introduced across the country and most people comply.

- Would be a charge to be paid before entry into the site, and if an item could be recycled would you get a refund on this item? Also, if someone made mistake then how was this rectified.

It was commented that this would be taken on board and considered.

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- What sort of volume of materials were anticipated and was there a sliding scale of cost?

Residents were asked to assess this at the time of booking and therefore there was a charge, for example for each car tyre given.

- Who currently collects fly tipping on public land, as there were a lot of resident enquiries about this? Was there a capacity to handle all requests and was it flexible?

It was confirmed that the Council removed waste on public roads and investigated and took enforcement action where required. Non-Council land was the challenge where private landowners were not clearing their own land.

EPP2324/08 - Charge for replacement (residual waste) bins

The Head of Environment and Public Protection gave a brief overview of the proposal to the Committee, which was to charge residents that request replacement of residual waste bins. Implementation of this would be in April 2023.

Members asked the following:

- Is the charge a flat fee or means tested?

It is a flat fee that reflects the administration costs associated with this activity.

- What if they've been stolen or damaged by youths such as being set on fire, is there any discretion?

There was a certain element e.g., a communal bin but in general it was up to the homeowner to look after the bin.

- A Member asked whether there was any considerate for stolen bins and was there any plans for these issues to be looked at.
It was noted that the challenge was who really needed a new bin or was it genuinely stolen.

- A Member asked about the charges and liability where 2 bins were stolen from outside the front door, and another resident complained that their bins had been broken by the operatives collecting the bins. Was there any sort of leeway for these residents?

It was explained that the lorries have cameras, and the operatives were encouraged to handle them with care although accidents did happen so in that case residents would not be expected to pay to replace them. In other cases, it would be for the residents to take care of the bin.

EPP2324/09 - Domestic Residual and Garden Waste Collection – 3 Weekly Collections

The Head of Environment and Public Protection gave a brief overview of the proposal to the Committee, which was to move from alternate week domestic residual and garden waste

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collections to 3 weekly collections, in order to reduce cost and increase the recycling rate to achieve 70% by 2025.

Members asked the following:

- A Member commented on helping residents to recycle more and asked for an explanation for the thinking behind this proposal.

Members were advised that it was very important to recycle as there were recycling targets to be met. Sometimes residents did not have all the information to recycle correctly and there have been studies undertaken as to what was inside residents' bins. Every 5 years the Council provided a report on the composition of wheelie bin contents and there was already a lot of Councils doing this. There was a significant increase in recycling. 20 years ago, the recycling rate was 6% and now the rate was 67%. When we picked up mixed up mixed recycling materials there was a large cost to dispose of this. The Statutory targets stated that by 2024/25 the Council must hit a recycling rate of 70%. If not, the Council would have to pay an additional £200 a tonne for the extra waste. Current recycling collections still contained material where residents had been reluctant to recycle them. It was the case of changing the way people do waste.

- Are there going to be educational supports in place to supplement this change?

We are proposing to start this in a small trial first to see what it looks like before rolling out wider.

- A Member asked whether the financial costs of fly tipping had been considered as Newport was the worst local authority for fly tipping clearance. There had been materials all in the bins recycled with not a lot of reduction. There was a need to increase recycling and a behaviour change.

Fly tipping the Council dealt with was usually not by residents and all fly tipping was recorded so the amount recorded was high. If someone was struggling with their waste, there was help available where the Council could meet with those residents and so awareness needed to be raised.

- Do we have a waste strategy in place?

It was confirmed there is waste strategy and policy in place and has been in place for 3 years.

- A Member asked about households with a large amount of people and would this be looked at in relation to communal bins where neighbours could fill it up with items that shouldn't be put in there.

The Council were willing to be fair on this and the Council worked with registered social landlords and private landlords to see how to improve bin collections from blocks of flats.

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- The Head of Environment and Public Protection confirmed there would be no redundancies to the team. We are increasing recycling rounds as we are reducing waste collection rounds, and some of the reductions will be on posts that are currently vacant.
- A Member asked whether the Council could pay Wastesavers to do this and was this contract looked at to make sure it was providing a good service.

It was confirmed that this would be looked at as part of the Council's waste strategy.

- A Member commented on issues with communal bins and the charges got passed on to the residents. It was then noted that on the continent these bins were managed more successfully where there was a pay as you go service where waste was tagged but this was not used in the UK. A common approach was needed to solve the problem with a specific analysis needed for each location so there was a number of things that could be done.
- If you go to shops abroad, many of them have options to submit recycling for remuneration. Is UK Government looking to do anything similar and would that reduce our rates of recycling?

The Strategic Director confirmed this was a Welsh and English proposal and systems would collect this on a larger scale. The challenge would be that it would target more high value recyclables and local authorities needed to understand the detail of this proposal.

- A Member asked if the target was not reached it would be a 1% increase on council tax.

It was confirmed that there was environmental damage with this as consumers could not keep consuming and throwing away recyclables.

INF2324/02 - Changes to Operational Practice and Procedures

The Head of Infrastructure gave a brief overview of the proposal to the Committee, which included the reduction in the Levels of Water Management and Drainage Operational Service by 2 FTE operatives and one vehicle, and also the reduction of the gully emptying service by 2 FTE operatives and one vehicle.

Members asked the following:

- Where have other improvements been made elsewhere to have this reduction?

It was confirmed that the Council was fulfilling the function as we were with the changes to policy and procedures and a change to 12 monthly schedules.

- Would investment be considered for flood alleviation as there was a concern about road flooding and drains being blocked. What was the impact of this on the proposal?

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It was advised that in extreme weather events then we do have other operatives that we deploy to support on an ad-hoc basis, albeit other work capacity is reduced as a result during that time. However, there is a need to make savings, and this is being offered as an option, with a reduced service being the impact.

- Are there any options to work with partners to mitigate this?

It was advised that as we are talking about adopted highways, then this is our responsibility.

- Comment was made about extreme weather conditions – recent floods at Malpas Road have occurred with current levels of maintenance, so surely these instances will increase in future? Has the cost of sending out a team to respond to this, in comparison to taking pro-active action as part of a schedule for clearing gullies?

It was advised that this is hard to quantify, some of the flooding is not caused by what the Council does or doesn't do, however we often have to deal with the impacts. In some instances we deploy external teams to support the response. Diverting our own teams result in an opportunity cost rather than a financial one.

- Have we explored collaborative working with our neighbouring local authorities to try to mitigate our costs?

It was advised that from knowledge of colleagues working in other local authorities, they do not necessarily have the capacity to support joint arrangements. This would be challenging to manage, particularly in weather events as the prioritisation would become more of an issue. However, this is something that we can explore further in future.

- Have we reviewed our contracts with external providers to assess any time boundaries in response times that would help us?

It was advised that we don't have any long-term contracts, it is a seller's market, which is a real challenge to manage. As councils responding to emergency events, we need to move quickly and deploy in difficult circumstances whilst competing with other LA's usually needing the same services at the same time.

INF2324/04 - Streetlighting Switch off 00:00 to 06:00 (excluding safety critical sites) and Reduction in Maintenance

The Head of Infrastructure gave a brief overview of the proposal to the Committee, which was with the exception of safety critical sites identified by road safety audits, all streetlights citywide are switched off during the hours between midnight and 06:00 hours in the interests of achieving energy and carbon emissions savings. The Head of Infrastructure then gave an overview of the Reduction in Maintenance proposal, which was that the reactive maintenance budget (£365k in 2022/23) is reduced by £100k to secure a saving on the levels of maintenance undertaken each year. This will require a comprehensive review of

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how we risk manage our assets to ensure that only low risk/ low impact maintenance is deferred.

Members asked the following:

- A Member stated that this was the biggest area of contention with a lot of concern being expressed by residents. There was concern from people regarding safety and crime and disorder which might have a significant quality impact on residents. The Member recommended that this proposal be reviewed due to the real impact on residents.
- What considerations have been given to areas of safety, resulting in the saving of £300,000.

It was confirmed that an assumption had been made of what was there due to knowledge of the network and that the top-level estimate could be moved as percentages of the network was considered with a detailed assessment to be done on areas. It was also based on other LA's assessments inclusive of bands of safety. A more detailed assessment is planned to arrive at a final position.

- A Member commented on the 50% of lights to be switched off and how we improve the safety of residents?

The proposal mainly looked at the other half and in terms of the balance of safety this was mixed but other Councils have done this. This was not a statutory function so the Council did have discretion and lights would be on until midnight. A Member then asked was there only a legal obligation to light junctions? It was confirmed that the Council lit junctions and roundabouts as they were busy.

- A Member stated that this proposal was disappointing in the fact that funding for Improving Safety for Women and Girls in high-risk areas that had been implemented, now they will be switched off again under these measures. Was this now a waste of money? The Member also hoped that the Council worked with partners to identify any safety concerns as the perception of safety was also important.
- Will the street lights switch off at midnight every night, or could weekends be later?

The Strategic Director advised that that they will be set for midnight as a non-variable. The switch functions do not permit daily variations; however this can be verified for the Committee. Members then made comment that many workforces start at 6am, so they will be likely travelling to work in the dark, perhaps they need to be switched back on earlier.

- Members commented on seasonal differences which may be needed to be considered as well as licensed premises which also have a late time of closing so this needed to be considered, as there could be an increase of crime.

INF2324/05 - Fees and Charges – Fees increased by 10% rather than the standard 4%

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The Head of Infrastructure gave a brief overview of the proposal to the Committee, which was to increase the fees and charges made by the infrastructure service area in carrying out its statutory duties above the standard annual 4% by a rate of 10% to meet inflation. This was to ensure the authority continues to deliver a sustainable service by recovering all its incurred costs for statutory and discretionary functions.

Members asked the following:

- A Member asked would these charges be fair against other authorities and would it take fines into account.

It was confirmed for Committee that Newport Council compared broadly compared to other local authorities. It was also confirmed that the cameras on M4 that have been switched back on were controlled by Welsh Government and the fees were paid directly to them.

LS2324/03 - Reduce Staffing levels in the Registration Service

The Head of Law and Standards gave a brief overview of the proposal to the Committee, which included which was to reduce staffing levels from 5 members of staff to 4 members. The provision was delivered through a scheme which had to be agreed with the General Registration Office (GRO) which required the service to have 5 members of staff. An application was to be made to approve the reduction of registrars. The impact of this proposal would be a reduction of appointments that would be made available. The service had a statutory duty to register births within 42 days and 5 days for deaths. The Manager of the Registrar service was happy that we could meet these targets. A diary service would make the booking of appointments a smoother process and people could cancel quicker to open up more appointments.

Members asked the following:

- A Member asked how the service was monitored currently.

The Head of Law and Standards stated that key indicators were monitored on a quarterly basis, and this was reported to the GRO to make sure levels were satisfactory. The manager regularly checked this, with current targets being 98% which was a required time scale.

- A Member asked about the capacity in the building including the civic centre and was it an unnecessary expense delivering it from one place.

The revenue savings had been looked at and these were minimal. The specific proposal included the new IT system being implemented and the service would be in target. Use of the Councils Assets would be commented on later in the meeting.

FIN2324/01 - Reducing opening times in Customer Services with move to more self-service

The Head of Finance gave a brief overview of the proposal to the Committee, which included a move to a 3-day week for appointments. The Civic Centre reception to be reduced

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shouldn't have any impact because a later opening was still being maintained. The reduction did have a staffing impact.

Members asked the following:

- A Member commented on the impact of people who rely on the face-to-face service which was worrying.

The Head of Finance confirmed that the reduced face to face period was 3 days, but the offer would still be there for those people, but the service would keep an open mind on the opening hours so would look at this and the staff rota and would be happy to be flexible.

- A Member asked how many were using the general number as a contact number and could this initially increase the flow of calls.

The proposal included the development in the team of the My Council service to facilitate those people who want to interact digitally with 2 years funding for this service.

- A Member asked about Digitisation where more people go online and how would we guide them long-term. Would we be digitally ready long term and could the system cope with new changes?

There was no knowledge of any issues with this, and the service was keeping the contact centre and phone calls and developing the system.

FIN2324/02 - Switching off phone and face to face channels for some transactions

The Head of Finance gave a brief overview of the proposal to the Committee, which was to switch off phone and face to face channels for some transactions and reduce the resource in the Customer Services team. The proposal also includes a joint saving with Digital to end the contract for call recording within the Contact Centre. Transactions such as bulky waste and fly tipping have been excluded from this list. A post will also be taken out of the team.

Members asked the following:

- Will the reduction in post be a person or a vacancy?
This will be a reduction in a vacant post, with no-one at risk of redundancy. There was a high turnover in the team. It was fully staffed and 2 people in the team had gotten new jobs in the Council and were moving teams which happened regularly.
- Transactions via phone – which services will be impacted, and how are you improving those digital services?

It was confirmed that to improve the service there would be 2 posts funded for 2 years in the My Council Services team, which will focus on improving the current offer and extending into offering more digital transactions.

- A Member queried about the cancellation of the call recording contract, do we know how many calls are recorded and listened to as part of coaching and training, as well

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as being replayed back for legal purposes? Also, are there any legal implications to this?

The Head of Finance stated that they would provide this data at a future date as they were not aware of any legal implication of not recording calls. The service would work with IT partners and there were challenges in this budget, but we wanted to allow time for residents to get used to the new service.

- A Member commented on Cabinet reports and the RSG supplement announced in meeting itself as it was confirmed that there were 2 elements of savings £5million of Cabinet savings and £5million delegated savings. Comment was made that if we have an additional £11m then in theory cabinet could delegate savings without having to make further savings and increases to council tax to make up the difference.

Members were advised that schools savings were based on 50% pressures in schools – we do need to look at some of our key assumptions in light of new information, it needs to be refined at each stage. For example, pay assumptions will need to be reviewed again and is likely to be bigger than allowed for. Teacher's pay is still very uncertain and NJC staff may need to increase. So whilst there appears to be less of a gap, we will need to account for other budget pressures before coming to our final budget.

- A Member commented that in the report, it mentions earmarked reserves increased by £8m last year. As a last resort the reserves mitigate against the deficit but means we cannot use them for the intended purpose and find the reserve again. In theory, could Cabinet pull a planned project and use that to offset other savings or increases in Council Tax?

The Members were told yes, but as Head of Finance he would not advise this approach as this fills a gap for a single year and the problem is the same the following financial year. You then have to find the saving and replace the reserve, essentially doubling up.

N/A - Increase council tax increase from 4% base assumption by 5.5% to 9.5%

The Head of Finance gave a brief overview of the proposal to the Committee, which was to increase Council Tax from 4% base assumption by 5.5% to 9.5%. The Committee were advised that it was well documented that Newport's council tax was low compared to others in Wales, generating approximately 23% of our income. Newport continues to be one of the lowest council tax levels in Wales.

Members asked the following:

- A Member commented that they appreciate the fact that Newport was below average, but that this percentage increase at the time was unfortunate due to cost of living and rise in energy bills.

The Head of Finance confirmed that for Band A the increase was £2 a week which was not a lot.

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- A Member commented on the extra RSG from Welsh Government and whether this could be used to reduce this council tax.

It was advised that this was for Cabinet to decide where they spend the money and make the recommendation to Council.

- Can anyone make additional contribution through Council Tax if they can afford it?

It was confirmed by the Head of Finance that this is not possible under current Council Tax regulations.

RED2324/01 - Newport Live Management Fee

The Head of Regeneration and Economic Development gave a brief overview of the proposal to the Committee, which was to reduce the annual management fee paid to Newport Live for the operation of leisure services across the city. In 2014 the agreement was to reduce subsidy to zero by 2020. A 10% reduction was felt to be a reasonable start at this stage.

Members asked the following:

- How do Newport Live feel this will impact their service?

Members were advised that we have been in full consultation, and this has been part of the business plan since 2014. They have not formally told us of any direct impact, but with the closure of Newport Centre there may be some efficiencies through that.

- A Member questioned the years extra funding and could any be claimed back. It was confirmed that there had been 3 years of extra funding and there had been robust reasons for not reducing it before now.
- Is 10% enough and should we ask for more? It was noted that more would be ideal, but it was mindful of it being a business that provided a service. There would be planning with Newport Live with a need to look at not being able to provide a subsidy at some point.
- A Member questioned the percentage of 10% and had any analysis completed.

It was confirmed that a copy of the accounts had been received and that 10% was considered to be reasonable looking at the picture and was manageable for the business.

- A Member stated that we need to recognise what some of the partners do for us. There is value to citizens in this service and we are saving in vast amount of other ways for our citizens.

People, Policy and Transformation – Assets information

The Head of People, Policy and Transformation advised the Committee that although her service area does not have any savings proposals out for consultation, they do have delegated savings, as well as fees and charges out for consultation. These charges included

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increasing in street naming and numbering and for room hire in the Civic Centre. The Head of People, Policy and Transformation also commented on the Council use of assets as there was a large capital receipt. It was important to take public views on asset rationalisation, such as could buildings across the city be used more effectively and should there be less assets? A project had been started to pull all this together.

Members asked the following:

- A Member asked for a list of the assets that the Council possess.

The Scrutiny Adviser confirmed that this request had already been on the list from a previous meeting. When the project has been completed, information will be provided to the Committee.

- A Member asked about budget investment in relation to the Norse JV- increased contract payment of £89,000 for this service this year.

It was confirmed that this was the NJC pay rise uplift which is part of the contract agreement, and this sum represents the sum set aside for this previously.

- A Member queried the Health and Safety investment and asked whether these were new posts.

It was explained that this was part of a long standing commitment to strengthen health and safety arrangements in the Council and as a result the service has been restructured. In answer to the question about whether staff could be redeployed, this is always a consideration for recruitment. It was confirmed that this investment was more than one post.

- Will these represent opportunities for staff at risk of redundancy?

It was advised that under our job security policy we would always look to reduce vacancies first and offer support for staff who may be at risk of redundancy. We will provide the structure for the committee as follow up information.

The Chair thanked the Officers for attending.

Conclusions:

Comments to the Cabinet on the following proposals:

- a) The Committee noted the budget proposals relevant to the Place and Corporate Directorates and agreed to forward the minutes to the Cabinet as a summary of the issues raised.
- b) The Committee wished to make the following comments to the Cabinet on the Proposals within the Place and Corporate Directorate:

HC2324/01 - Library and Adult Community Learning Services

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- Although this sits outside of the consultation as it relates to previously made decisions, the Committee requested information regarding where co-located services will be sited in the Central Library when it re-opens.

HC2324/02 - Reduce financial support to the Shop Mobility scheme in 2023-24

- The Committee requested the available data regarding the individual impact on service users and the expected impact on business in the city centre. Members recommended that a review of the demand for the service be conducted before going ahead with the proposal.

EPP2324/02 - Community Safety Warden Service Restructure

- The Committee commented that whilst it is disappointing to see a potential reduction in the Warden Service, they do see an opportunity to work more effectively with partners, including statutory partners. However, Members recommended that reductions should not be made prior to discussion with partners about contributing towards funding the service so that it could continue at current levels. The Committee considered that alternative options could be explored with partners, including RSL's, to maintain provision.

EPP2324/04 - Increased fees and charges within Environment and Leisure Services

- The Committee accepted the proposal for the Increased fees and charges within Environment and Leisure Services, however Members feel that the increase should go up in line with the same amount of the Council Tax increase instead of inflation.

EPP2324/05 - Introduce parking charges to four park and countryside car parks

- The Committee commented that they would like the Service Area to consider the local youth sport teams that use the parks, which would especially be an issue with the Glebelands. Members commented that it was good to see exemptions, in cases such as these through engagement with local football clubs, as there are a lot of families suffering from cost of living.
- Members requested financial projections produced for each car park if charges are introduced, based on historical data on usage against each car park in the proposal.
- Members requested a breakdown of the net cost and the timescales for returns on investment.
- The Committee spoke of concern about parking pressures in adjacent streets, especially if people try to park nearby to avoid paying fees and would like these pressures to be considered, especially in areas where there are parking restrictions in place such as residents parking.

EPP2324/06 - Household Waste Recycling Centre - Charging for non-household waste

- The Committee requested that the service area consider what the process may be to issue refunds for exceptional circumstances when residents make a mistake on the online booking forms.
- The Committee requested clarification about the disposal of sanitary ware, for example when households wish to disposal of entire bathrooms; would these items carry this proposed charge.

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EPP2324/08 - Charge for replacement (residual waste) bins

- The Committee queried whether there was any room for discretion in the proposed policy, as some residential areas in Newport have to store their residual waste bins on the street, which could cause an ongoing issue with them being damaged or stolen.

EPP2324/09 - Domestic Residual and Garden Waste Collection – 3 Weekly Collections

- The majority of the Committee felt that this proposal should not go ahead and considered that this proposal was more supportive of achieving recycling targets than being a budget saving proposal. The Committee found that much of the information in the proposal itself related to increasing the recycling rates and encouraging to recycle more; however, it was noted that failing to meet these targets could have a further financial implications associated with performance related fines in future years. Members commented that the saving this currently offered was a small amount, but the wider financial implications were greater than the saving offered, as it would promote fly tipping across the city and the Council would have to use more resource to clean up areas
- Comment was made that if this proposal was to go ahead, then it was extremely important for residents to know that the recycling service would be able to cope with the extra amount of recycling being presented, as this could potentially make the proposal more acceptable to residents. Members also remarked that the current recycling service provision would benefit from reviewed and improvement. Further education to residents about what can be recycled would be also essential.
- The Committee requested that the provision for households of 5 people be reviewed, as they currently fall short of the threshold to get a large bin; with less frequent collections it would be difficult for these families to manage.
- The Committee recognised the difficulties that residents of flats sharing communal bins face, as they have no control over neighbours presenting waste. The Committee also raised some issues they are aware of with bin collections being missed for communal blocks. Members agree that a review with Registered Social Landlords and Rent Smart Wales is needed to manage communal bin collections and recycling spaces more effectively.

INF2324/02 - Changes to Operational Practice and Procedures

- The Committee commented that the Council should explore collaboration with neighbouring local authorities to try to mitigate our costs. Members also enquired whether there could be possible partnership work with Welsh Water and the Environment Agency to see if they are able to help facilitate more aspects of keeping drainage facilities running smoothly.
- Concern was raised that the team already have a difficult task dealing with flooding and blocked drains with the current provision, so the reduction of vehicles and staff would make this even more difficult. If conditions are escalating with the ongoing adverse weather, it could become a risk to resident's livelihood and safety. Crucial routes in the City Centre that shouldn't be blocked are getting blocked quite often, and these routes are needed to be clear to enable resident to get to work for the economic functioning of the city. Members commented that it is important to avoid putting residents at risk.

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- Concern was raised about insurance risks. If the Council were to go ahead with this proposal, and damage was caused to resident's properties due to the reduced service, would the Council be liable for the damage? Concern was also raised about the Council potentially spending more money on external contractors, which would cancel out any proposed saving.

INF2324/04 - Streetlighting Switch off 00:00 to 06:00 (excluding safety critical sites) and Reduction in Maintenance

- Whilst the longer term savings were appreciated, the Committee recommend that this proposal should not go ahead, as the impact the reduced lighting will have on people would be too great. Concerns were raised about safety of residents travelling to work in the early mornings, road safety issues especially for taxi drivers, and that rates of crime, including burglaries could rise.
- If the decision to accept the proposal were to go ahead, the Committee hoped that the Council would work with partners to assess the impacts that could be caused, including the public's perception of safety. Members spoke of the importance of working with partners to identify potential and existing issues, especially in areas that contain licenced premises, as this could increase crime and disorder.
- Comment was made that the Council previously secured funding to support the safety of women and girls in the city, particularly in areas like parks, following consultation with residents, and now these lights will be switched off again under these measures.
- Members queried whether the street lighting hardware can be reprogrammed to turn off at a later time on Saturday and Sunday mornings, for example 2am instead of 12am, which could help accommodate the safety of the late night economy. Members also wished to note the seasonal differences in terms of when to switch on and off the street lights.

INF2324/05 - Fees and Charges – Fees increased by 10% rather than the standard 4%

- The Committee recommend that the fees and charges should go up in line with the agreed Council Tax rise.

LS2324/03 - Reduce Staffing levels in the Registration Service

- The Committee were happy with this proposal on the provision that targets can still be met.

FIN2324/01 - Reducing opening times in Customer Services with move to more self-service

- The Committee felt that at this time they did not have the full information they required to make a decision on this proposal. Whilst the redevelopment of the Central Library and re-location of services there is not in scope as part of the budget consultation, and is a decision that has previously been agreed, the Committee felt that it would be necessary to see what the new services in the Central Library look like first before any decisions on opening times are made.
- Committee considered that whilst the staggered opening hours take consideration of residents with different requirements accessing the face to face service, they could cause confusion for some residents.

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FIN2324/02 - Switching off phone and face to face channels for some transactions

- The Committee spoke of the importance of residents being able to communicate with the Council. Members requested information about how many calls received in the Contact Centre are recorded and listened to as part of coaching and training. Members also queried whether there are any legal implications of cancelling the call recording contract. Concern was raised about the protection of staff against abuse without calls being recorded.

N/A - Increase council tax increase from 4% base assumption by 5.5% to 9.5%

- The Committee recommend that this proposal should be reviewed to be lower, in view of the draft settlement figure, albeit with the understanding that the final figure has yet to be confirmed.

RED2324/01 - Newport Live Management Fee

- The Committee were happy with this savings proposal and stated the service area were clear in its recommendation that further work be undertaken to support Newport Live to implement a more formalised Business Planning process.

People, Policy and Transformation – Assets information

The Committee wished to thank the officers for the information provided. Members requested if they could receive information on the revised structure for Health and Safety and also when finalised the list of assets that the Council currently holds.

PERFORMANCE SCRUTINY COMMITTEE - PEOPLE

2023-24 Budget and Mid Term Financial Plan

The Assistant Head of Finance gave a brief overview.

Questions

A member questioned why the forecast for inflation is higher than has previously been anticipated for the next coming years.

- The Assistant Head of Finance noted that inflation is forecast in recognition that it is still likely to be higher than in the previous year. The Assistant Head of Finance added that the issue of high inflation will be compounded beyond a single year as there will likely be further cost increases and funding decreases.

A member asked whether there had been any consultations with the schools regarding proposals.

- The Assistant Head of Finance informed the member that an overview of the budget was given to schools and members of the unions in the prior week at the School Budget Forum. This forum includes a wide cross-section of stakeholders that will formally input to the consultation if they wish, however any school or individual can also add to the consultation as part of the process.

The member followed on to ask about the different pressures faced by schools such as energy costs increases, and if any in-year budget gaps would be remunerated.

- The Assistant Head of Finance noted these points were also discussed in the aforementioned School Budget Forum. Schools understand which elements are being funded in the proposals, and which would be absorbed by schools. These in-year increases would not be remunerated; however Cabinet would decide on the costs that will be met on an ongoing basis.

A member asked if Heads of Service could give context regarding the expected impact of the proposals for residents in Newport.

- The Strategic Director of Social Services outlined that there will inevitably be impacts from savings proposed, but the focus is to ameliorate the impact of these savings that we need to make whilst working as effectively as we possibly can.

Investment Proposals:

A member queried the funding gap in relation to the Aspire Project.

The Head of Prevention and Inclusion detailed the plans to remodel and re-establish the aspire project to progress from the current legacy arrangement, and to make it more secure by identifying funding streams with Education. Currently, there is an ad-hoc arrangement between education and youth service but that there needs to be a more robust arrangement in place including looking at an alternative provider who can oversee the contract in its entirety, rather than the current ad-hoc arrangement.

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A member asked for more information about the proposal concerning Additional Learning Need staff, and how this would affect ALN places in Newport schools.

- The Assistant Head of Education informed the member that funding is sourced through grants however it is unclear how much grant funding will be available in the next year

A member asked if there was a reduction of ALN places, then where those children would be placed.

- The Assistant Head of Education confirmed that there were no plans to reduce ALN places.

A member asked for clarification regarding the Housing Benefit technical overpayments.

- The Assistant Head of Finance informed committee that this was due to exceeding accepted threshold levels of errors in claims to the DWP, and there had to be some planning done to ensure funds were available to meet costs where thresholds were exceeded. The Assistant Head of Finance assured members that there is work ongoing to try and stay within the thresholds, but some things are not always within the Council's control.

A member asked whether underfunding had caused an issue.

- The Assistant Head of Finance explained that the requirement to house everyone was expensive when resources such as bed and breakfasts had to be used to meet increasing demands on the service. The Assistant Head of Finance noted that historically, the DWP funding received does not cover the full costs of housing people, which leads to a gap in funding accommodation, particularly for temporary accommodation. The Assistant Head of Finance highlighted that this was not a new pressure, but the gap between Local Housing Allowances set by the DWP, and the true costs in housing people is something that needs addressing. There was some additional assistance during covid, but these high costs of emergency housing remain.

A member asked what was being done to reduce the threshold below the £600,000.

The Assistant Head of Finance confirmed that the benefits section has moved and there will be changes to arrangements. There is a lot of work going in to manage the budget pressure through improvement of processes. The team are under extreme pressure as they are also administering lots of grants and schemes over and above the HB claims.

A member asked if the Heads of Service work with Newport City Homes to tackle the pressures of temporary housing.

- The Strategic Director explained that the service does work in partnership with Registered Social Landlords, and private landlords on strategic approaches, but also in day to day work. This is relevant in Education, Social Services, Housing and more. These relationships do exist.

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The Chair noted a lag in the DWP funding being paid to housing and benefit services and asked that more information on this be provided to committee.

The Head of Adult Services wanted to highlight the importance in the range of partnerships that are there to make sure as people's needs develop that they are able to keep them in their homes, which is an effective preventative approach to homelessness.

Savings Proposals:

CS2324/04 - Oaklands and short break provision remodelling

A member asked what the impact would be for children, fosterers, and wider service in Newport due to the proposed savings for Oaklands respite support.

- The Head of Children's Services noted that the intention is to minimise the impact on the service by reducing, not ceasing to provide the service. It was noted that Social Service will explore other options for funding if and when possible to seek to re-introduce higher levels of provisions. The service is reducing rather than closing, if other monies become available, for example through WG, then the provision would be revised accordingly. The Head of Children's Services acknowledged that there would be an impact and explained that it would be a need led service in future.

A member expressed concern regarding the reduction in short break services, and another committee member commented that the service was a lifeline for some service users, therefore the service should not be stopped.

A member commented that the reduction of service provided by Oaklands would lead to higher cost pressures in other areas where some children may have to go into full time care, and these displayed costs could also impact on health services.

A member asked what the centre provision would look like in the best-case scenario, and whether volunteers be considered to sustain current levels of service.

- The Head of Children's Services informed the committee that the proposal is proposal isn't too close Oaklands, but to reduce the offer in terms of number of nights available. These are a highly skilled workforce offering an expert level of care, so any volunteers would need to be qualified to this level in order to support effectively. The Head of Children's Service noted the proposal was Monday to Thursday provision from 19 places to 11.
- The Chair noted that it was 21 to 11 places.

The committee expressed strong concerned on the impact on residents due to the reduction of services in the Oaklands and short break services savings proposal. The committee were concerned about the impact not only directly on the residents who accessed this service, but the residents who were able to foster with the assistance of this service and felt that it could have an impact on the number of foster carers within Newport. The committee also felt that there would be long term financial impact due to increasing pressures in other areas such as

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the care service and the health service. The committee recommended that this be reviewed and reconsidered.

CS2324/05 - Staffing across Children's Services

A member asked what was meant in terms of reduction of staff.

- The Head of Children's Services informed the committee that vacancies would be removed as the first option, as part of the Council's job security policy.
- The Strategic Director was confident that this saving could be achieved in this way.

AS2324/01 - Adult contracts; commissioned services

A member expressed the importance of the Growing Space service for residents in Newport and questioned what would happen to the Growing Spaces partnership.

- The Head of Adult Services noted that a considerable contribution was made to the partnership by the Council, which was proposed to be reduced. The Head of Adult Services informed committee that the service would be continued through other funding streams with a reduced contribution from the Council. The Head of Adult Services confirmed that the service would continue but on a reduced level.
- The member questioned whether the service would be able to continue working from Tredegar House.
- The Head of Adult services confirmed that this would be the decision of Growing Space as it would continue to operate with a change in capacity.

A member noted that meetings had been held in which the impact of cuts to Growing Space funding were presented.

A member asked for clarification regarding the financing for Growing Space and whether the Council could assist the charity in securing additional funding to bridge any gaps.

- The Head of Adult Service noted that it was not an easy proposal to put forward, but the Council were looking to mitigate the proposal, such as through relationships with mental health services. The Head of Adult Services informed the committee that this would be supported going forward in relation to helping them securing further grant funding where possible.

The committee stressed the importance of supporting local initiatives.

The committee stressed the importance of Growing Spaces and strongly raised its concern the impact that limiting the service would have on residents who need to access these services. The committee further raised concern on the impact reducing the service would have on future finances and services such as the health and care sectors. The committee recommended that these cuts be reviewed and reconsidered.

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AS2324/04 - Short breaks service for older adults (formerly known as day opportunities)

A member felt that a £500,000 reduction in funding would have a severe impact on the short breaks service.

A member asked for clarification as to whether this was in reference to Spring Gardens.

- The Head of Adult Services confirmed it was regarding the Annex of Spring Gardens, not the residential home.
- A member asked whether that part of Spring Gardens would be closing all together.
- The Head of Adult Services informed committee that they would look to mitigate by potentially using part of the residential home or something else. The Head of Adult Services reminded committee that this was out to consultation for public commentary.

A member asked how carers will be supported after these cuts.

- The Head of Adult Service assured committee that they would continue to work with carers and all those attending short breaks as they have a right to a service. The Head of Adult Services informed committee that mitigation would be done by going back to look at how else the people currently using the service could be supported individually.

A member emphasised that they believe that residents will suffer heavily as a result of these cuts.

- The Strategic Director of Social Services assured committee that everyone is working to make savings in the face of difficult circumstances, whilst understanding that these changes will have an impact. The Strategic Director acknowledged the difficulty in this proposal but emphasised that work was done with families on an individual level to ensure that the care and support needed would be provided.

The committee were very concerned about the saving proposal regarding the short breaks service for older adults (formerly known as day opportunities). The committee felt that the reduction would have a severe impact on the service and all those who access it. The committee recommended that this be reviewed and reconsidered as the saving proposal was too large.

EDU2324/05 - Educational Psychology Savings Proposal

A member asked if there were enough educational psychologists.

- The Assistant Head of Education noted that there is a shortage of educational psychologists nationally. The Assistant Head of Education acknowledged whilst this proposal would have an impact on output, for example, preventative work, there is enough staff capacity remaining to complete statutory requirements.

The Chair asked that if schools require additional services how was this achieved.

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- The Assistant Head of Education informed the committee that there is a team of educational psychologists on staff, but that individual schools could seek help further afield if they had the funds to do so.

Fees and Charges

A member questioned what the justification was for raising costs.

- The Strategic Director informed committee that these were directly linked to the cost of services due to inflation.
- The Strategic Director assured the committee that for most service users, these increased costs would not be reflected in what they pay.

6. Conclusion of Committee Reports

The committee appreciated that there were hard decisions to be made given the current climate.

The committee asked for further information explaining the lag between costs incurred and DWP payments received by the Council be provided.

The committee stressed the importance of Growing Spaces and strongly raised its concern on the impact of limiting the service would have on residents who need to access these services. The committee further raised concern on the impact reducing the service would have on future finances and services such as the health and care sectors. The committee recommended that these cuts be reviewed and reconsidered.

The committee expressed strong concern on the impact on residents due to the reduction of services in the Oaklands and short break services savings proposal. The committee were concerned about the impact not only directly on the residents who accessed this service, but on foster carers who played an important role with the assistance of this service and felt that it could have a detrimental impact on the number of foster carers within Newport. The committee also felt that there would be a resulting financial impact due to increasing pressures in other areas such as care services and the health service. The committee recommended that this be reviewed and reconsidered.

The committee were very concerned about the saving proposal regarding the short breaks service for older adults (formerly known as day opportunities). The committee felt that the reduction would have a severe impact on the service and all those who access it. The committee recommended that this be reviewed and reconsidered as the saving proposal was too large.

Minutes

Overview and Scrutiny Management Committee

Date: 3rd February 2023

Time: 10am

Venue: Committee Room 3 / Microsoft Teams

Present: Cllr P Hourahine, M Al-Nuaimi, M Evans, P Bright, G Horton, L James, C Baker-Westhead, and B Davies

Rhys Cornwall (Strategic Director for Transformation and Corporate), Tracy McKim (Head of Policy, People and Transformation), Meirion Rushworth (Head of Finance)

Samantha Schanzer (Scrutiny Advisor), Pamela Tasker (Governance Support Officer), Taylor Strange (Governance Support Officer)

1. Apologies for Absence

Councillors Routley and Cleverly in their capacity as Scrutiny Chairs for the Performance Scrutiny Committees – People and Place respectively.

2. Declarations of Interest

None.

3. Minutes of the Previous Meeting:

30th September 2022:

The Committee asked whether a response had been received in relation to their concerns regarding University student numbers. The Committee asked whether the University would be able to attend Committee and explain why student numbers were low.

- The Scrutiny Officer confirmed that the Head of Regeneration and Economic Development would be providing an answer on this topic in due course.
- The Strategic Director stated that the Committee had no powers to call in the University, although an invitation could be extended, and that this topic could be brought to the relevant Scrutiny Committee.

The minutes of the previous meeting held 30th September 2022 were **accepted as a true and accurate record**.

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Minutes of 25th October 2022

The Committee asked for clarification regarding the wording of the Scrutiny Annual Report verbal update.

The Committee asked when they would receive the Scrutiny Annual Report 2021-22.

- The Scrutiny Officer confirmed that this report was with the Democratic and Electoral Services Manager and would come to Committee for comments before it went to Council

The minutes of the previous meeting held 25th October 2022 were **accepted as a true and accurate record**.

4. 2023-24 Budget and Medium-Term Financial Plan

Invitees:

Rhys Cornwall (Strategic Director for Transformation and Corporate)

Tracy McKim (Head of People, Policy and Transformation)

Meirion Rushworth (Head of Finance)

Budget Overview and Process

The Head of Finance introduced the report to the Committee and provided context regarding setting contingencies to manage risks and the points of note.

Questions:

The Committee asked for clarification regarding RSG sensitivity, where a large element of funding from Welsh Government was assumed to be a 3% increase on last year. The Committee also asked that as the percentage increase had now been clarified to be 8.9%, what did this mean in relation to the current size of the gap in funding.

- The Head of Finance confirmed that there was a 3.5% increase on the figure originally expected; the report that went to Cabinet in December 2022 stated the expected gap was £16 million at that time, but no school savings had been included. The extra settlement came to £11.7 million, which is an increase of just under 9%.

The Committee asked for an update regarding the current status of the deficit.

- The Head of Finance confirmed that the Cabinet would announce the final details and decisions in the upcoming Cabinet meeting.

The Committee asked whether the Cabinet would be looking to plug a gap of £15 million.

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- The Head of Finance noted that the gap was much smaller than £15 million and the final budget to be announced in Cabinet meeting on the 15th February 2023.

The Committee asked how negotiations were going with partners and contractors in achieving savings, and queried the level of confidence that these savings could be delivered.

- It was confirmed that the Committee would be provided a written answer as it was not within this Committee's remit.

The Committee asked about streetlights and commented that budget savings seemed lumped into one and queried how much had been saved in budget maintenance.

- It was confirmed that the Committee would be provided a written answer as it was not within this Committee's remit.

Budget Public Engagement

The Head of People, Policy and Transformation introduced the report. The Head of People, Policy and Transformation noted that:

- This was part of an all-year-round consultation on various things, with 40 activities last year.
- It was the highest level of response in several years and was the longest possible period of consultation undertaken.
- Activities undertaken included online surveys, a supplementary survey on bus Wi-Fi (with a more nuanced response option given for online surveys rather than just yes or no answers), social media promotions with 39 social media posts and press releases and promotion through schools. Consultations were also held with council staff, reflecting the significant number of staff live in Newport and other community events were attended.
- Several meetings had taken place with pre budget engagements in the Autumn to consult on the Corporate Plan and budget proposals.
- A response was also expected from the Fairness Commission, and trade unions had been met with through the Employee Partnership Forum. This was attended by service leads and trade unions, and chaired by the Cabinet Member.

Questions:

The Committee welcomed the pre-budget consultation.

The Committee asked for more information regarding the type of question asked and the level of detail included in the question. The Committee also asked what focus groups were involved as smaller savings such as the Shop Mobility saving of £7000 a year was a relatively small saving, but could have a large impact on this organisation.

- The Head of People, Policy and Transformation confirmed the survey included questions to ascertain which services were important to residents but noted it was complicated, as much of what is important to residents is universal, whilst a lot of high cost services are important to smaller groups of residents due to their needs.

APPENDIX 2 - Extracts from Scrutiny Committees

The Head of People, Policy and Transformation confirmed that managers were aware of this when determining their budget proposals. The Head of People, Policy and Transformation noted that given the scale of the savings required, it would be difficult to respond to all the feedback from residents whilst still making the necessary savings.

The Committee asked whether residents had been asked what was less important to people in terms of services they used as part of the consultation.

- The Head of People Policy and Transformation informed Committee that corporate front line services were generally less important to people, whilst the priorities were services for the most vulnerable people.
- It was noted that Newport City Council had a low corporate spend compared to other councils.

The Committee asked whether the consultation asked what services residents would be happy to pay for.

- The Head of People, Policy and Transformation confirmed that the public were not asked those kinds of questions.
- The Strategic Director stated that the service was developing the transformation programme to support the delivery of the Corporate Plan, and this was a valid point to take forward.

The Committee noted it was a difficult task to balance the budget, and commended the quality of the survey. The Committee asked for an outline of the engagement initiated with stakeholders before Cabinet met.

- The Chairperson noted that only work done up until this point could be scrutinised fairly.
- The Head of Finance confirmed that work on the final details on the budgets were currently in progress and could not be discussed at this point. The Head of Finance confirmed that this would be announced by the Leader at Cabinet with the Council tax rate to be the Cabinet's decision.

The Committee felt that many people did not know about the Glebelands parking charges and other proposals.

- The Strategic Director noted that it was a significant task to engage with all schools and that Finance and Education were working closely with individual schools regarding this. The Strategic Director did not feel that there was an issue with engagement in this area. The Strategic Director noted that if the Committee felt a written response was required, then this could be provided.
- The Head of People, Policy and Transformation noted that there was service area specific engagement with service users and potential service users, giving a number of examples; meeting with parents who accessed the Oaklands service, library staff speaking directly to users, schools being made aware through trade unions and the Employee Partnership Forum, and passing information to parents. Other

APPENDIX 2 - Extracts from Scrutiny Committees

stakeholders such as SRS, Newport Live, Newport Norse were engaged with separately.

- The Head of People, Policy and Transformation confirmed that this consultation had received the largest number of responses in memory.

The Committee again commended the quality of the survey and noted that the format of the survey presentation of proposals should be used in Performance Scrutiny Committees when considering proposals due to the ease of understanding they provided.

The Committee asked for more information regarding trade unions and the Fairness Commission.

- The Head of People, Policy and Transformation confirmed that many meetings had been held with trade unions directly and through the Employee Partnership Forum. The Fairness Committee responses had also been received and would be looked at.

The Committee asked for the number of social media posts and how effective the posts were, with reference to how many individuals the posts reached and what actions arose from the posts.

- The Head of People, Policy and Transformation confirmed that 39 social media posts were made. The Head of People, Policy and Transformation informed Committee that the figures requested could be provided to Committee if they wished.
- The Head of People, Policy and Transformation reminded Committee that the consultation was now closed but a reflective 'Lessons Learned' activity was always completed and Scrutiny attendance was also part of the consultation.

The Committee asked if data would be tracked from responses in relation to where the individuals lived.

- The Head of People, Policy and Transformation confirmed that location, age, and the ethnicity of the person were requested as part of the completion of the survey.

The Committee noted that they would have liked to have seen the data assessed before it came to Committee and could this be done for in future budget cycles.

- The Head of People, Policy and Transformation noted that as they had allowed the maximum consultation period, the brief turnaround time meant that the analysis of responses was not available in time for Scrutiny to consider.

The Committee noted that the consultation covered a population of 155,000, and responses measured half a percent with 900 responses. The Committee agreed that many activities had been undertaken to maximise engagement but felt that there could be a proportion of people living in the city who were affected by the budget that had not submitted their views. The Committee asked whether the results received offered a skewed view of the budget as these responses were likely not received in the same number.

APPENDIX 2 - Extracts from Scrutiny Committees

- The Head of People, Policy and Transformation clarified that there were 1,300 responses received, and participation numbers are historically low which is challenging. The Head of People, Policy and Transformation noted that this could potentially skew results but those who engaged were the ones largely affected.

The Committee asked whether residents in good financial positions were specifically engaged with, and whether Newport City Council undertook comparative review against similar Local Authorities for best practice on this approach.

- The Strategic Director confirmed that Newport City Council did look at other LA's processes. The Strategic Director felt that Newport City Council had improved in putting out consultations. The Strategic Director noted that there had been intelligence building on what mattered to residents a result of engagement, and this needed to be incorporated into how we adapted the proposals.
- The Strategic Director noted that it was fair to say that service users are the most likely to comment about it in consultation and that their responses matter most.
- The Head of People, Policy and Transformation noted that residents are more interested in some proposals than others, and gave the examples of the city centre safety survey, which received 1,600 responses and the Perception of Newport survey where 2,000 people responded. The Head of People, Policy and Transformation felt that the way forward was to pick up wider intelligence to ensure that the Council's engagement with the public is only one part of the understanding.

The Committee asked that the Scrutiny Adviser summarise previous recommendations made on consultations and provide the information to Committee.

The Committee asked whether people completed the survey or skipped responses.

- The Head of People, Policy and Transformation confirmed that while the full view was sought, people could skip on responses. The Head of People, Policy and Transformation informed Committee that this analysis of data was not complete yet but could be provided to Committee at a later date.

The Committee asked what percentage of the survey was fully completed.

- The Strategic Director confirmed that analysis would be done on this but was not ready at this time.

The Committee asked how the analysis was completed.

- It was confirmed that there were multiple feeds analysing the data.

The Committee asked whether the results of the consultation came back to Committee.

- It was confirmed that it would be provided to Committee as an information only update.

The Committee felt that there was a level of complacency in terms of responses from residents and it would be interesting to see how Newport's responses compared to other authorities ahead of next year's budget setting process.

APPENDIX 2 - Extracts from Scrutiny Committees

- This is a topic that could be addressed in Lessons Learned. WLGA would also be consulted, particularly as when comparing consultation response a community with a similar makeup and urban areas would be required for a reasonable assessment.

The Committee asked how responses were fed back to the public.

- It was confirmed that the responses would be communicated back to the public as part of the transparency in decision-making. It was confirmed that a summary would also be included in the Cabinet report.

Performance Scrutiny Committee (PSC) – Place Minutes

The Committee raised questions regarding page 52 where the PSC – Place had commented on whether some residents could pay more council tax, if they felt they could afford it.

- The Strategic Director informed Committee that council tax regulations confirmed that this could not be put in place.
- The Committee commented that maybe residents could donate to a library or another service in lieu of this.
- The Strategic Director stated that charities could take donations, but Newport City Council could not do this.

The Committee asked whether there would be a re-banding for private properties.

- The Strategic Director noted that there would be a review of council tax banding and there would be a brief note on this to be provided to Committee.

The Committee noted and endorsed the minutes from the Performance Scrutiny Committee - Place Committee.

Performance Scrutiny Committee - People Minutes

The Committee noted and endorsed the minutes from the Performance Scrutiny Committee - People Committee.

5. Conclusion of Committee Reports

The Committee welcomed the improved consultation, particularly the increasing methods of consultation through different channels and the inclusion of the pre-budget consultation, that took place prior to drafting budget proposals.

The Committee noted that it would be helpful to have access to consultation data before the meeting occurred, however the Committee appreciated the restrictions that the Council works within concerning availability of information that feeds into the budget setting process and statutory consultation timescales.

The Committee welcomed the Council's use of the longest consultation period possible but felt that there should be a period of advertising the consultation in advance of it happening.

APPENDIX 2 - Extracts from Scrutiny Committees

The Committee felt that whilst resource should be focussed on people using the services impacted by the proposals there could be an expansion of engagement to those who have limited interaction with the Council and its services to capture a broader picture.

The Committee felt more face-to-face consultation should be used.

The Committee recommended that the results of the consultation be brought back to Committee as an information only update. The Committee also asked that a benchmark comparison of performance in engagement between Newport City Council and other Local Authorities be brought back to Committee. The Committee also asked that an update on the post-consultation 'Lessons Learned' (where the process of the consultation is reviewed to inform continuous improvement) be brought back to Committee.

The Committee recommended increasing engagement and participation throughout the year wherein residents could provide feedback on the impacts of the budget proposals.

The Committee also recommended that there be a greater attention focused on collecting and analysing data from individual calls and enquiries raised via channels like the contact centre or webforms.

Minutes

Newport Schools Forum

Date: 19th Jan 2023
Time: 3:30pm
Venue: Microsoft Teams

Present

D Curtis (DC), D Evans (DE), D James (DJ), Cllr D Davies (DD), D Probert (DP), D Gurney (DG), E Jones (EJ), J Beckett (JB), K Knight (KK), N Brain (NB), R Drew (RD), S Foster (SF), S Rayner (SR), J Bell (JB), P Garland (PG), E Jones (EJ), A O'Brien (AOB), A Godfrey (AG)

Officers in Attendance

K Bevan (KB), E Bosch (EB), C Cregg (CC), S Davies (SD), M Evans (ME), R Green (RG), S Morgan (SM), K Rees (KR), D Weston (DW),

1. Apologies for Absence

Tracey Jarvis (TJ)

2. Minutes of meeting held on 20 October 2022

Attached



Schools Forum
Minutes 20th Oct 20

FM asked for update on review of supply insurance scheme.

LAO confirmed that work was underway, however group had not met to review data and update will be provided in July meeting.

FM advised that their attendance was not shown in the last meeting minutes and wanted this corrected.

Forum agreed the minutes were a true and accurate reflection of the meeting held on 20th October 2022.

3. Matters Arising

None

4. Update on Final Settlement – Rob Green

Verbal Update



Budget
Consultation 2023-2

LAO discussed the current budget consultation for 2023/24. Discussion focused on current budget gap of £33m and the budget proposals presented to the public and cabinet for review to fund this gap which included a number of key pressure areas, such as:

- High inflation – increased prices for goods and services
- Pay awards – higher than expected pay levels
- Energy crisis – significant cost increases for utilities
- Cost of living crisis – increased demand for services
- Increasing demand for services – e.g., homelessness
- Lasting impact of the pandemic

Cabinet proposals are addressing three main areas to address the funding gap.

- Service savings of £11.5m have been submitted – 66 proposals incl. non-service
- 27 proposals totalling £5.6m are being consulted.
- Council Tax – 9.5% increase (original base assumption was 4%)

Further breakdown of these proposals can be found within the attached presentation.

Discussion focused on school's position. The presentation advised of a £10.3m pressure within schools, which can be broken down as:

- Pay - £5.1m
- Inflation - £3.9m
- Pupil number growth - £785k
- Other - £566k

The proposal is also consulting on a cash increase on schools' budgets, based on NCC funding 50% of pay pressures and pupil number linked pressures, and Schools to absorb the remaining pay pressure and other inflationary pressures in full.

All pressures will be under review until the budget is finalised and, therefore, the pressure figures for schools and the associated saving are subject to change.

The timetable of the public consultation runs until 2nd February 2023. Feedback will be considered before cabinet meeting on 15th February, where final budgets proposals are agreed before the overall budget is agreed on 28th February 2023.

A final Welsh Government settlement is expected early March 23.

LAO to issue final 23/24 school budgets before 31st March.

FM asked for clarity if the figure includes the 2.4 extra billion announced for schools by government. LAO UK make announcement and Welsh Government (WG) receive the consequential, they then take a view on how to distribute and it is passed onto the LA via the Revenue Support Grant (RSG) which is un-hypothecated. Unless WG issue as a specific grant, decisions are taken at a local level.

Appendix 3 – Schools Forum Minutes

FM asked if the £1.951m investment is on top of the £10.395m pressures identified

LAO advised that this was included and is noted on page 42 and 43 of MTFP report.

FM asked for clarity on proposal that school pick up 50% of pay increases, and what year is included in the pay award figure

LAO confirmed that the proposal is still out for consultation however the pressure identified reflects 5 months of 22/23 pay award and 7 months of 23/24 pay award for teachers and 23/24 pay award for NJC staff.

FM asked if energy inflation would be passed onto schools

LAO advised that consultation is on schools absorbing the pressure in full.

FM asked about pension contributions increase, is the figure 2023 or 2024 financial year.

LAO advised it has been included in 22/23 to be prudent however, as it needs further investigation.

FM Requested that schools are provided with their indicative budgets as soon as possible to help with planning.

LAO confirmed they are aiming to get indicative issued by half term and the final copy out by the end of March.

FM What do the planning figures show going forward for future years? Will the reserve of £10million disappear next year?

LAO explained how some schools are in a more difficult situation than others. The LA has undertaken a modelling exercise, but it is difficult as using old information/spend plans and we don't know at this stage how able schools are to respond to the pressures.

LAO Confirmed that current in year over/under spends were used excluding any one-off spend to determine future reserve balances.

FM said it was useful to be sent out inflation costs to incorporate in budgets and asked if it was correct that 24/25 energy costs were due to rise further for 24/25 was it 50% for energy on top of the 150% increase for 23/24?

LAO explained the different effects of energy price rises. Inflation figures were based on external advice provided, should not make assumptions on inflation returning to normal levels.

5. 23/24 Budget Proposals – Rob Green

Electronic Copy Issued

Looking at cost base, consideration being given to widening cost charged against the SLA to ensure full cost recovery.

Alternative funding sources could also be considered.

6. Questions

FM asked in the SLA agreement was currently 3 years.

LAO Under normal circumstances we have a 3-year SLA, however the current agreement is only 1 year to allow for the new finance system.

FM queried if they should build in inflation to other SLA charges

Appendix 3 – Schools Forum Minutes

LAO confirmed that yes and schools will be able to check the inflationary increased form their SLA pack and their Finance Business Partner (FBP) can assist with calculation of the inflation figures.

FM asked if others were happy to meet up as a sub-group before the next meeting in July to discuss the possible change to the SLA.

LAO will send invitation for expressions of interest to attend the subgroup

Meeting called to a close at 16:25

Date of next meeting(s) – Microsoft Teams

Thursday 13th July 2023

Newport's Budget Challenge

Budget Saving Proposals for 2023-24

The following report summarises the results of the consultation surveys on the budget saving proposals for 2022-24. This process took two forms:

- An online public wide SNAP survey for all citizens; and
- A shortened survey involving users of the free bus Wi-Fi.

The consultation ran from the 15 December 2022 until the 02 February 2023.

A total of 1,473 responses were received including 820 through the online consultation survey and 653 through the bus Wi-Fi survey.

Regarding the online public survey respondent's were asked their opinions on each of the proposals being consulted on including:

- What they think we should do with this saving proposal;
- How important is protecting funding for this service compared to other services; and
- Any other comments about the proposal.

Both the public wide survey and bus Wi-Fi survey also asked respondent's their views on the proposed increase in Council Tax; and in relation to asset rationalisation and using council buildings differently.

For each proposal we have included a selection of anonymous comments, in the respondent's own words, that indicate the range of responses received.

In addition, during the consultation period we separately received feedback via emails and letters, with around 400 correspondences collected.

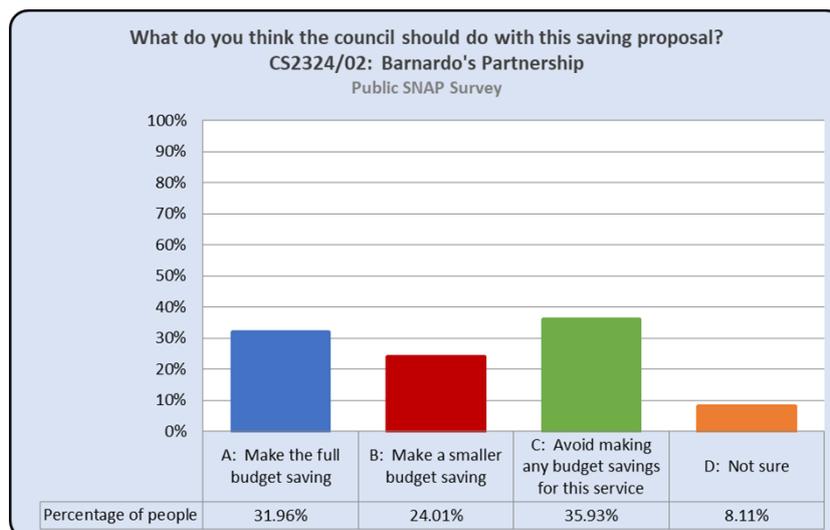
Children Services

Barnardo's Partnership

Q1a: What do you think the council should do with this saving proposal?

Barnardos Partnership	No. of people	% of people
A: Make the full budget saving	201	31.96%
B: Make a smaller budget saving	151	24.01%
C: Avoid making any budget savings for this service	226	35.93%
D: Not sure	51	8.11%

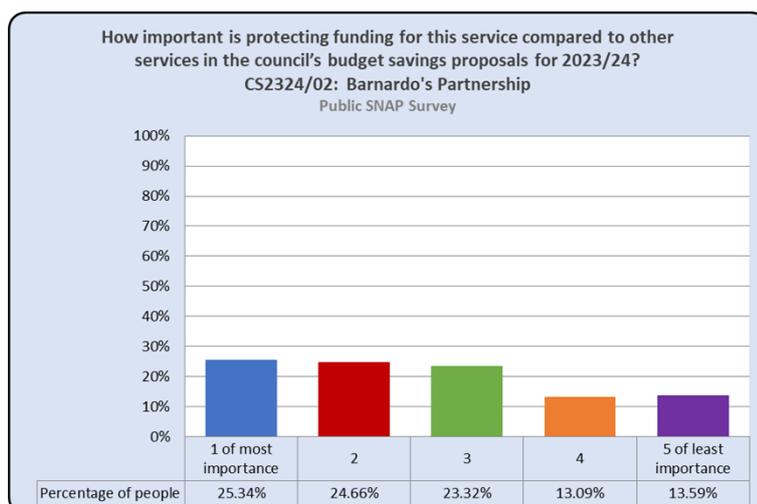
NB: There were 191 no responses.



Q1b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	151	25.34%
2	147	24.66%
3	139	23.32%
4	78	13.09%
5 of least importance	81	13.59%

NB: There were 224 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

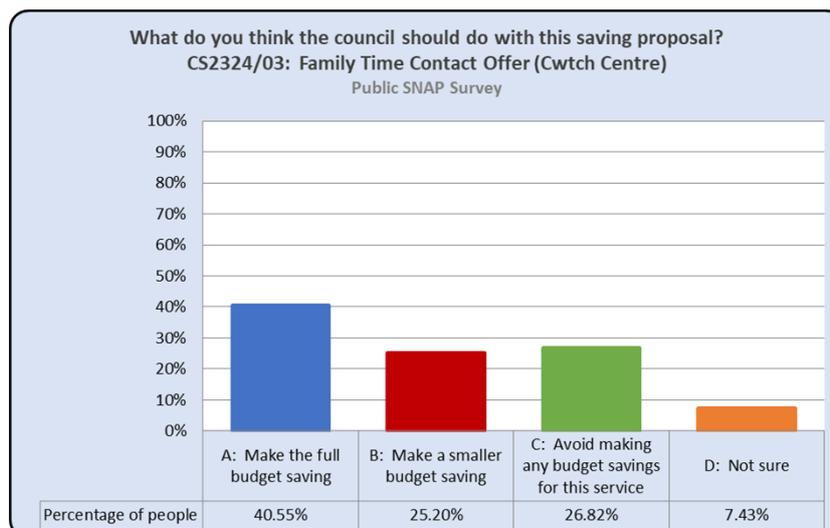
- There is strong evidence that diluting support services for social care is ineffective. This cut will result in more children going into care, costing more money in the long run.
- Plug the gap with reserves. Publish reserve levels and tell us why we need them. Now is the rainy day.
- Your social work teams are overwhelmed at present with the caseloads they are trying their very best to manage so where on earth do you think they are going to find the capacity to take on any additional work as a result of cuts to other services? The service provided by Barnardos appears to be essential for vulnerable children and if you don't want your Children Looked After figures to increase further then do not pull the rug from under this vital service.
- This service is vital to the most vulnerable families in Newport and is very needed. The changes in babies being removed at birth, children and young people going into care is huge because of this service.
- Other local authorities have ring fenced social care to prevent cuts to families and vulnerable people. Cutting services here will result in increased cost from children coming in to care and increased escalation of risk to families. Sadly, we will inevitably see more serious care reviews being required.

Family Time Contact Offer (Cwtch Centre)

Q2a: What do you think the council should do with this saving proposal?

Cwtch Centre	No. of people	% of people
A: Make the full budget saving	251	40.55%
B: Make a smaller budget saving	156	25.20%
C: Avoid making any budget savings for this service	166	26.82%
D: Not sure	46	7.43%

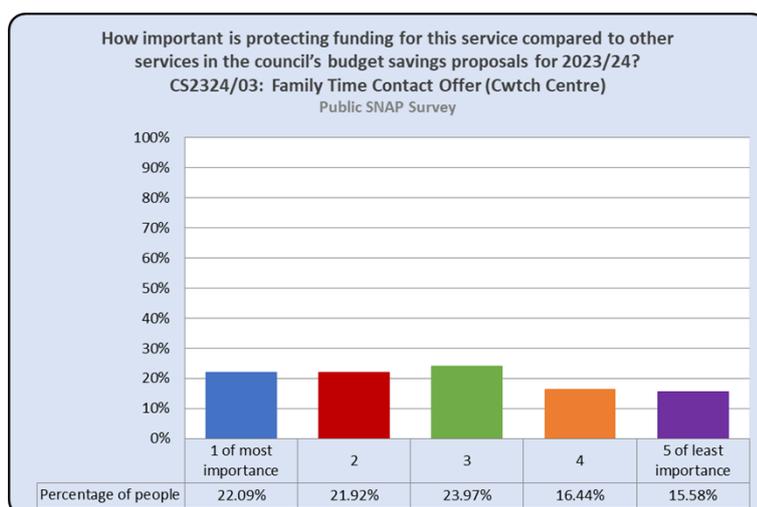
NB: There were 201 no responses.



Q2b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	129	22.09%
2	128	21.92%
3	140	23.97%
4	96	16.44%
5 of least importance	91	15.58%

NB: There were 236 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

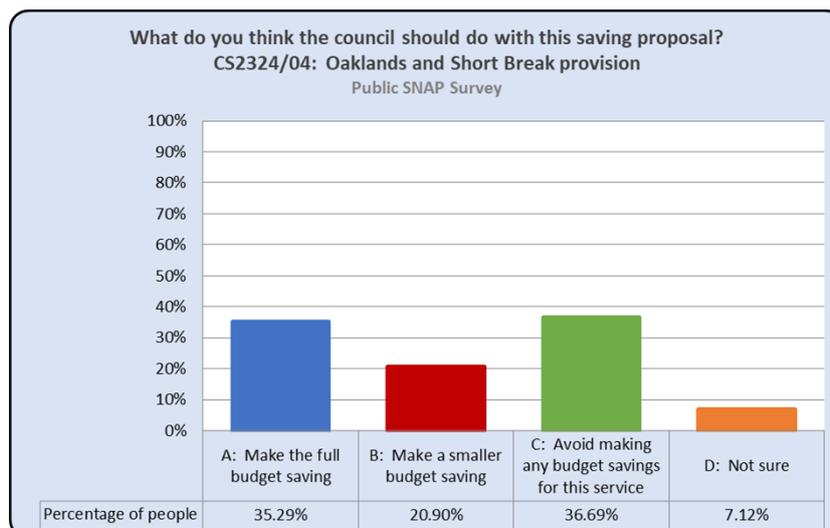
- Surely services such as these are vital. I'm not sure how you can say that you expect the 'demand for support-based services to continue to rise' and then cut those services. Surely one of the main priorities of all Local Authorities going forward is to support the poorest and most vulnerable in the community. I would distinguish between proposed cuts such as these which affect vulnerable groups and looking again at the non-essential services that the Council provides that could be cut or put on hold until the current pressures concerning cost of living / inflation / energy crisis etc. have passed.
- Reducing this service will prevent family time going ahead because many of the families we support cannot be supported safely in the community.
- I don't think you should expect contacts in service users' homes, there is risk involved here to the supervisor, use more of the libraries etc that are having opening hours reduce, multi purposing existing buildings and the Cwtch centre could then be sold or rented out.
- The Cwtch centre needs to remain open even if less hours. Some contact that takes place would not work in public places and will just mean that Social Workers have to book spaces that will cost money in the long run.
- Providing no impact was had on the end users and this cut is purely accommodation, which was going to be accommodated elsewhere - it makes sense.

Oaklands and Short Break provision

Q3a: What do you think the council should do with this saving proposal?

Oaklands & Short Break Provision	No. of people	% of people
A: Make the full budget saving	228	35.29%
B: Make a smaller budget saving	135	20.90%
C: Avoid making any budget savings for this service	237	36.69%
D: Not sure	46	7.12%

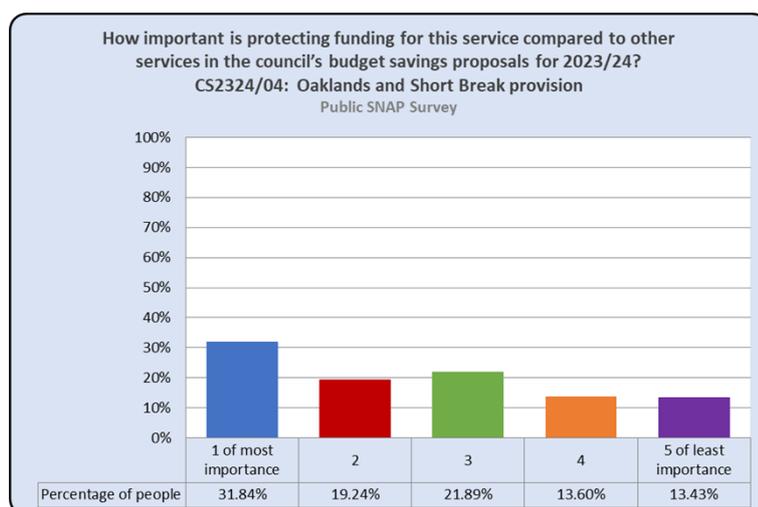
NB: There were 174 no responses.



Q3b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	192	31.84%
2	116	19.24%
3	132	21.89%
4	82	13.60%
5 of least importance	81	13.43%

NB: There were 188 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

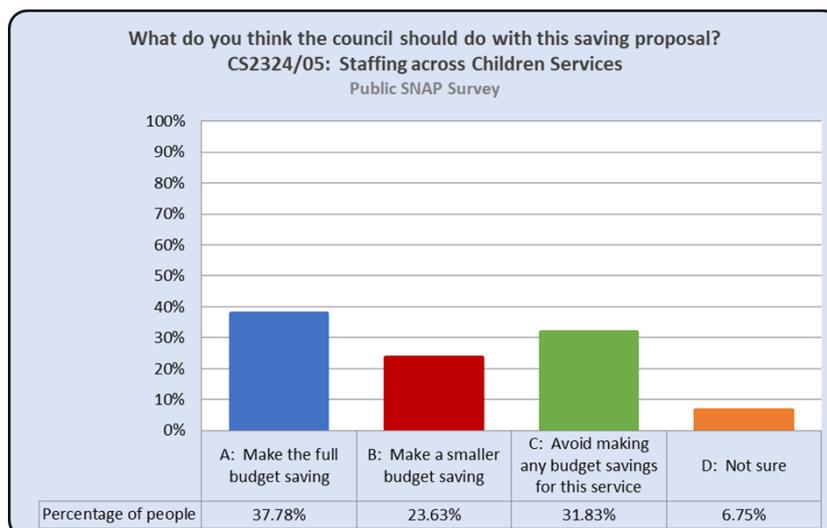
- This is vital and helps relieve some of the pressure of caring which is already a huge burden
- you would save here but then the real costs would be longer lasting – young people in care cost more overall than the essential respite care this provides. This would be a false economy saving.
- Take out some of the senior management layers and rent out some of the civic or move to somewhere cheaper and smaller.
- Any other area - the knock on costs of reducing this service will lead to greater mental health problems among carers, higher levels of marriage/ relationship breakdown, higher absenteeism from work by parents/ carers, all of which will put a huge burden on the Councils resources overall. Any savings made by closing Oaklands as proposed will be insignificant beside the wider costs.
- This service provides support to some of the most vulnerable families. If this service is reduced, family breakdowns will increase and there will likely be increased costs of children going into specialist care placements which would be much more expensive than the savings that you might make.
- Can income generation be considered? Could the local authority rent spare places to other local authorities or families who have purchasing powers as part of their funding.
- The service will still be available to provide relief for families so a reduction of days seems a fair compromise.

Staffing across Children Services

Q4a: What do you think the council should do with this saving proposal?

Staffing across Children Services	No. of people	% of people
A: Make the full budget saving	235	37.78%
B: Make a smaller budget saving	147	23.63%
C: Avoid making any budget savings for this service	198	31.83%
D: Not sure	42	6.75%

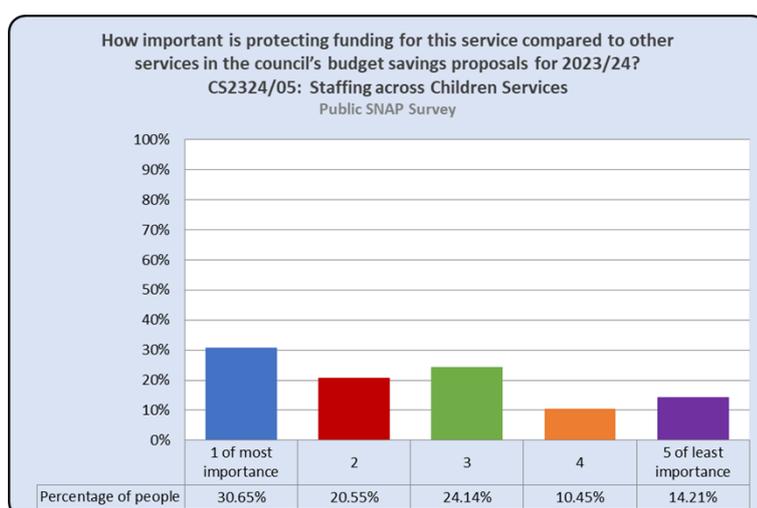
NB: There were 198 no responses.



Q4b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	179	30.65%
2	120	20.55%
3	141	24.14%
4	61	10.45%
5 of least importance	83	14.21%

NB: There were 236 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Runs the risk of increased workloads on existing staff, results in losing staff which are hard to find and train, plus risks long term sick on stress which is either covered by agency workers at high cost or absorbed by already stretched staff which again ends up with either sickness absence or leaving the workforce.
- I feel that the most investment should be in preventative services that will, in the long term, reduce the cost and impact of the service user and the community at large. Spending on reactive issues, and cutting those services just creates issues for the long term.
- There are likely to be vacancies due to the recruitment crisis across health and social care in Wales. It feels unfair to penalise an already stretched service due to vacancies showing. Are these posts filled via agency? Could a better recruitment campaign be devised? Cardiff and Vale councils have changed their recruitment approach, perhaps Newport needs to look at this?
- Concern would be the additional stress on remaining staff may lead to people leaving the profession.
- The posts are vacant, so this seems sensible – so long as harm can be mitigated.
- Most of the other proposals increase the workload of existing staff. Surely these posts are required to absorb the additional workload and maintain a safe system?

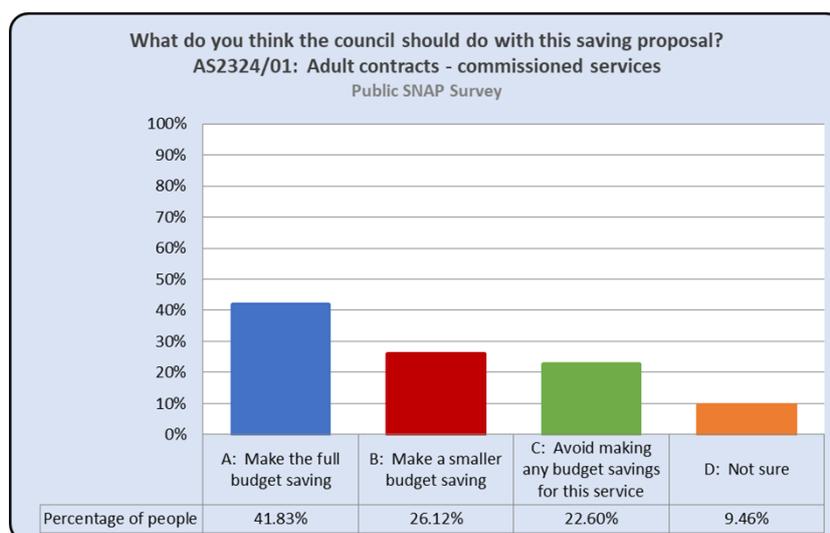
Adult Services

Adult contracts: commissioned services

Q5a: What do you think the council should do with this saving proposal?

Adult contracts: commissioned services	No. of people	% of people
A: Make the full budget saving	261	41.83%
B: Make a smaller budget saving	163	26.12%
C: Avoid making any budget savings for this service	141	22.60%
D: Not sure	59	9.46%

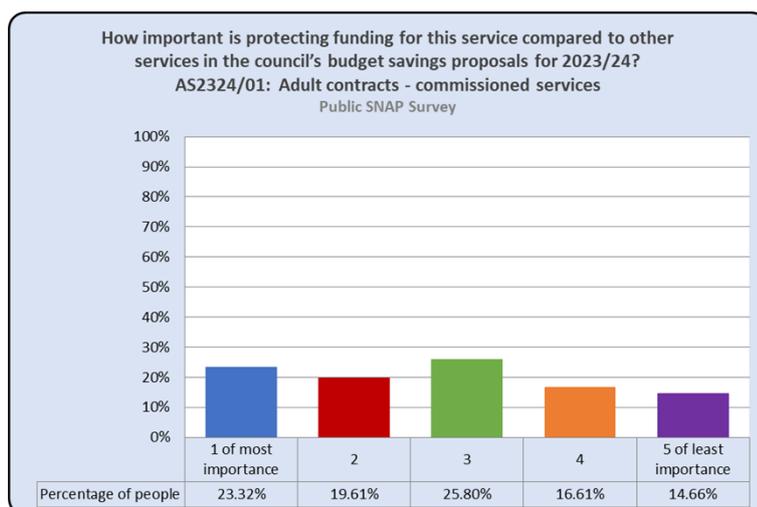
NB: There were 196 no responses.



Q5b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	132	23.32%
2	111	19.61%
3	146	25.80%
4	94	16.61%
5 of least importance	83	14.66%

NB: There were 254 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

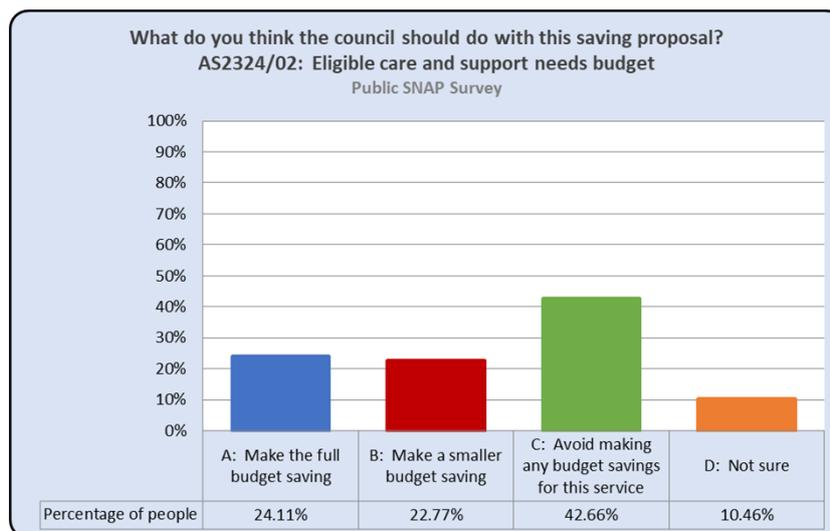
- Those service users will need to access support somewhere, pulling it just shifts the support to perhaps less suitable settings or pushes carers under. Opening the service to more fee paying users might help. A collaborative approach between service users and community members could be therapeutically beneficial.
- Mental health is such a current issue affecting people all over Wales – especially after the COVID pandemic. You should renegotiate with the Welsh Government on getting additional funds.
- Preventative services – you have to invest at the front end to prevent pressures being placed on services as a whole. It is also concerning for the general public when there are people with unmet health needs, particularly mental health, struggling in the community.
- Do not mess with mental health services at all they are needed more suicides are happening now than ever before due to the increases of living cost but no increase in wage.
- I suppose there are more people requiring this service than before Covid restrictions, however, is it up to the council to deliver this service?
- Hopefully Growing Space is now able to be or is an established not for profit / charity and can continue their good work or link to Newport Mind who seem to have some of the grant / contract funding from Newport City Council moving forward.

Eligible care and support needs budget

Q6a: What do you think the council should do with this saving proposal?

Eligible care and support needs budget	No. of people	% of people
A: Make the full budget saving	143	24.11%
B: Make a smaller budget saving	135	22.77%
C: Avoid making any budget savings for this service	253	42.66%
D: Not sure	62	10.46%

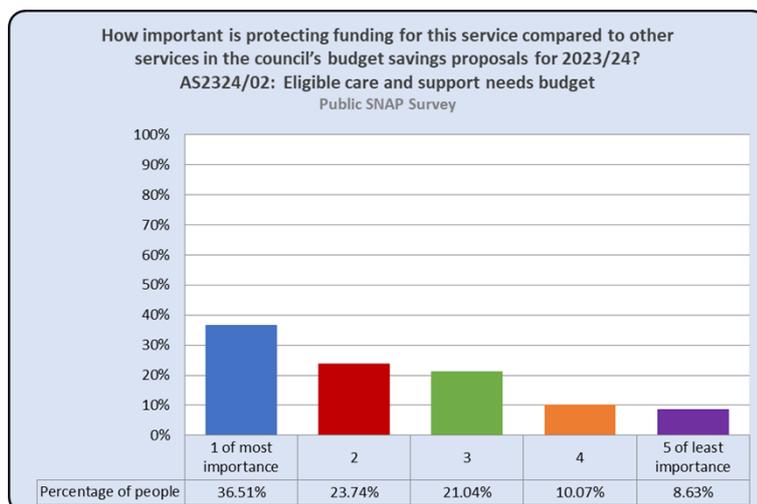
NB: There were 227 no responses.



Q6b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	203	36.51%
2	132	23.74%
3	117	21.04%
4	56	10.07%
5 of least importance	48	8.63%

NB: There were 264 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

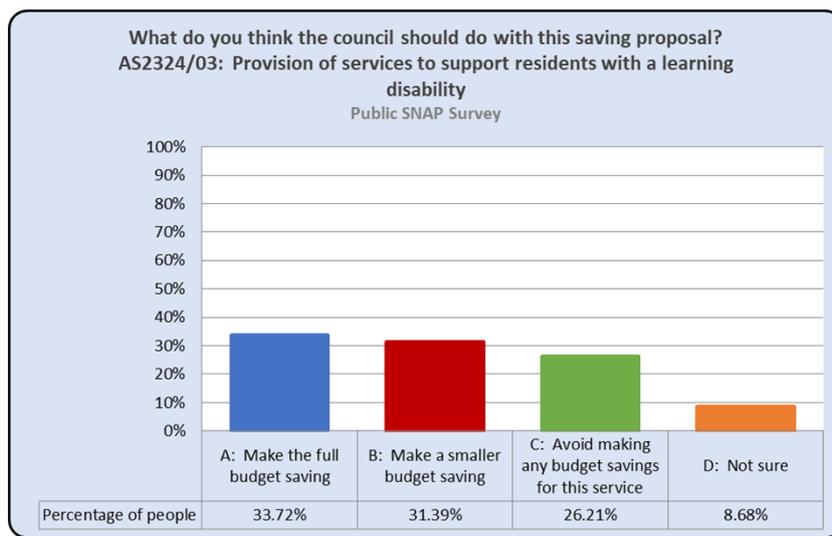
- This is the problem with the NHS currently. Implementing this proposal will bed block hospitals further. Just moves the problem to another part of the public sector.
- I am not able to support that. Care services are already strained, and the NHS is in crisis. Look at reserves or seek a more acceptable alternative.
- Older adults with appropriate means need to be directed to purchase their own care as much as possible.
- If the assessed needs will still be met, it is difficult to understand the basis for the current level of care packages in domiciliary care. Does this suggest, over 'prescription'?
- I don't see how this figure can be reduced as there is a growing need for care packages. My only suggestion would be for more of this to be taken on by the voluntary sector and e.g. Ffrind i mi / WRVS etc. and for specific needs to be very carefully looked at before allocating x number of home visits a day etc. This is clearly a UK – wide issue.

Provision of services to support residents with a learning disability

Q7a: What do you think the council should do with this saving proposal?

Support of residents with a learning disability	No. of people	% of people
A: Make the full budget saving	202	33.72%
B: Make a smaller budget saving	188	31.39%
C: Avoid making any budget savings for this service	157	26.21%
D: Not sure	52	8.68%

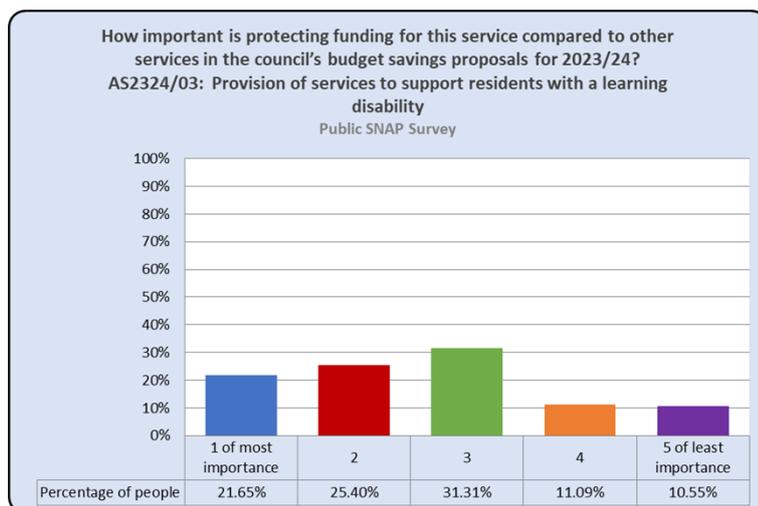
NB: There were 221 no responses.



Q7b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	121	21.65%
2	142	25.40%
3	175	31.31%
4	62	11.09%
5 of least importance	59	10.55%

NB: There were 261 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

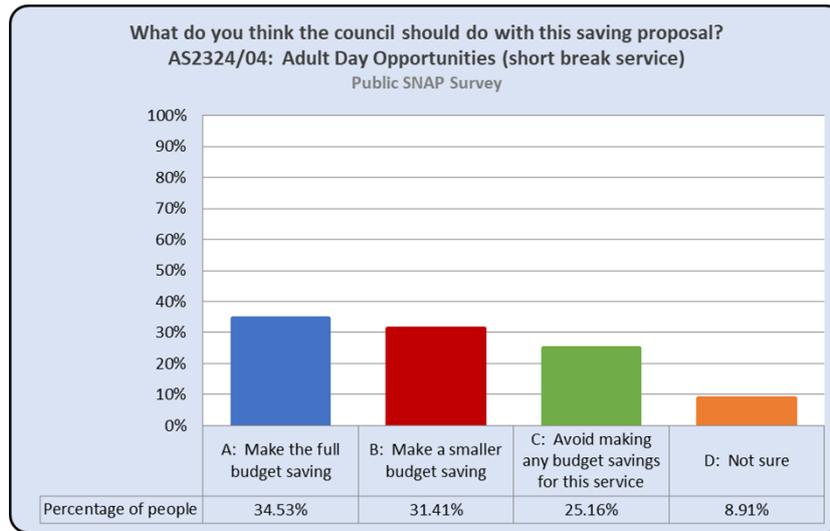
- Could you not offer more central support instead of offering many centres? This would stop hiring cost and the amount of staff that need to be spread out around Newport. Again, this is where the hubs could be utilised instead of just opening them for staff to work from.
- The people concerned have a right to live the best they can, families of course will be responsible for them, but they do need some help with the worst cases – I agree that the most vulnerable should still be given 100% support.
- Can income generation be considered, providing services for other local authorities?
- It would be nice to do this but funds are limited there are more urgent areas where the money could be spent.
- It's a lifeline for service users and their families! Carers of this cohort are aging themselves! And need the support!

Adult Day Opportunities (short break service)

Q8a: What do you think the council should do with this saving proposal?

Adult Day Opportunities (short break service)	No. of people	% of people
A: Make the full budget saving	221	34.53%
B: Make a smaller budget saving	201	31.41%
C: Avoid making any budget savings for this service	161	25.16%
D: Not sure	57	8.91%

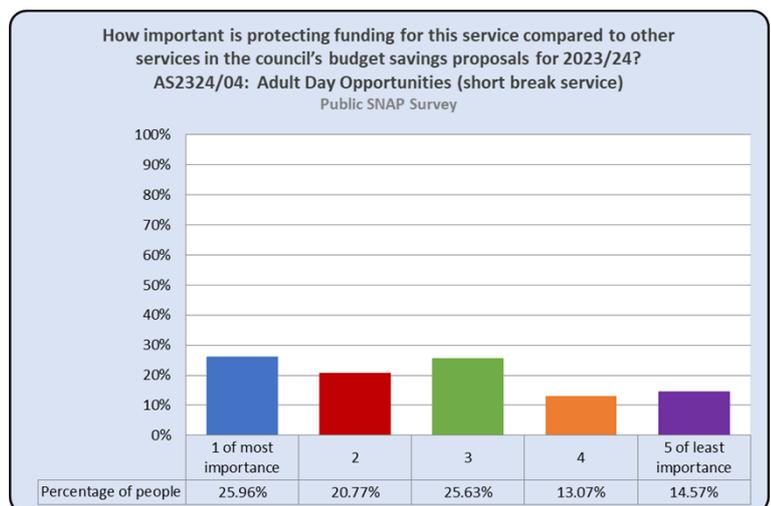
NB: There were 180 no responses.



Q8b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	155	25.96%
2	124	20.77%
3	153	25.63%
4	78	13.07%
5 of least importance	87	14.57%

NB: There were 223 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

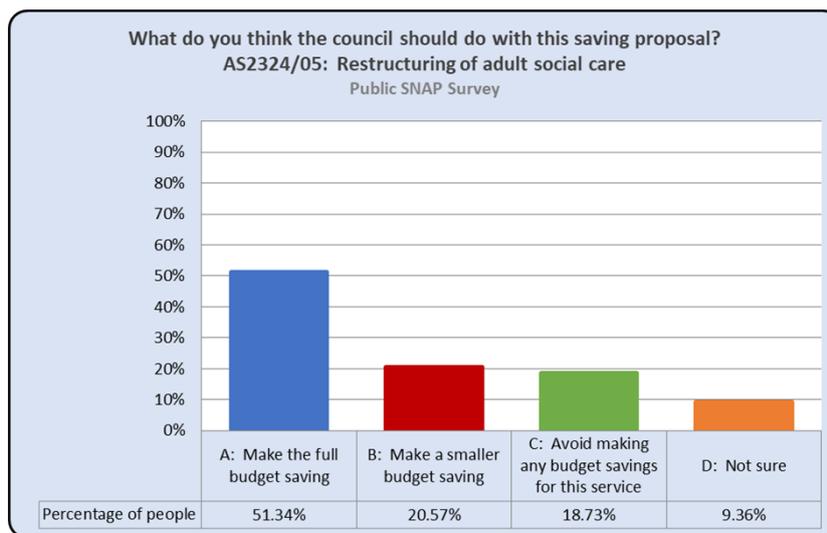
- These services are very important to people who need this support as it gets them out into the community and gives them a sense of purpose to their lives.
- A sensible and necessary cut during these difficult times.
- There is a big assumption 'other services' will pick up the slack but with ESF ending in March the voluntary sector is staring into a 'back-hole' of their funding ending. If this is not a statutory responsibility, then the cut is justified. If it is a statutory duty, then this service needs to be retained. Again – what about back-office? What about non-statutory services? What about leaner admin and management across the Council?
- Although day services are a lifeline for elderly people's families, to have that respite for a day or 2 a week, I believe EMI and children with additional needs services are more important and make a bigger difference to families.
- Respite services are so vital to those who need it. Without services like this, the cost will likely reappear in mental health services as the people who can no longer benefit from these services will be struggling mentally with a poorer quality of life.
- The carers employed by Newport Council have immense experience and are of immense value to the social care community that should not be lost. If this service is withdrawn it will put more pressure on the family carers and other services like the NHS and social care. I think it will result in more hospitalisations and have dire consequences for the health of family carers. The service offers a lifeline to those who use it.

Restructuring of adult social care

Q9a: What do you think the council should do with this saving proposal?

Restructuring of adult social care	No. of people	% of people
A: Make the full budget saving	307	51.34%
B: Make a smaller budget saving	123	20.57%
C: Avoid making any budget savings for this service	112	18.73%
D: Not sure	56	9.36%

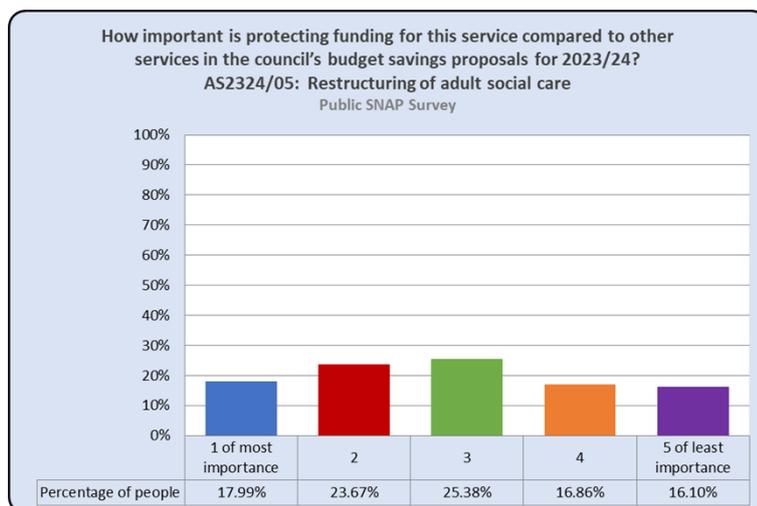
NB: There were 222 no responses.



Q9b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	95	17.99%
2	125	23.67%
3	134	25.38%
4	89	16.86%
5 of least importance	85	16.10%

NB: There were 292 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Putting too much of a workload on remaining staff you will start seeing them going on sick with stress costing more in the long run. They are already over worked.
- Not sure that removing staff numbers from social care at a time when any vacancies are probably filled by agency staff that cost more than salaried staff is a sustainable way forward.
- A reduction in staffing of 3% is sensible during these times.
- There are not enough social service staff at present. Cut management positions across the council to make a saving.
- Many of the other proposals rely on social care workers to pick up the workload. We actually need more of these workers than administrative council staff. You may want to outsource some of the council service management to private organisations with clear SLAs and success outcomes.
- If the reduction will still equal a satisfactory service, then it should be clear what to do.

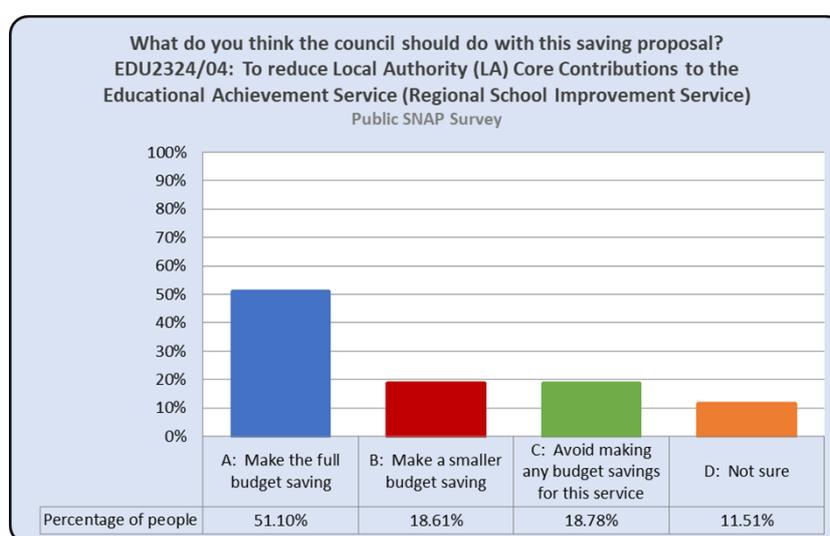
Education (non-schools)

To reduce Local Authority (LA) Core Contributions to the Educational Achievement Service (Regional School Improvement Service)

Q10a: What do you think the council should do with this saving proposal?

Reduce core contributions to the EAS	No. of people	% of people
A: Make the full budget saving	302	51.10%
B: Make a smaller budget saving	110	18.61%
C: Avoid making any budget savings for this service	111	18.78%
D: Not sure	68	11.51%

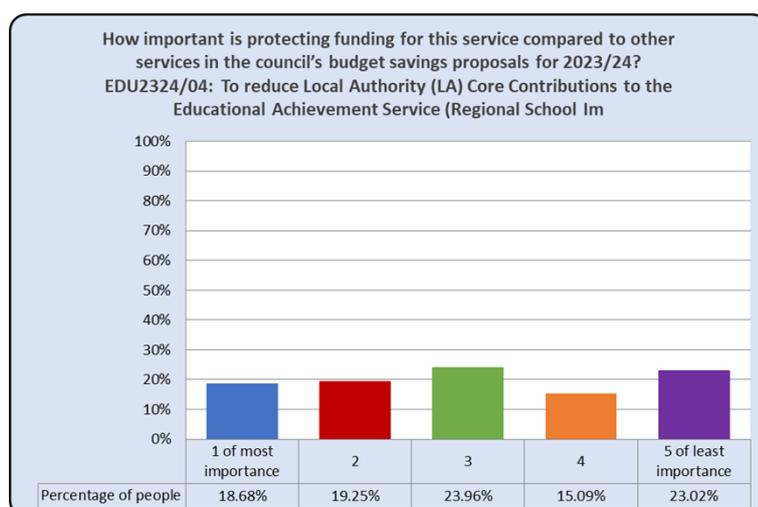
NB: There were 229 no responses.



Q10b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	99	18.68%
2	102	19.25%
3	127	23.96%
4	80	15.09%
5 of least importance	122	23.02%

NB: There were 290 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

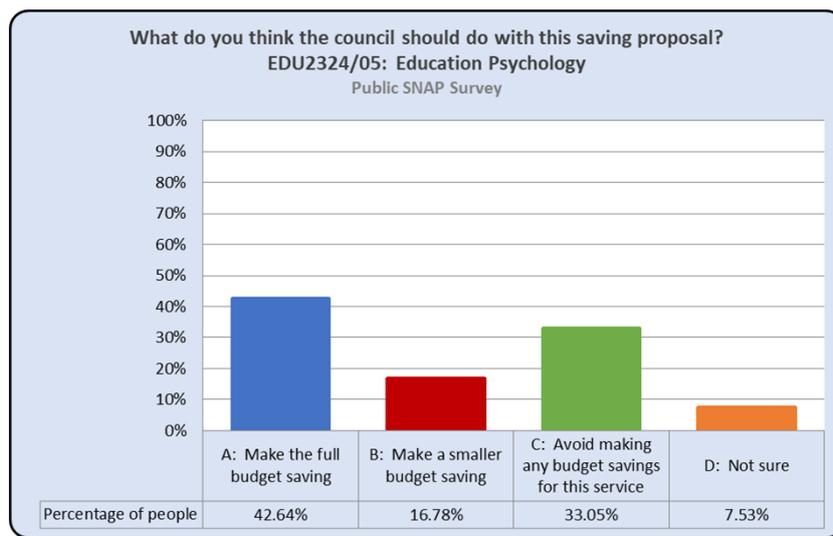
- All children should be able to access a good standard of education. Schools are already struggling with their budgets. We should be investing in the next generation as they are the future taxpayers if nothing else.
- Schools need help. Having worked in the system the EAS do the majority of the important school based work.
- The budget saving in this area could be more. Money needs to be allocated more directly to schools at the moment.
- Schools are run by highly paid professionals who should be able to manage using their own skills.
- The new curriculum in Wales allows schools to tailor their curriculum to the needs of the school. The school advisory system is not really needed for all schools.
- I think that a saving of £158k is too small compared to the £790k cost of this service and think there could be far greater savings made here.

Educational Psychology

Q11a: What do you think the council should do with this saving proposal?

Education Psychology	No. of people	% of people
A: Make the full budget saving	249	42.64%
B: Make a smaller budget saving	98	16.78%
C: Avoid making any budget savings for this service	193	33.05%
D: Not sure	44	7.53%

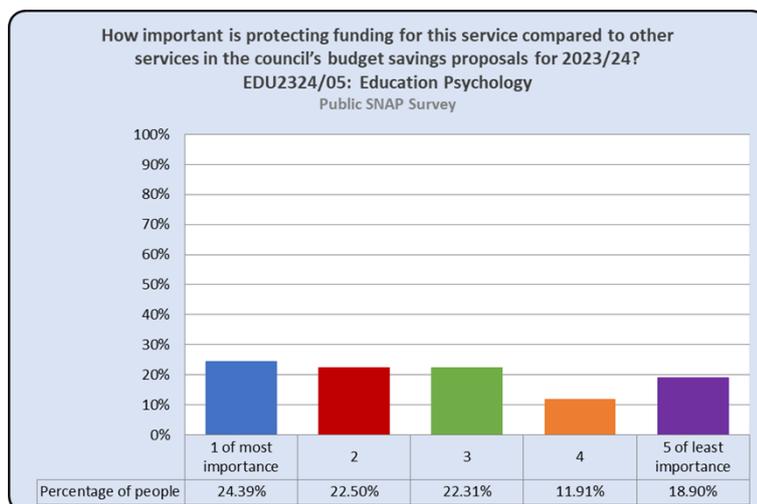
NB: There were 236 no responses.



Q11b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	129	24.39%
2	119	22.50%
3	118	22.31%
4	63	11.91%
5 of least importance	100	18.90%

NB: There were 291 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

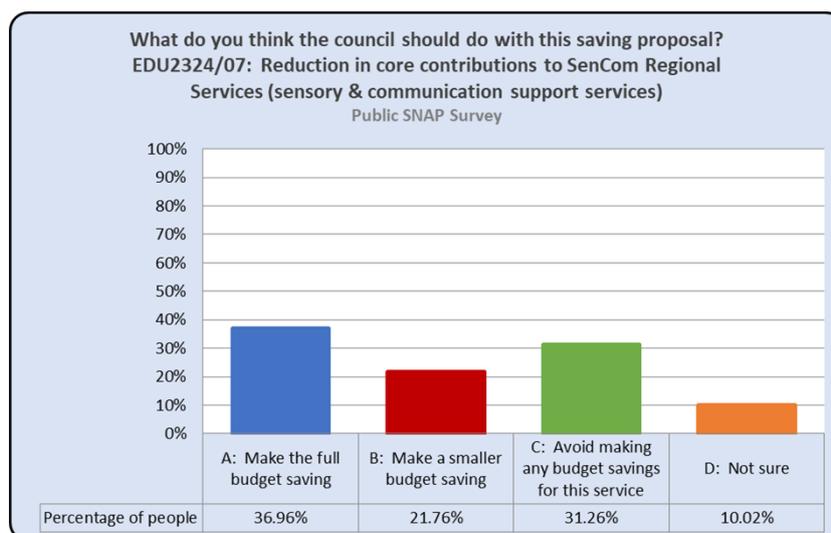
- This sounds like a short term gain, long term pain scenario. The overspill of work resulting from the deletion of this post will likely result in temporary resource being called in once the backlog gets too large.
- How can schools meet children's educational needs when there are waiting lists for their needs to be assessed? The pressure placed on schools due to this must be incredible when teachers are having to manage complex needs that often have not been assessed and the relevant support identified.
- As long as the council doesn't have to pay more for outside services going forward.
- Meeting pupil needs should be prioritised. Losing posts just puts pressure on already burdened existing staff.
- Schools will struggle to fully implement the new ALN processes with a further cut to EP services. Our most vulnerable children will not receive the support they require to meet the more complex needs young people are presenting with.
- If post is vacant already the effect will not be felt.

Reduction in core contributions to SenCom Regional Services (sensory & communication support services)

Q12a: What do you think the council should do with this saving proposal?

Reduction in core contributions to SenCom	No. of people	% of people
A: Make the full budget saving	214	36.96%
B: Make a smaller budget saving	126	21.76%
C: Avoid making any budget savings for this service	181	31.26%
D: Not sure	58	10.02%

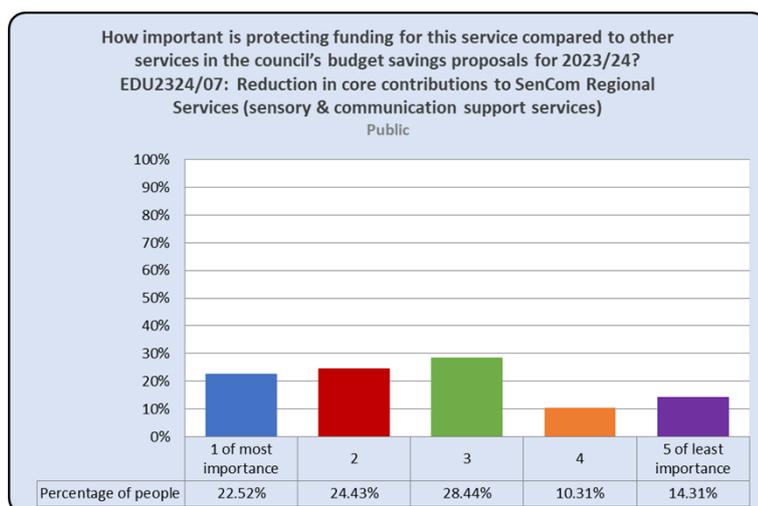
NB: There were 241 no responses.



Q12b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	118	22.52%
2	128	24.43%
3	149	28.44%
4	54	10.31%
5 of least importance	75	14.31%

NB: There were 296 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Sensory impairments are a serious issue, and the value of savings are not proportionate to the impact.
- If savings can be made without impacting on services such as using council accommodation that should be prioritised.
- The building is vital to the service. It not only houses staff, but equipment and vital support groups that provide mental health support. There doesn't exist other facilities in each local authority that could house the equipment needed as well as the resources and groups. Cost savings could be made by reducing visits and offering training instead thus reducing travel costs, producing and sending resources, providing training at the university creating an advisory service instead of providing education which staff could do from office / home.
- Try to encourage saving through the use of council owned assets.
- If it can be achieved through overhead reductions, then fine.
- This service is vital for people with sensory and communication difficulties. Helping children with visual impairment from a young age benefits them throughout their school life. Helping them to achieve the best education possible means they have better outcomes in life.

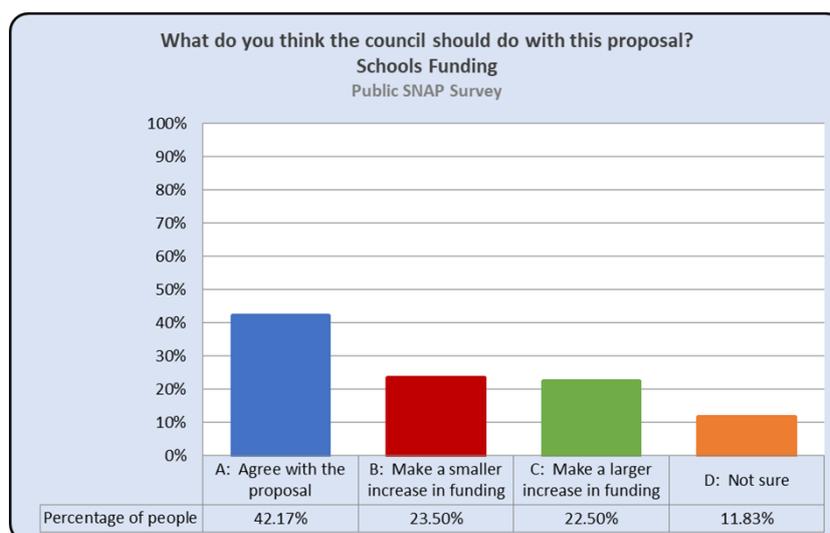
Schools

Schools Funding

Q13a: What do you think the council should do with this saving proposal?

Schools Funding	No. of people	% of people
A: Agree with the proposal	253	42.17%
B: Make a smaller increase in funding	141	23.50%
C: Make a larger increase in funding	135	22.50%
D: Not sure	71	11.83%

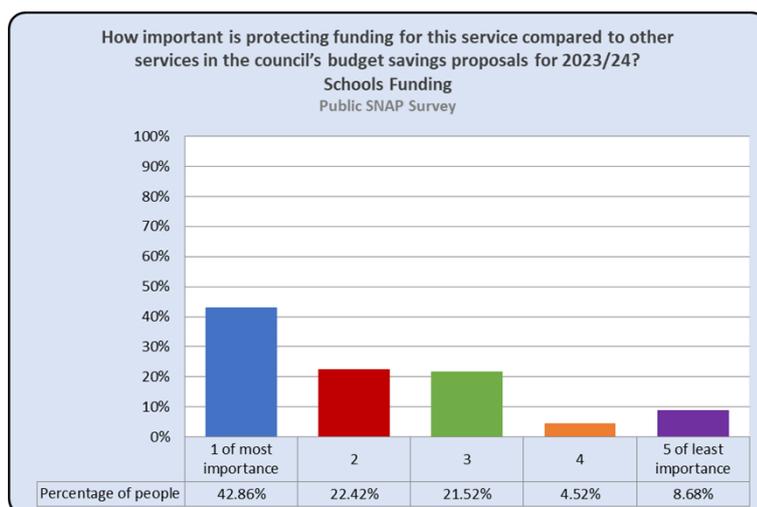
NB: There were 220 no responses.



Q13b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	237	42.86%
2	124	22.42%
3	119	21.52%
4	25	4.52%
5 of least importance	48	8.68%

NB: There were 267 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Schools are underfunded and this directly impacts upon the wellbeing, health and safety and achievement of both staff and pupils.
- Education is the key to our future success, so I would suggest schools, Teachers' pay increases etc. are fully funded as needed.
- You MUST fully fund any pay increase awarded to teaching staff. It is totally unfair to expect schools to absorb this cost – It will take money away from children, put many schools into a deficit and completely negate your commitment to education.
- Schools have been protected from austerity for far too long and need to stop being kept in a protective bubble where they spend like it is going out of fashion.
- Schools need to be more responsible for the budget, not be subsidised by the LA. They need to make more effort to manage the school budget appropriately.
- School have been hit by pay increases, gas, electricity costs, basic essential cost rises such as paper costs. They will struggle to absorb the costs further without further support or reduction in what can be offered to students in terms of basic education.

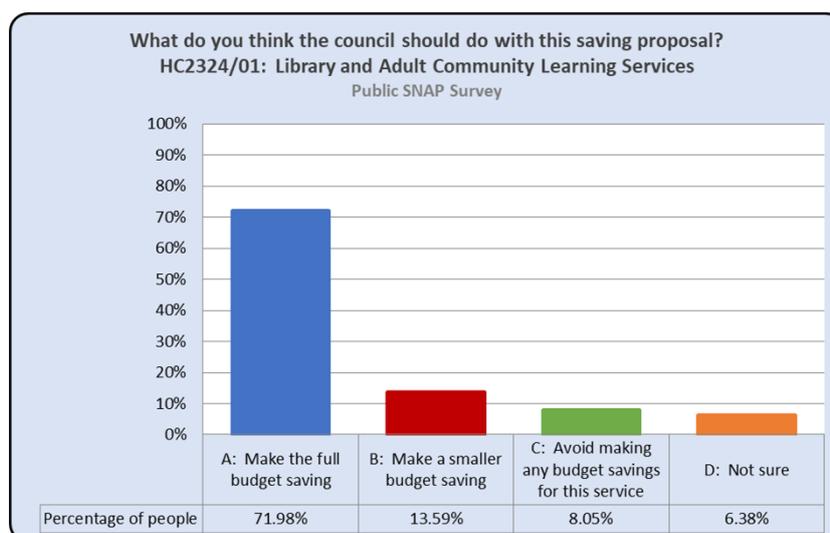
Housing & Communities

Library and Adult Community Learning Services

Q14a: What do you think the council should do with this saving proposal?

Library & Adult Community Learning Services	No. of people	% of people
A: Make the full budget saving	429	71.98%
B: Make a smaller budget saving	81	13.59%
C: Avoid making any budget savings for this service	48	8.05%
D: Not sure	38	6.38%

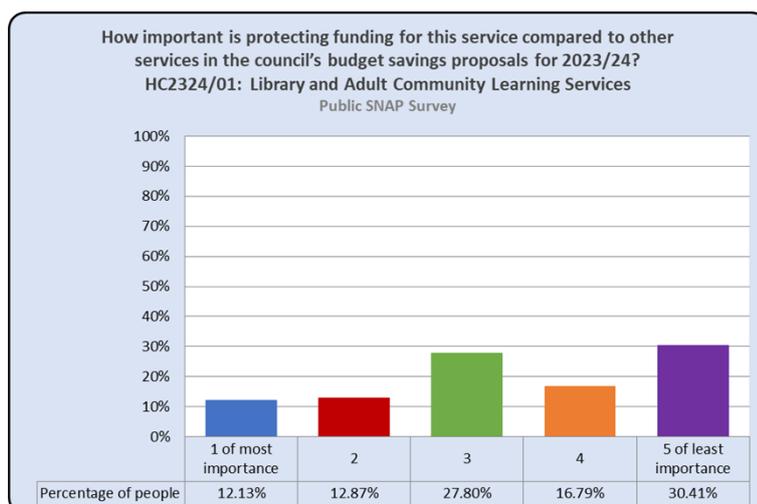
NB: There were 224 no responses.



Q14b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	65	12.13%
2	69	12.87%
3	149	27.80%
4	90	16.79%
5 of least importance	163	30.41%

NB: There were 284 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

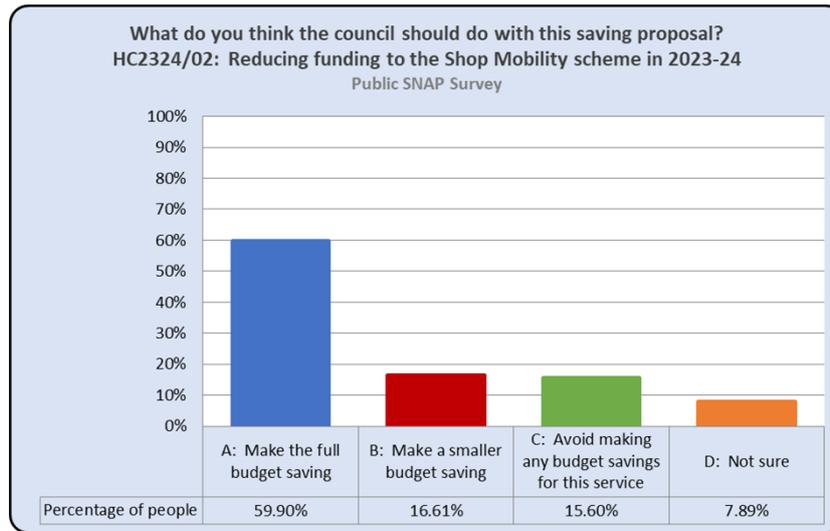
- Perhaps fewer facilities with better opening hours would be a better solution? With a mobile library bus filling the gaps if really needed.
- Libraries are so important in the community and yes online services are more popular but there is also a section of the public that wish to access books and other services for many reasons. There are very few libraries left in Newport and they should be maintained and open as frequently as possible or otherwise I fear that they will close and there will be no library provision for future generations.
- Show an understanding that some people are using libraries to keep warm.
- Not everyone has access to computers and, not all people can afford to buy books to read.
- As the world becomes more digital, this is realistic. However, promoting education and a safe space in the more poverty stricken areas remains essential.
- Terrible, as I think Libraries should be there for all – but something has to give, and should we pay for services with ever decreasing customers?

Reducing funding to the Shop Mobility scheme in 2023-24

Q15a: What do you think the council should do with this saving proposal?

Reducing funding to Shop Mobility	No. of people	% of people
A: Make the full budget saving	357	59.90%
B: Make a smaller budget saving	99	16.61%
C: Avoid making any budget savings for this service	93	15.60%
D: Not sure	47	7.89%

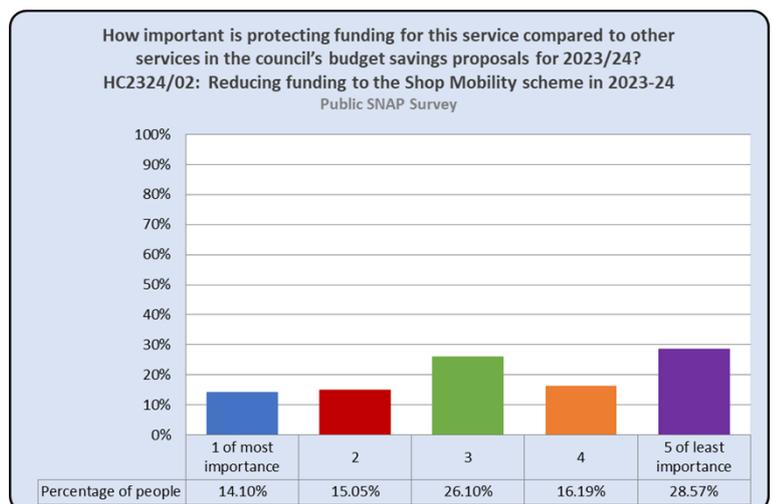
NB: There were 224 no responses.



Q15b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	74	14.10%
2	79	15.05%
3	137	26.10%
4	85	16.19%
5 of least importance	150	28.57%

NB: There were 295 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Cost reduction compared to the benefit of the service, compared to other high ticket items does not justify reducing the budget.
- It's £7k...increase the council tax by half a penny across the board and you'll fund it many times over. Removal of the service is more costly in the long run, as it prevents the elderly/disabled being able to go out shopping (thus putting money into the economy) and increasing pressure on elderly care etc.
- People with disabilities should be able to access shops etc the same as those who are fully mobile.
- This is such a small sum that makes a huge difference to the public who need them.
- I think local businesses should take the responsibility for ensuring access mobility under the equality act. I also believe that a private hire mobility service whereby those needing to use scooters are able to pay as you go. Similar to other national road scooter hire services
- People can pay for their own. I don't think this is a necessity.

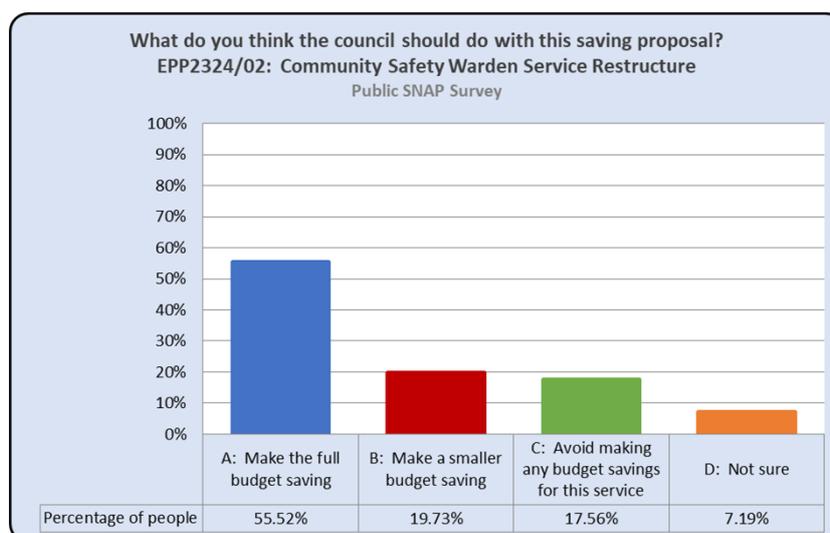
Environment & Public Protection

Community Safety Warden Service Restructure

Q16a: What do you think the council should do with this saving proposal?

Community Safety Warden Service Restructure	No. of people	% of people
A: Make the full budget saving	332	55.52%
B: Make a smaller budget saving	118	19.73%
C: Avoid making any budget savings for this service	105	17.56%
D: Not sure	43	7.19%

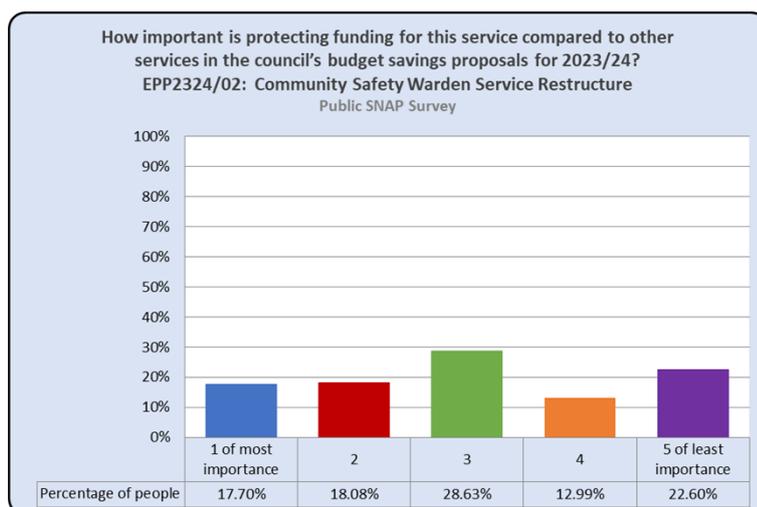
NB: There were 222 no responses.



Q16b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	94	17.70%
2	96	18.08%
3	152	28.63%
4	69	12.99%
5 of least importance	120	22.60%

NB: There were 289 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

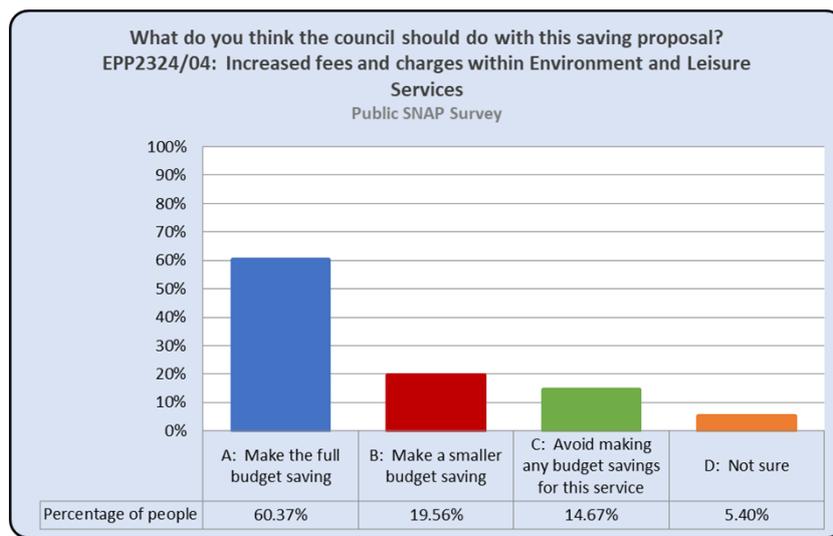
- I think a focus on this key issue of anti-social behaviour is essential.
- There's enough anti-social behaviour going on now and how are you as a council going to ensure there will be a major focus still on anti-social behaviour.
- As long as you are looking at the most serious needs, working in partnership with local police and crime commissioner(s) and police staff, this seems like a good option to review needs.
- Not an appropriate use of public funds in the current economic crisis. An easy saving to make.
- Can't more of these duties be passed to PCSO, not police. This service will not be used by the majority and PCSO roles need to offer more to the community.

Increased fees and charges within Environment and Leisure Services

Q17a: What do you think the council should do with this saving proposal?

Increased fees & charges	No. of people	% of people
A: Make the full budget saving	358	60.37%
B: Make a smaller budget saving	116	19.56%
C: Avoid making any budget savings for this service	87	14.67%
D: Not sure	32	5.40%

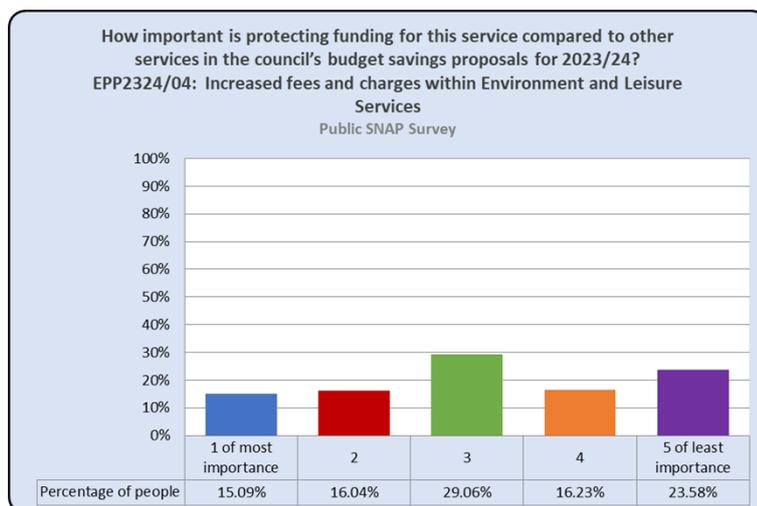
NB: There were 227 no responses.



Q17b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	80	15.09%
2	85	16.04%
3	154	29.06%
4	86	16.23%
5 of least importance	125	23.58%

NB: There were 290 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

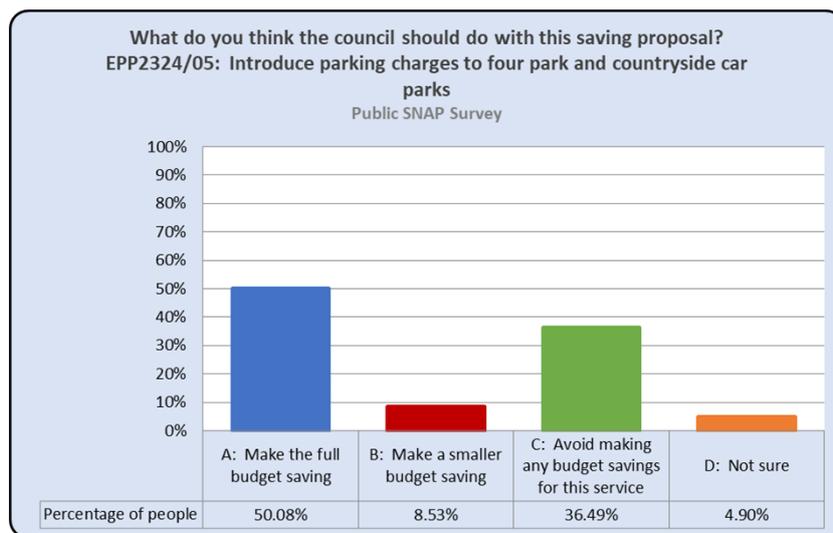
- 10%-20% is too high and adds even more costs on already heavily burdened residents due to cost of living crisis and energy price explosion. Suggest 6% only.
- Keep allotments the same cost, as many people benefit from them physically and mentally, having to pay more could result in them being reluctantly given up as the tenant might not have enough funds to cover it.
- Charging more for services to people at times of grief or that support their emotional and physical wellbeing is a bad idea. I would distinguish between proposed cuts such as these which affect vulnerable groups and looking again at the non-essential services that the Council provides that could be cut or put on hold until the current pressures concerning cost of living / inflation / energy crisis etc. have passed.
- Agree with cuts but can't understand why allotments are being prioritised over burials when they are a luxury rather than a necessity.
- With the current financial crisis and the effect on morale after COVID, I do not believe that now is the time to be making these cuts.
- All of the above should be operating at full cost recovery at the very least – the council tax payer should not be subsidising these services.

Introduce parking charges to park and countryside car parks

Q18a: What do you think the council should do with this saving proposal?

Introduce parking charges	No. of people	% of people
A: Make the full budget saving	317	50.08%
B: Make a smaller budget saving	54	8.53%
C: Avoid making any budget savings for this service	231	36.49%
D: Not sure	31	4.90%

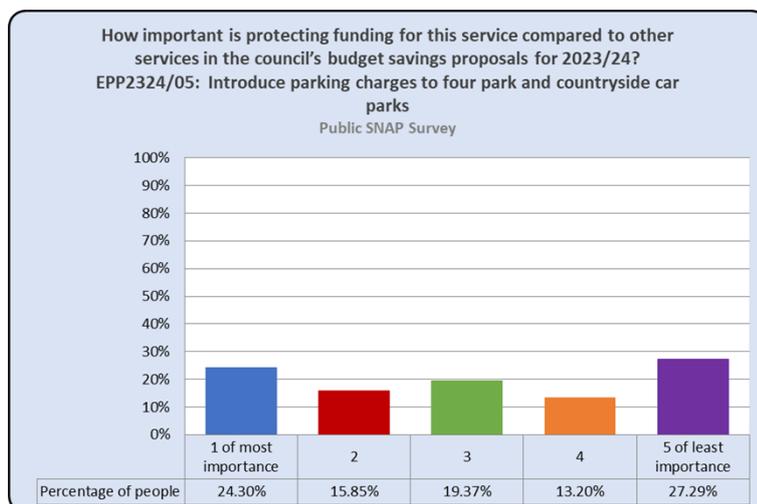
NB: There were 187 no responses.



Q18b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	138	24.30%
2	90	15.85%
3	110	19.37%
4	75	13.20%
5 of least importance	155	27.29%

NB: There were 252 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

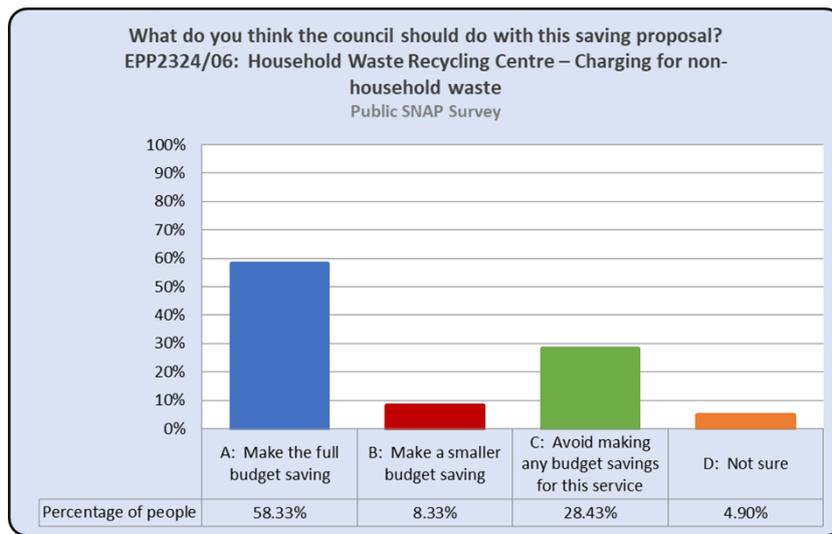
- Anything more than a minimal charge e.g. £1 for 3 hours will mean people park on street nearby and you don't make the extra income. I have never paid to park in 14 locks as I now park on the estate opposite.
- I think minimum charges for certain places are acceptable. I'm happy to pay for Belle Vue Park for what I get in return, but I don't go to 14 locks as often and if I pay for parking, I don't spend as much in the cafe. As soon as people have to pay parking they tend to stop going or go less.
- The people of Newport own these PUBLIC areas and, should NOT have to pay to visit them. It will also mean children are Not taken to visit these sites to participate in health sports. You should not be penalising people who want to be healthy.
- Free exercise is vital in today's challenging times. essentially charging for access to this should be avoided and in real terms will have little impact on budgets or increased revenues for the council.
- Savings will be made by not implementing this proposal. The cost of installation of meters and creating marked spaces and signs etc. will pay and display be by only card or if cash will this mean machines will need to be emptied daily which could possibly increase the councils cost of employing someone to undertake this task. What will be the initial outlay compared to the proposed savings?
- These areas will stop being used, they are literally dog walking and children's play areas, families are struggling as it is, a lot of families are only able to take their children to parks these days because cinemas and restaurants are so expensive, keep the parks free.

Household Waste Recycling Centre – Charging for non-household waste

Q19a: What do you think the council should do with this saving proposal?

HWRC – Charging for non-household waste	No. of people	% of people
A: Make the full budget saving	357	58.33%
B: Make a smaller budget saving	51	8.33%
C: Avoid making any budget savings for this service	174	28.43%
D: Not sure	30	4.90%

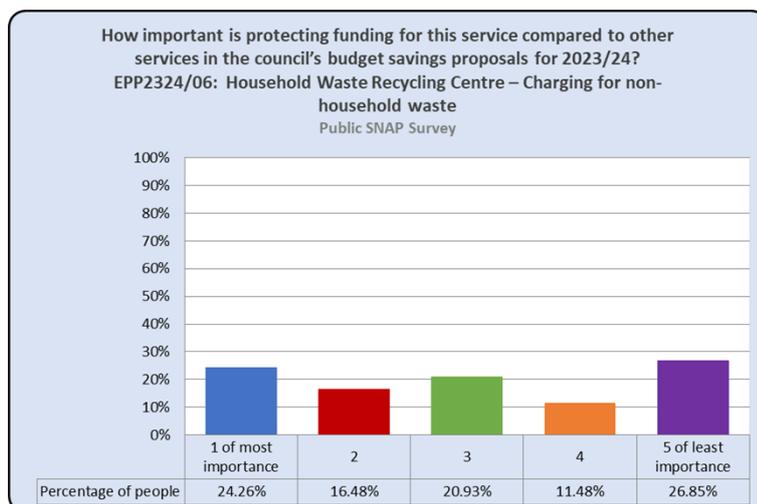
NB: There were 208 no responses.



Q19b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	131	24.26%
2	89	16.48%
3	113	20.93%
4	62	11.48%
5 of least importance	145	26.85%

NB: There were 280 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

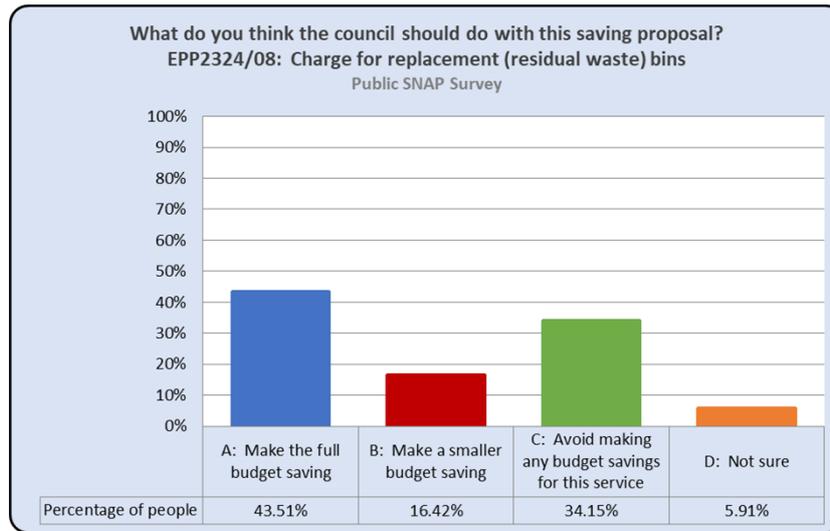
- This would lead to more fly tipping and probably have a net increased cost to the Council.
- Introducing charges will invoke people to make alternative arrangements, such as fly tipping, burning domestic waste in their gardens and other forms of dumping. For example, during Covid lockdown when the town dump was closed, I observed local roads I often use were suddenly littered with dumped domestic rubbish and furniture as a result of this lack of provision.
- Cost of employing somebody to measure and charge would possibly outweigh savings.
- Support this as long as fines and patrols for fly tipping are increased.
- Hopefully it will make people consider what is waste and what can be re-used and recycled.

Charge for replacement (residual waste) bins

Q20a: What do you think the council should do with this saving proposal?

Charge for replacement (residual waste) bins	No. of people	% of people
A: Make the full budget saving	265	43.51%
B: Make a smaller budget saving	100	16.42%
C: Avoid making any budget savings for this service	208	34.15%
D: Not sure	36	5.91%

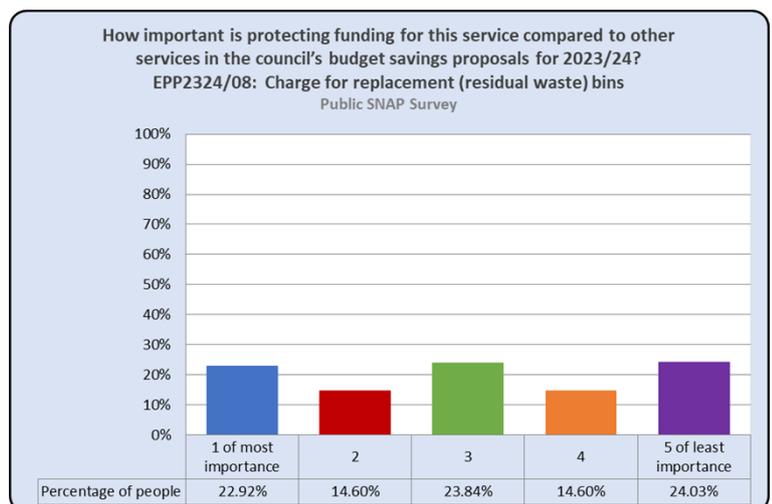
NB: There were 211 no responses.



Q20b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	124	22.92%
2	79	14.60%
3	129	23.84%
4	79	14.60%
5 of least importance	130	24.03%

NB: There were 279 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

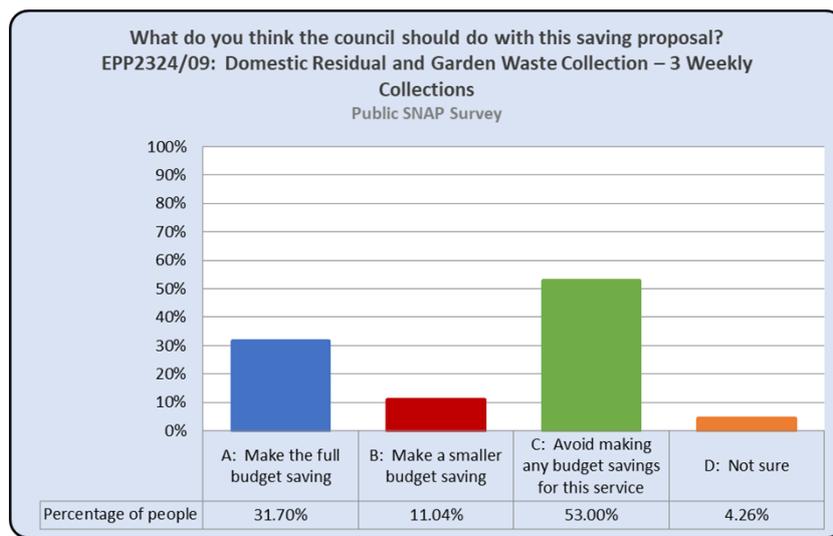
- Most bins need replacing due to the bin men throwing them around and damaging them. We should not be charged for their carelessness.
- Instruct waste collection staff to take more care of the bins. They cause most of the damage to bins.
- Bins get stolen – It's not fair to pass this charge onto the resident. If you want to increase CCTV to find the culprit then great.
- People will just dump rubbish which will cost far more to clean up.

Domestic Residual and Garden Waste Collection – 3 Weekly Collections

Q21a: What do you think the council should do with this saving proposal?

3 Weekly Collections	No. of people	% of people
A: Make the full budget saving	201	31.70%
B: Make a smaller budget saving	70	11.04%
C: Avoid making any budget savings for this service	336	53.00%
D: Not sure	27	4.26%

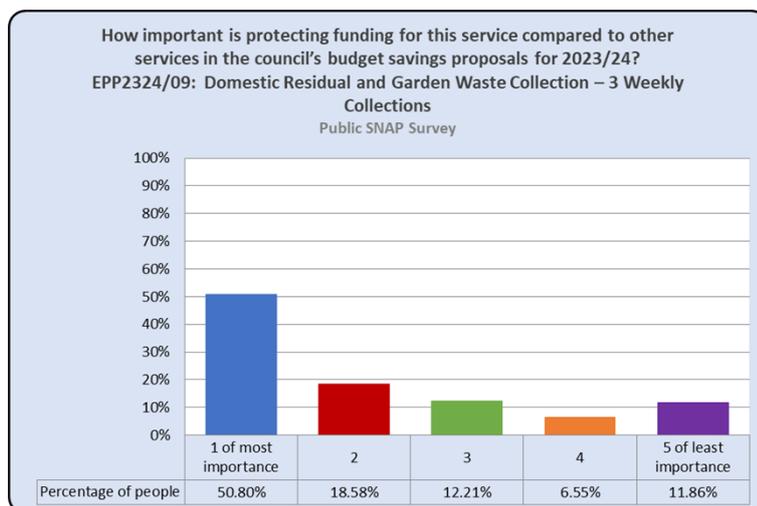
NB: There were 186 no responses.



Q21b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	287	50.80%
2	105	18.58%
3	69	12.21%
4	37	6.55%
5 of least importance	67	11.86%

NB: There were 255 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- I support these proposals, providing that recycling is expanded to include further items that are not currently accepted. For example, food wrappers and foil covered crisp packets which can currently be recycled elsewhere. I appreciate there will be a cost to develop this service.
- I already struggle to get rid of the dog waste in the tiny dustbins you provide. If you're moving to 3 week collections, you first need to increase bin sizes. Again, it's a false saving, as you're avoiding adding fly tipping into your equations.
- I recycle everything and still struggle with too much rubbish. This is a fundamental of council activity. Do not go to 3 week bin collections.
- This idea assumes everyone has the same level of waste, i.e. a single person or a family of 4 - this idea is flawed and means you are penalising those who have more waste due to larger families.
- Three weekly is fine for me, but just don't have charges for the tip.

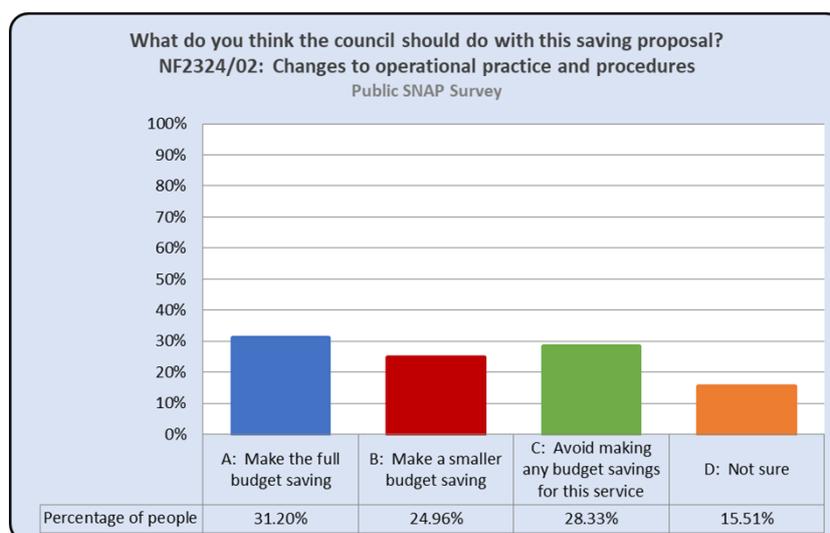
Infrastructure

Changes to operational practice and procedures

Q22a: What do you think the council should do with this saving proposal?

Changes to operational practice and procedures	No. of people	% of people
A: Make the full budget saving	185	31.20%
B: Make a smaller budget saving	148	24.96%
C: Avoid making any budget savings for this service	168	28.33%
D: Not sure	92	15.51%

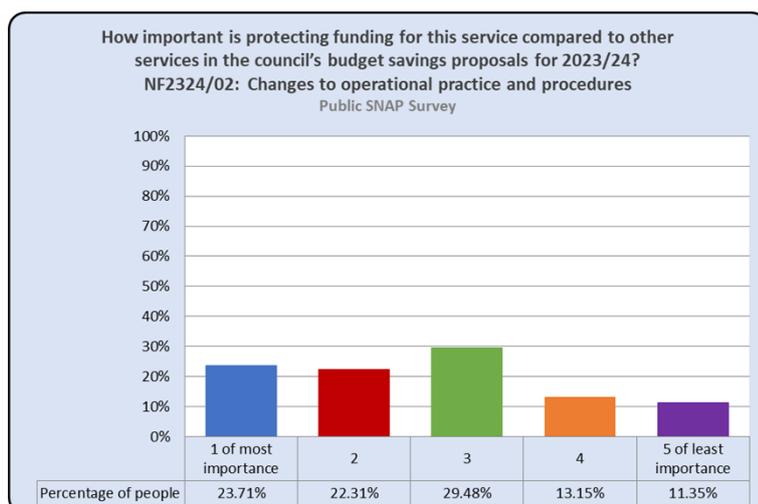
NB: There were 227 no responses.



Q22b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	119	23.71%
2	112	22.31%
3	148	29.48%
4	66	13.15%
5 of least importance	57	11.35%

NB: There were 318 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

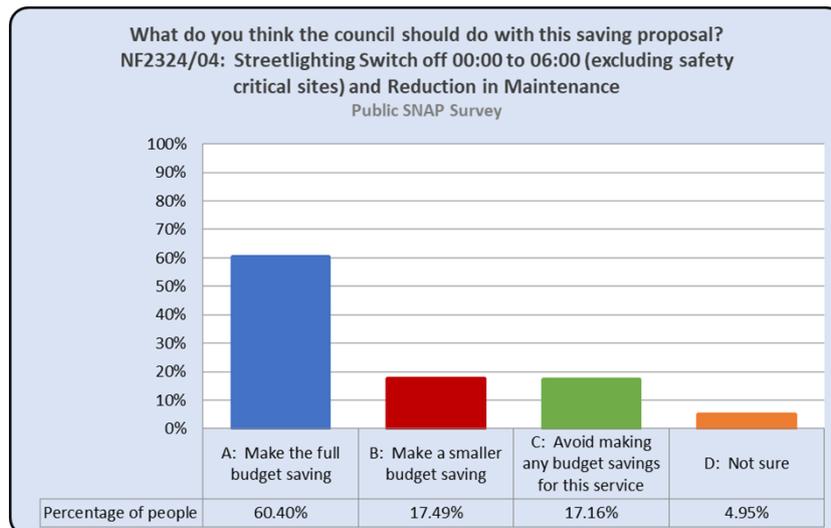
- Do not compromise potential flood prevention measures.
- Drainage helps roads which flood, roads which flood mean people can't easily travel and work. This is already a challenging area – whilst I agree with the need to review the service, can more be done with local communities to look at this need? Have you done an impact assessment on the likely issues on travel, flooding of homes, fields, etc?
- We are moving into times where we are seeing flooding on a more frequent basis, it would be criminal to reduce services that help eliminate and alleviate flooding! Proactive is always better than reactive!!!
- Given rising frequency of issues and that 1:100 year events (and the 1:25, 1:10 etc) are happening at frequency that original design and engineering did not anticipate, this could be a false economy.

Streetlighting Switch off 00:00 to 06:00 (excluding safety critical sites) and Reduction in Maintenance

Q23a: What do you think the council should do with this saving proposal?

Streetlighting Switch off	No. of people	% of people
A: Make the full budget saving	366	60.40%
B: Make a smaller budget saving	106	17.49%
C: Avoid making any budget savings for this service	104	17.16%
D: Not sure	30	4.95%

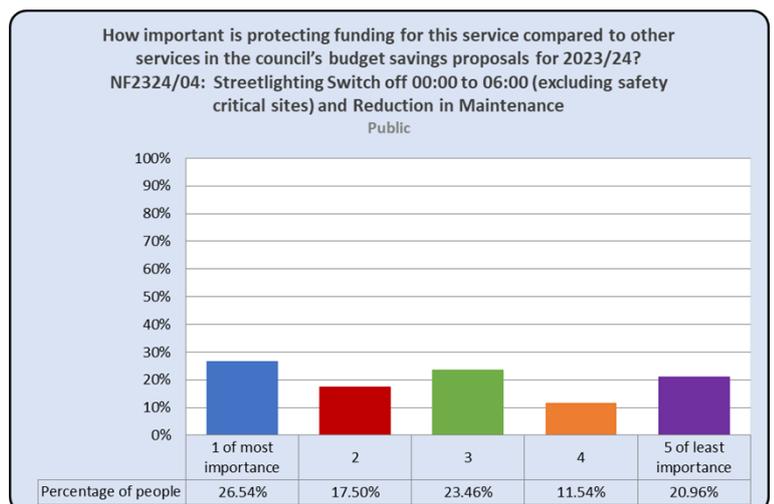
NB: There were 214 no responses.



Q23b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	138	26.54%
2	91	17.50%
3	122	23.46%
4	60	11.54%
5 of least importance	109	20.96%

NB: There were 300 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

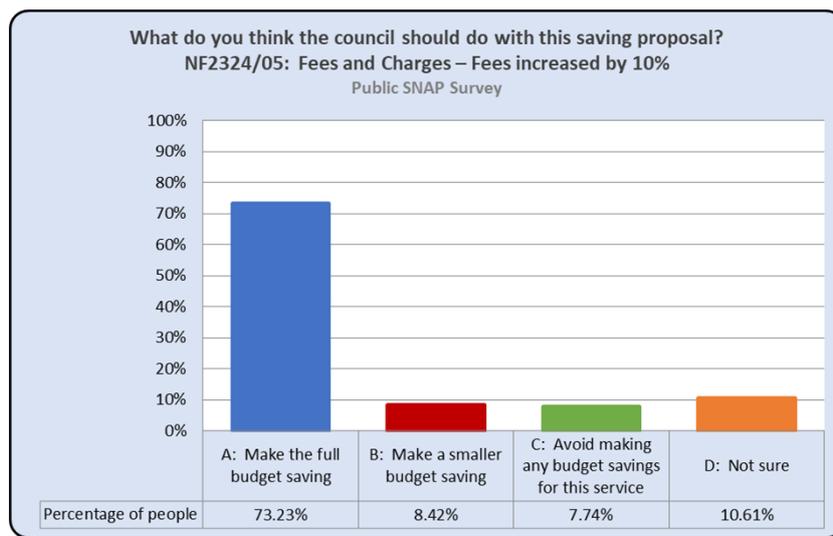
- This will make it unsafe for lone people to walk the streets and lead to an increase in crime.
- Consider later hours than those proposed. People are still walking around especially on weekends after midnight. This is a matter of public safety.
- Keep main road lighting as it is, but smaller streets and cul de sacs could be switched off.
- As long as reviews are undertaken on public safety and in consultation with police and community safety partnerships?
- They do this in other European countries, and it's been successful from what I can tell. Further research is needed.
- Need to ensure those undertaking the audits visit the areas at night to ensure the correct decisions are made and not second guessed from an office.

Fees and Charges – Fees increased by 10%

Q24a: What do you think the council should do with this saving proposal?

Fees increased by 10%	No. of people	% of people
A: Make the full budget saving	435	73.23%
B: Make a smaller budget saving	50	8.42%
C: Avoid making any budget savings for this service	46	7.74%
D: Not sure	63	10.61%

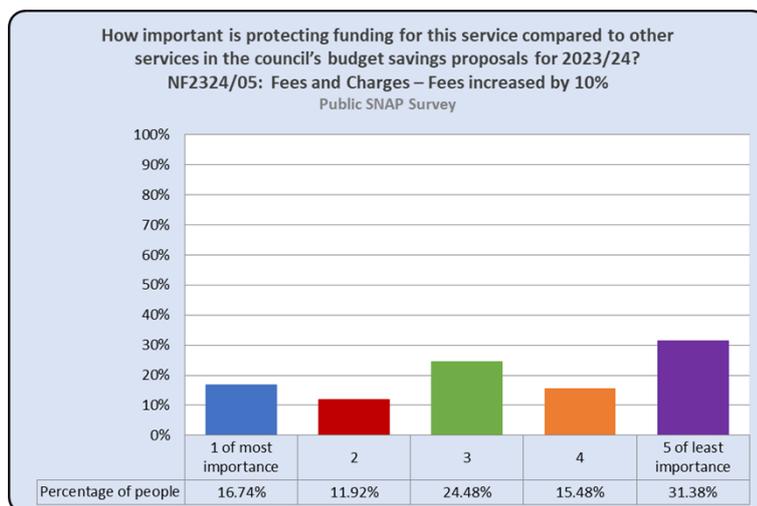
NB: There were 226 no responses.



Q24b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	80	16.74%
2	57	11.92%
3	117	24.48%
4	74	15.48%
5 of least importance	150	31.38%

NB: There were 342 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- I would suggest a higher than inflation increase – utility companies make massive profits and can easily afford this.
- Any savings will be passed on by utility companies to their customers in extra charges.
- The utility companies can pass this cost on in minute amounts to their customers.

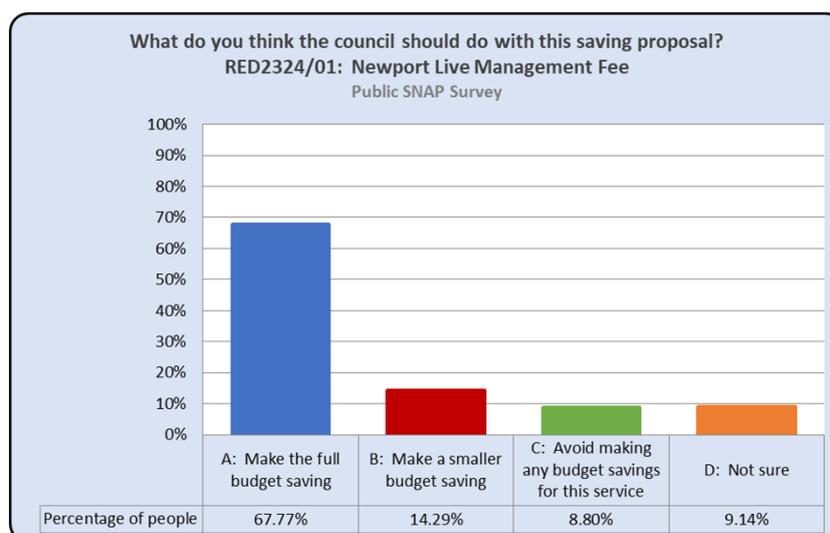
Regeneration & Economic Development

Newport Live Management Fee

Q25a: What do you think the council should do with this saving proposal?

Newport Live Management Fee	No. of people	% of people
A: Make the full budget saving	408	67.77%
B: Make a smaller budget saving	86	14.29%
C: Avoid making any budget savings for this service	53	8.80%
D: Not sure	55	9.14%

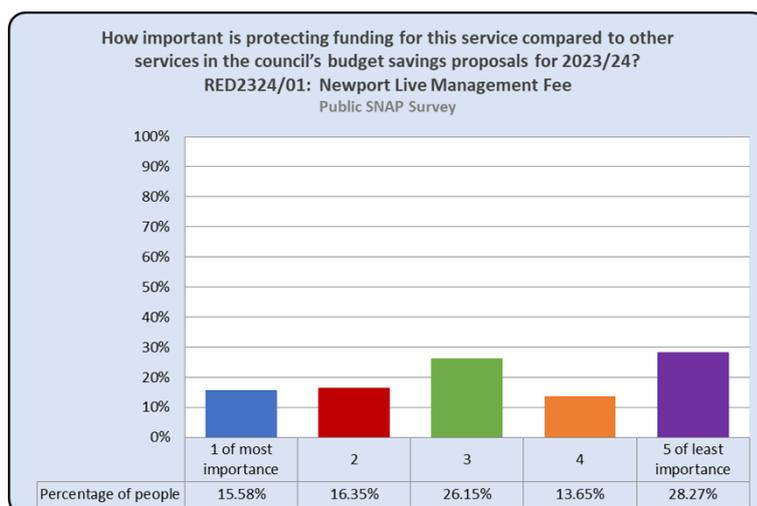
NB: There were 218 no responses.



Q25b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	81	15.58%
2	85	16.35%
3	136	26.15%
4	71	13.65%
5 of least importance	147	28.27%

NB: There were 300 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Leisure is vital but I understand cuts need to be made. Cutting the proposed saving by 10%.
- The community need leisure facilities and they will not be competitive with private industry.
- It should be able to function on its income.
- We need to maintain a vibrant leisure and arts scene in Newport. If the budget is cut it will likely lead to a reduced offering at the Riverfront and this is a vital cultural hub and driver of footfall to the city centre.
- Ensure profits are reinvested to offer broad range of activities, keep prices as low as possible for users, especially children and young adults. Hopefully create a generation of healthier people.
- The council should keep making exercise as accessible as possible otherwise this will turn into a greater pressure on health services in the future.

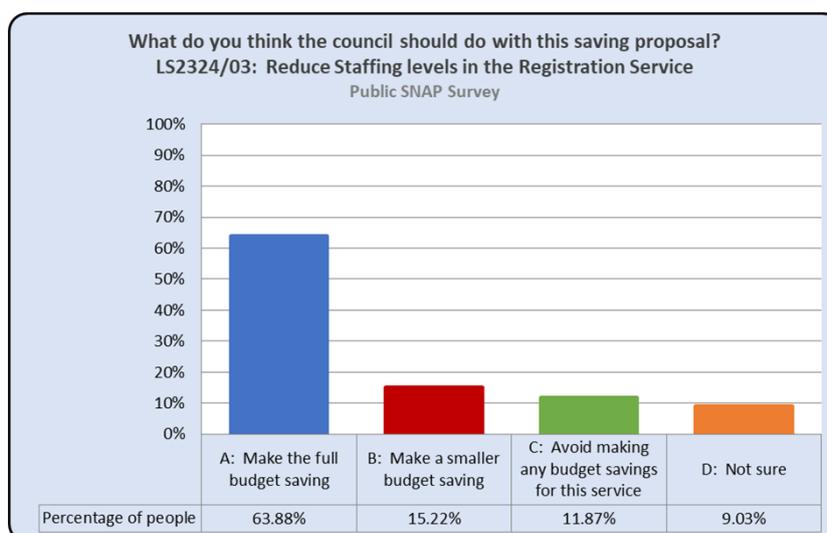
Law & Standards

Reduce Staffing levels in the Registration Service

Q26a: What do you think the council should do with this saving proposal?

Reduce Staffing levels in the Registration Service	No. of people	% of people
A: Make the full budget saving	382	63.88%
B: Make a smaller budget saving	91	15.22%
C: Avoid making any budget savings for this service	71	11.87%
D: Not sure	54	9.03%

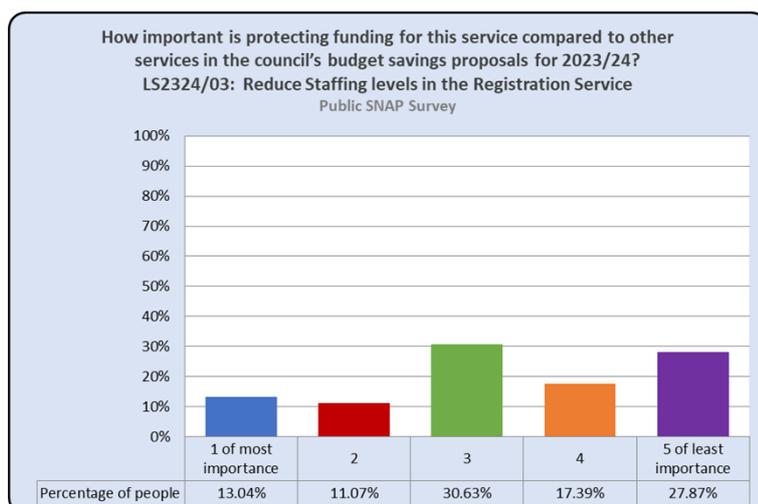
NB: There were 222 no responses.



Q26b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	66	13.04%
2	56	11.07%
3	155	30.63%
4	88	17.39%
5 of least importance	141	27.87%

NB: There were 314 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Unfortunately, or fortunately, this saving will have less of a human impact than many of the others so hopefully the IT services in place will support staff in their roles.
- Prioritise service ease of use for anyone who has suffered a bereavement as additional stress, waiting times etc. where documentation is needed seems unethical.
- These cuts can be managed, whereas cutting costs in areas like Oakland Respite Service is detrimental to the most vulnerable people in society.
- Vital service, reduce hours, if you have to, not entire posts!
- As long as the statutory requirement is met, I would agree with this.

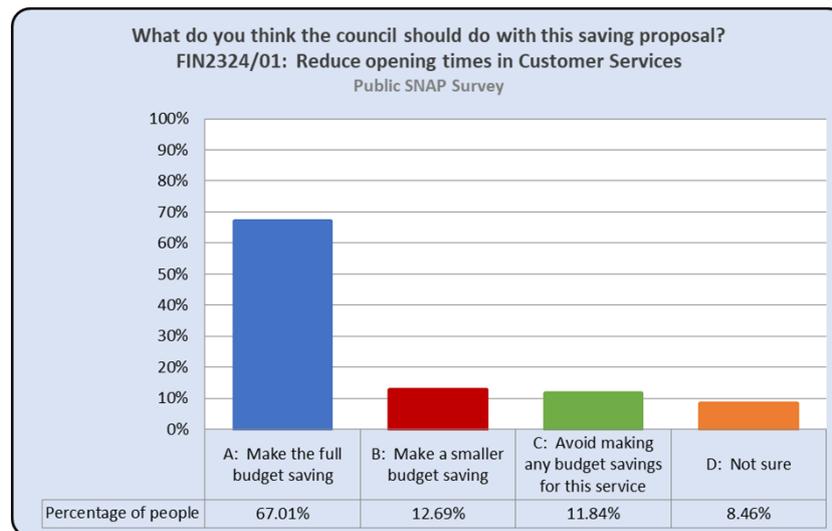
Finance

Reduce opening times in Customer Services

Q27a: What do you think the council should do with this saving proposal?

Reduce opening times in Customer Services	No. of people	% of people
A: Make the full budget saving	396	67.01%
B: Make a smaller budget saving	75	12.69%
C: Avoid making any budget savings for this service	70	11.84%
D: Not sure	50	8.46%

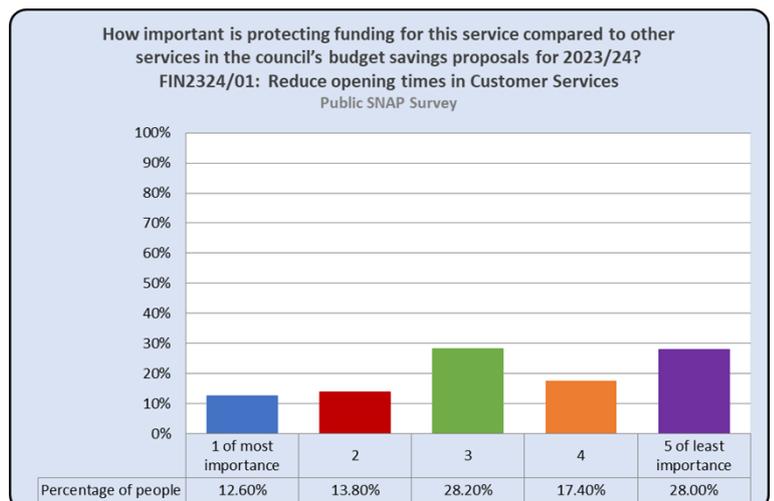
NB: There were 229 no responses.



Q27b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	63	12.60%
2	69	13.80%
3	141	28.20%
4	87	17.40%
5 of least importance	140	28.00%

NB: There were 320 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

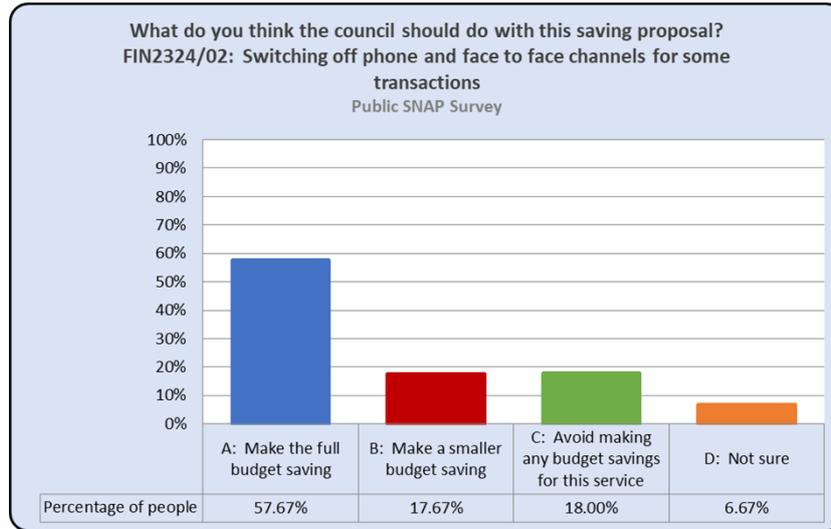
- Civic Centre closure times make sense. Limiting F2F services to this extent will have an impact on many service areas including Housing.
- It's difficult enough as it is to contact ANYONE at NCC and NOT everyone is IT literate or can even afford a computer!
- Cannot support this. Face to face contact is so important for many people whom I come across. The current provision is already under strain.
- Go further. Why in this day and age are you even offering this sort of service?
- Please make sure everyone is capable of using self-service as you are proposing library reductions as well and people such as elderly and the homeless may struggle.

Switching off phone and face to face channels for some transactions

Q28a: What do you think the council should do with this saving proposal?

Switching off some transactional requests	No. of people	% of people
A: Make the full budget saving	346	57.67%
B: Make a smaller budget saving	106	17.67%
C: Avoid making any budget savings for this service	108	18.00%
D: Not sure	40	6.67%

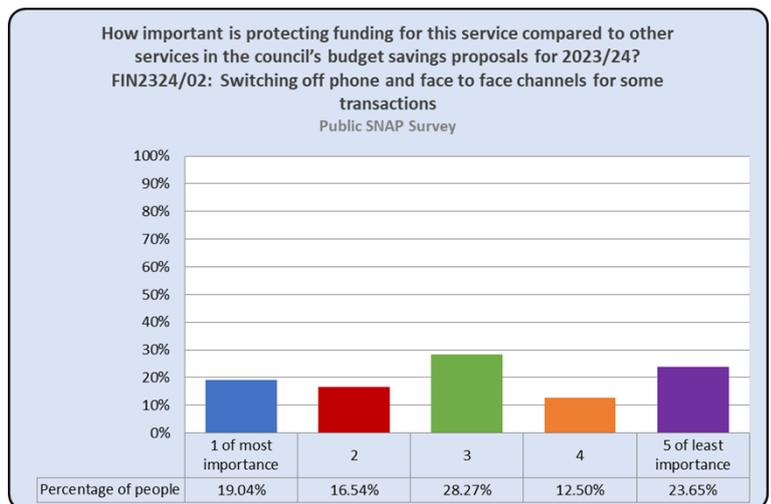
NB: There were 220 no responses.



Q28b: How important is protecting funding for this service compared to other services in the council's budget savings proposals for 2023/24?

	No. of people	% of people
1 of most importance	99	19.04%
2	86	16.54%
3	147	28.27%
4	65	12.50%
5 of least importance	123	23.65%

NB: There were 300 no responses.



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- Some members of the community may not be able to use online platforms, please keep the phone lines open for this.
- This is a possible saving but not everyone can communicate via the internet. Also face to face enquiries are far more effective and outcomes are more positive.
- Sometimes you need to talk or email someone, if your online request is not acted upon.
- Agree with this proposal, however there does need to be an improvement in how online requests are handled. Some of mine have been ignored and as there's no function to chase the request, I end up having to create a duplicate of the request. An online system will only be a success if it's efficient, easy to use and has direct accountability.

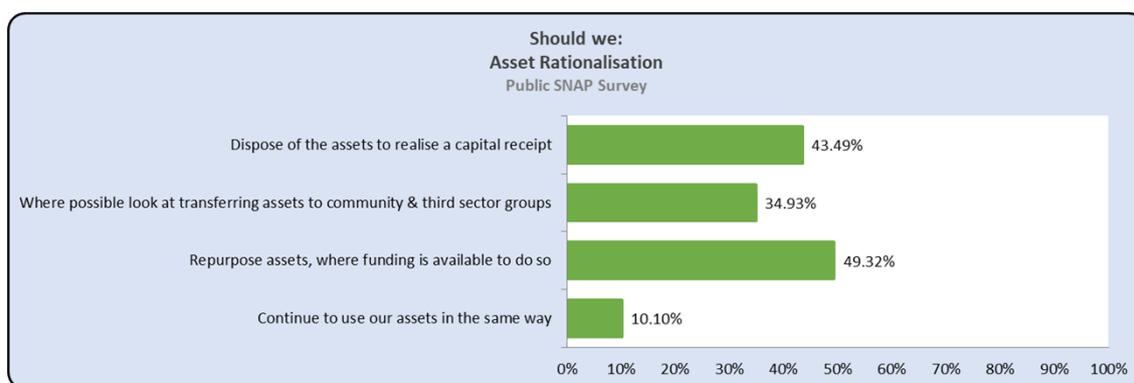
People, Policy & Transformation

Asset Rationalisation

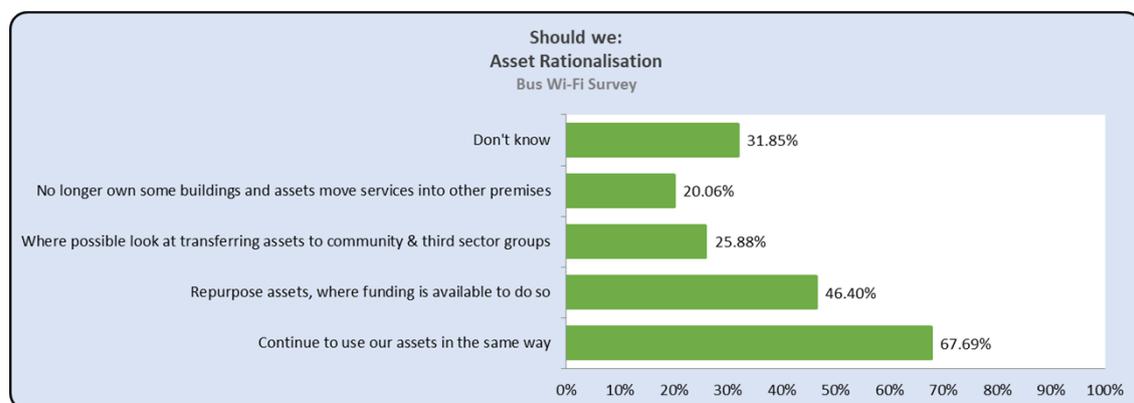
Q29a: Should we:

Public SNAP Survey		
	No. of people	% of people
Continue to use our assets in the same way	59	10.10%
Repurpose assets, where funding is available to do so	288	49.32%
Where possible look at transferring assets to community & third sector groups	204	34.93%
Dispose of the assets to realise a capital receipt	254	43.49%

NB: There were 236 no responses.



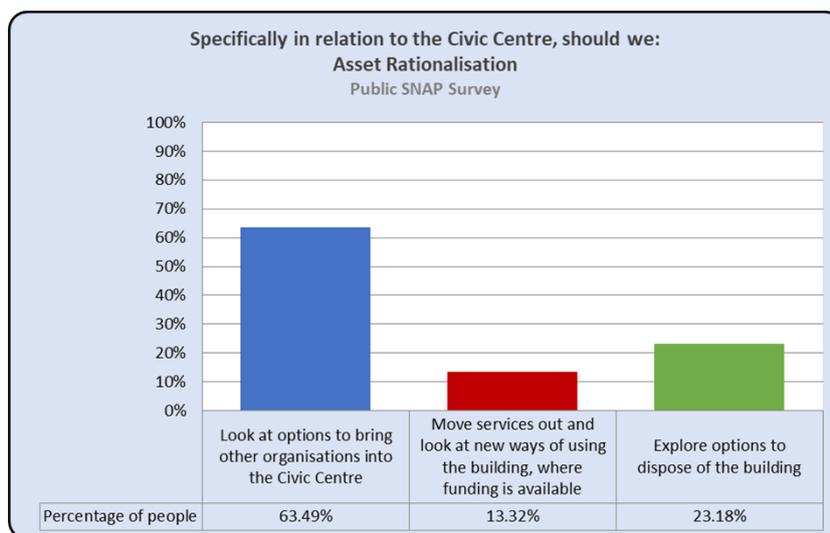
Bus Wi-Fi Survey		
	No. of people	% of people
Continue to use our assets in the same way	442	67.69%
Repurpose assets, where funding is available to do so	303	46.40%
Where possible look at transferring assets to community & third sector groups	169	25.88%
No longer own some buildings and assets move services into other premises	131	20.06%
Don't know	208	31.85%



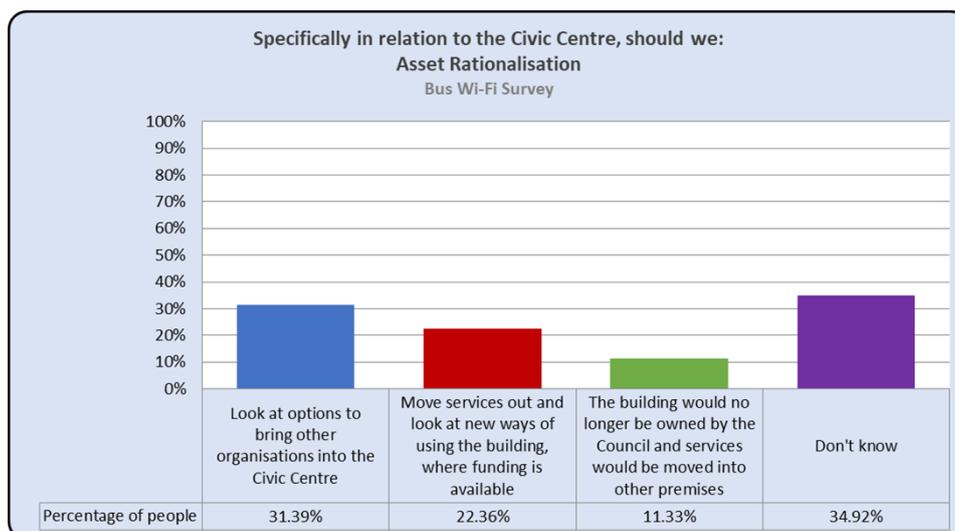
Q29b: Specifically in relation to the Civic Centre, should we:

Public SNAP Survey		
	No. of people	% of people
Look at options to bring other organisations into the Civic Centre	367	63.49%
Move services out and look at new ways of using the building, where funding is available	77	13.32%
Explore options to dispose of the building	134	23.18%

NB: There were 242 no responses.



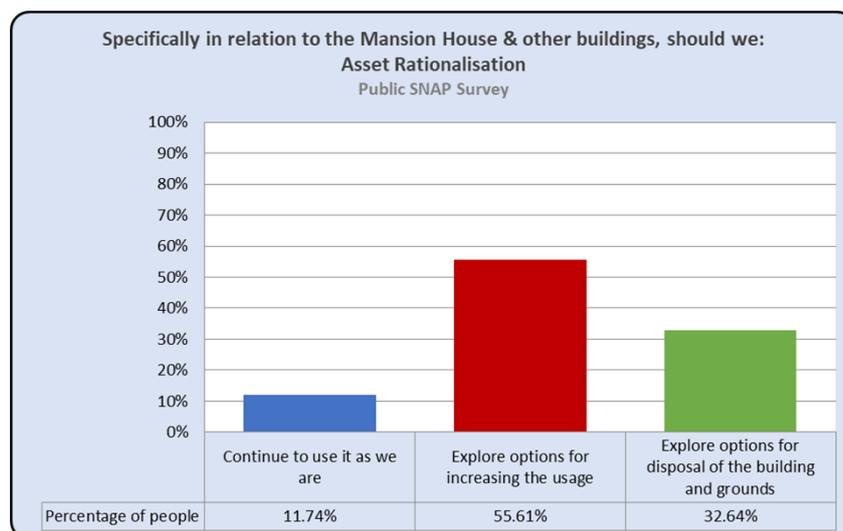
Bus Wi-Fi Survey		
	No. of people	% of people
Look at options to bring other organisations into the Civic Centre	205	31.39%
Move services out and look at new ways of using the building, where funding is available	146	22.36%
The building would no longer be owned by the Council and services would be moved into other premises	74	11.33%
Don't know	228	34.92%



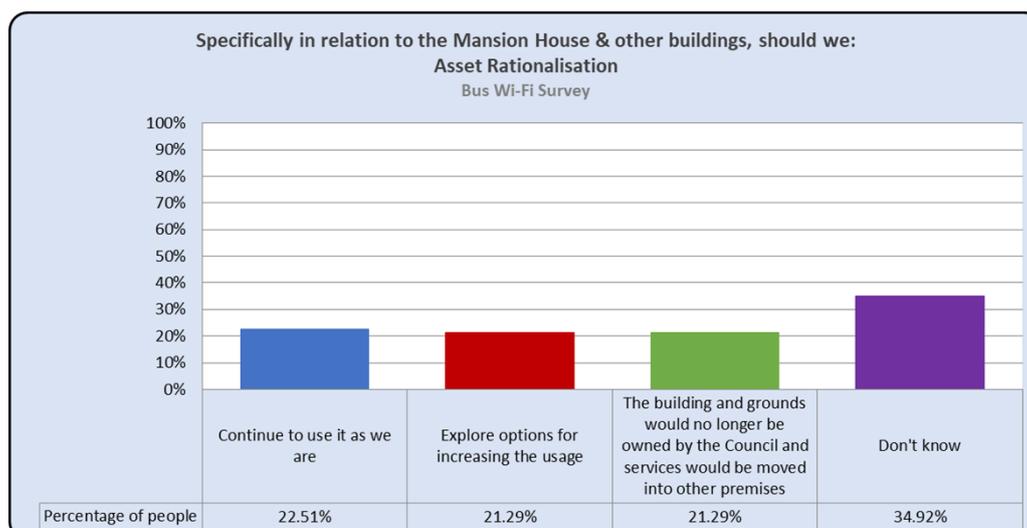
Q29c: Specifically in relation to the Mansion House and other buildings, should we:

Public SNAP Survey		
	No. of people	% of people
Continue to use it as we are	68	11.74%
Explore options for increasing the usage	322	55.61%
Explore options for disposal of the building and grounds	189	32.64%

NB: There were 241 no responses.



Bus Wi-Fi Survey		
	No. of people	% of people
Continue to use it as we are	147	22.51%
Explore options for increasing the usage	139	21.29%
The building and grounds would no longer be owned by the Council and services would be moved into other premises	139	21.29%
Don't know	228	34.92%



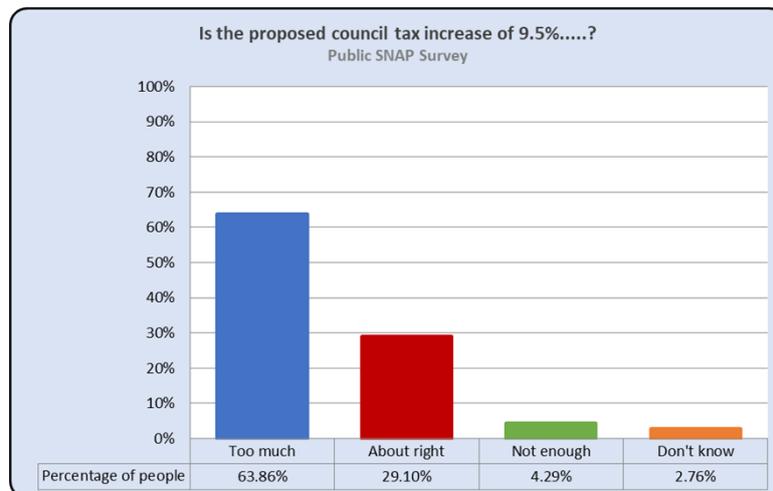
Funding

Council Tax

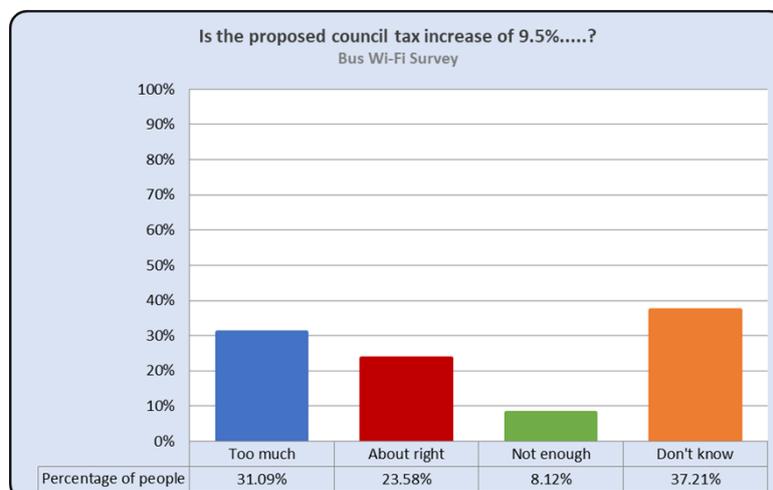
Q30a: What do you think the council should do with this saving proposal?

Public SNAP Survey		
Council Tax increase	No. of people	% of people
Too much	417	63.86%
About right	190	29.10%
Not enough	28	4.29%
Don't know	18	2.76%

NB: There were 167 no responses.



Bus Wi-Fi Survey		
Council Tax increase	No. of people	% of people
Too much	203	31.09%
About right	154	23.58%
Not enough	53	8.12%
Don't know	243	37.21%



A selection of comments, in the respondent's own words, that indicate the range of responses received:

- We will be paying more and receiving less. 9.5% may not be much to many people but when some have had close to 0% increase in wages it's tough.
- I agree with council tax rises as long as investment in services is demonstrated with resources being used more effectively.
- As much as it pains me to say, and I hate having to pay more tax, but this is below inflation. I personally would accept this providing the bin collections are not changed to three weekly.
- Consideration should be given to broadening the assistance / benefits levels for this on low incomes.
- Prefer tax rises than cuts to key services.
- Why should I pay more for fewer services?

Equalities Monitoring

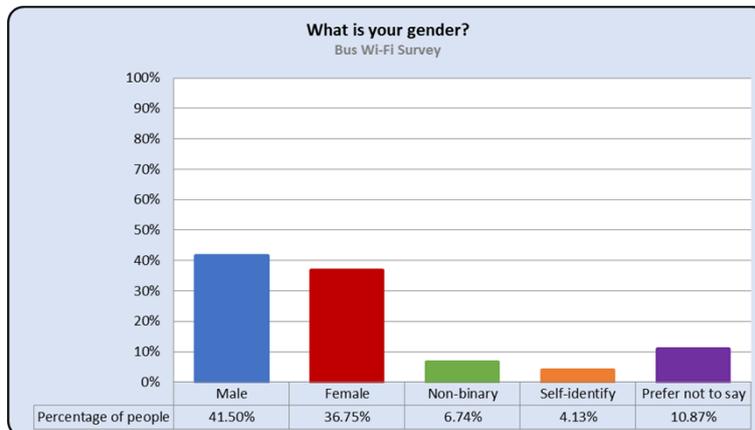
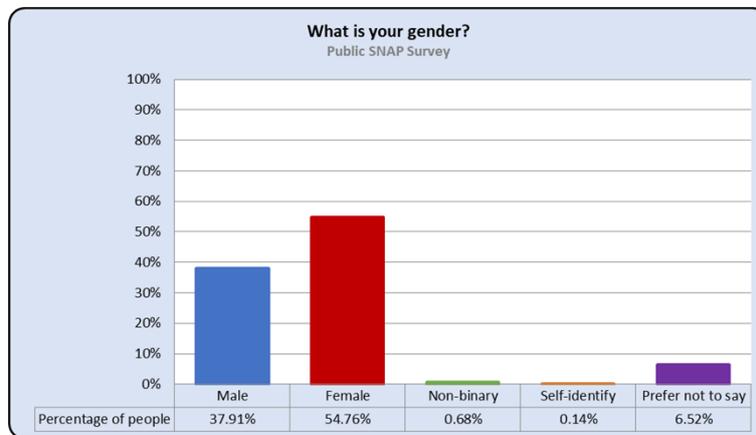
Q31: What is your gender?

Public SNAP Survey		
Gender	No. of people	% of people
Male	279	37.91%
Female	403	54.76%
Non-binary	5	0.68%
Self-identify	1	0.14%
Prefer not to say	48	6.52%

Bus Wi-Fi Survey		
Gender	No. of people	% of people
Male	271	41.50%
Female	240	36.75%
Non-binary	44	6.74%
Self-identify	27	4.13%
Prefer not to say	71	10.87%

NB: There were 84 no responses.

Self-identify: Gender Fluid

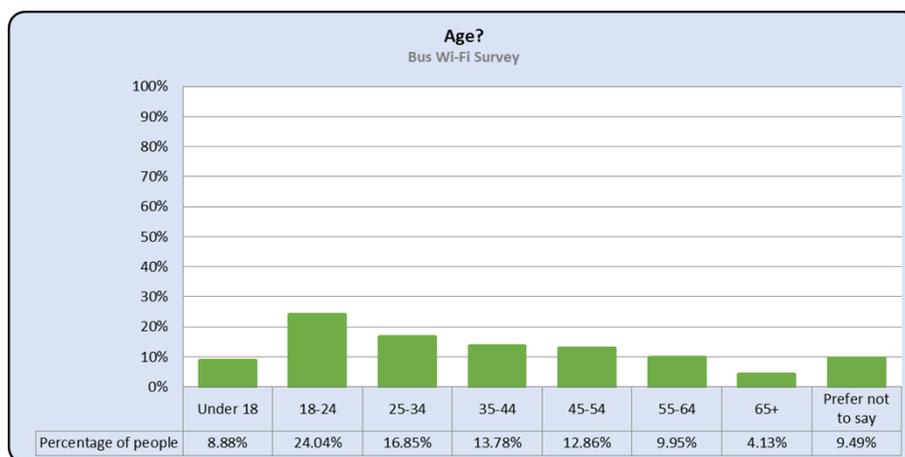
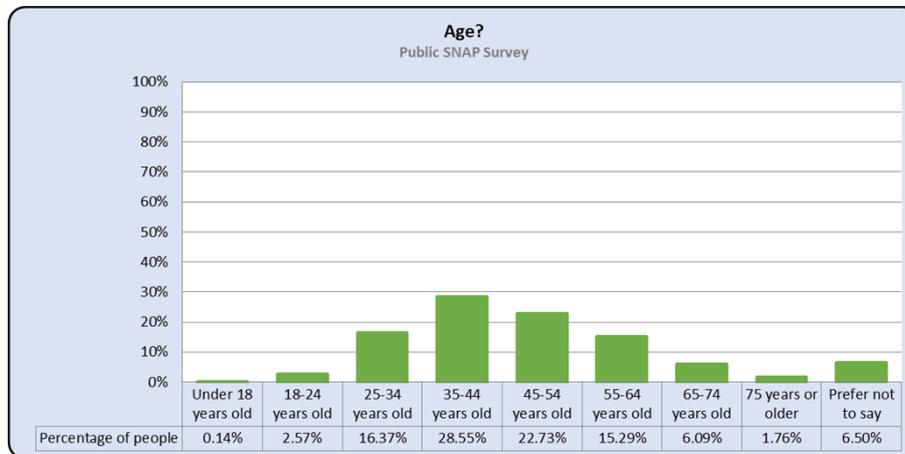


Q32: What is your age?

Public SNAP Survey		
Age	No. of people	% of people
Under 18 years old	1	0.14%
18-24 years old	19	2.57%
25-34 years old	121	16.37%
35-44 years old	211	28.55%
45-54 years old	168	22.73%
55-64 years old	113	15.29%
65-74 years old	45	6.09%
75 years or older	13	1.76%
Prefer not to say	48	6.50%

Bus Wi-Fi Survey		
Age	No. of people	% of people
Under 18 years old	58	8.88%
18-24 years old	157	24.04%
25-34 years old	110	16.85%
35-44 years old	90	13.78%
45-54 years old	84	12.86%
55-64 years old	65	9.95%
65+	27	4.13%
Prefer not to say	62	9.49%

NB: There were 81 no responses.



Q33: What area of Newport do you live in?

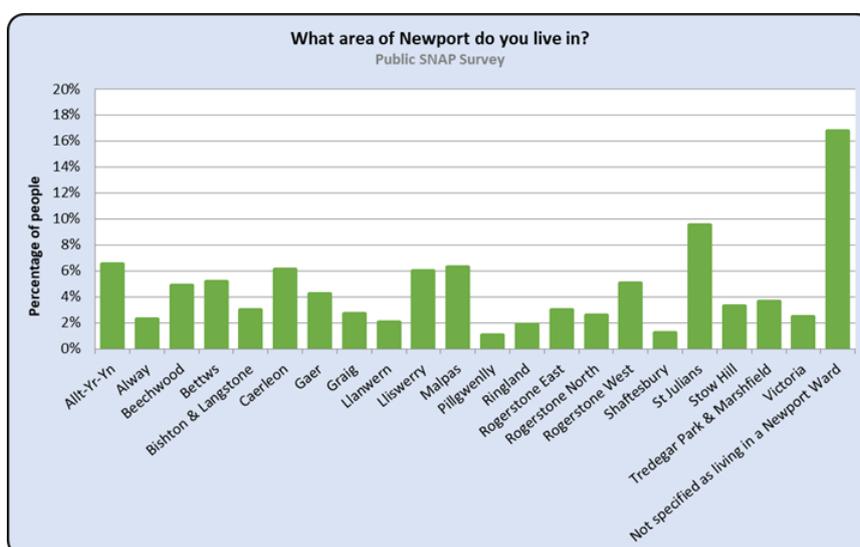
Public SNAP Survey		
Ward	No. of people	% of people
Allt-Yr-Yn	48	6.55%
Alway	17	2.32%
Beechwood	36	4.91%
Bettws	38	5.18%
Bishton & Langstone	22	3.00%
Caerleon	45	6.14%
Gaer	31	4.23%
Graig	20	2.73%
Llanwern	15	2.05%
Lliswerry	44	6.00%
Malpas	46	6.28%

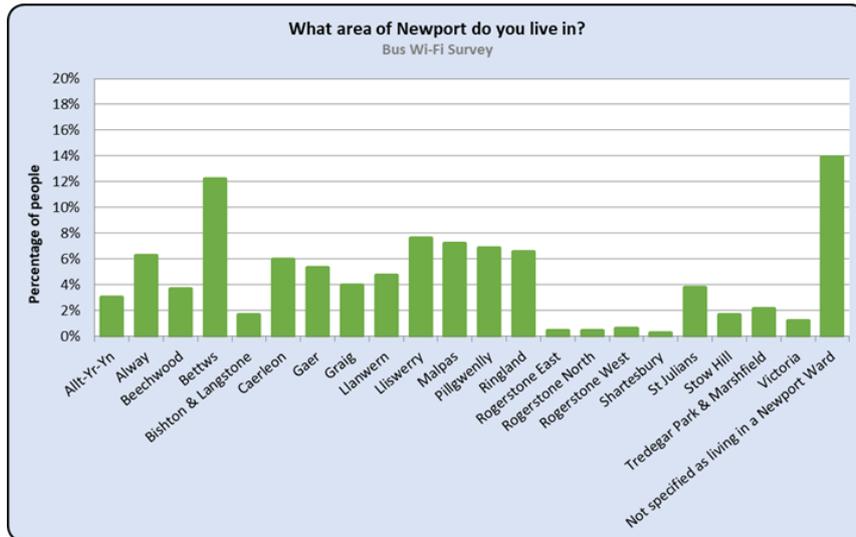
Public SNAP Survey		
Ward	No. of people	% of people
Pillgwenlly	8	1.09%
Ringland	14	1.91%
Rogerstone East	22	3.00%
Rogerstone North	19	2.59%
Rogerstone West	37	5.05%
Shaftesbury	9	1.23%
St Julians	70	9.55%
Stow Hill	24	3.27%
Tredegar Park & Marshfield	27	3.68%
Victoria	18	2.46%
Not specified as living in a Newport ward	123	16.78%

NB: There were 87 no responses.

Bus Wi-Fi Survey		
Ward	No. of people	% of people
Allt-Yr-Yn	20	3.06%
Alway	41	6.28%
Beechwood	24	3.68%
Bettws	80	12.25%
Bishton & Langstone	11	1.68%
Caerleon	39	5.97%
Gaer	35	5.36%
Graig	26	3.98%
Llanwern	31	4.75%
Lliswerry	50	7.66%
Malpas	47	7.20%

Bus Wi-Fi Survey		
Ward	No. of people	% of people
Pillgwenlly	45	6.89%
Ringland	43	6.58%
Rogerstone East	3	0.46%
Rogerstone North	3	0.46%
Rogerstone West	4	0.61%
Shaftesbury	2	0.31%
St Julians	25	3.83%
Stow Hill	11	1.68%
Tredegar Park & Marshfield	14	2.14%
Victoria	8	1.23%
Not specified as living in a Newport ward	91	13.94%

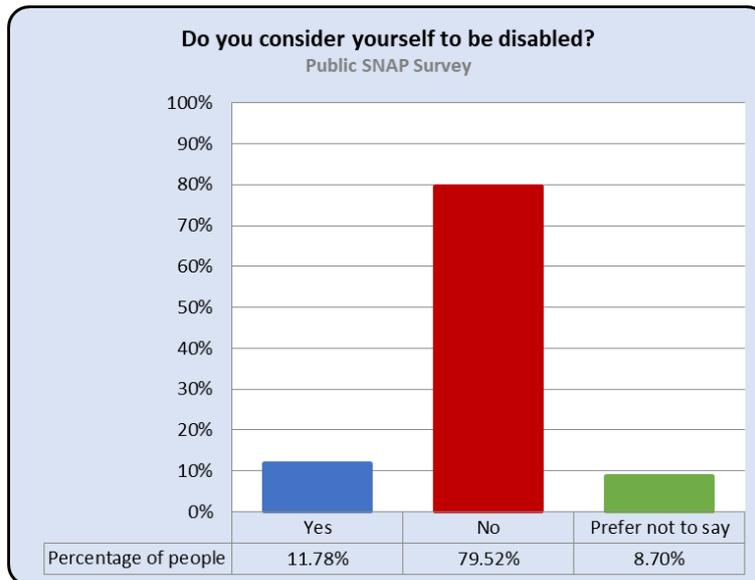




Q34: Do you consider yourself to be disabled?

Disabled	No. of people	% of people
Yes	84	11.78%
No	567	79.52%
Prefer not to say	62	8.70%

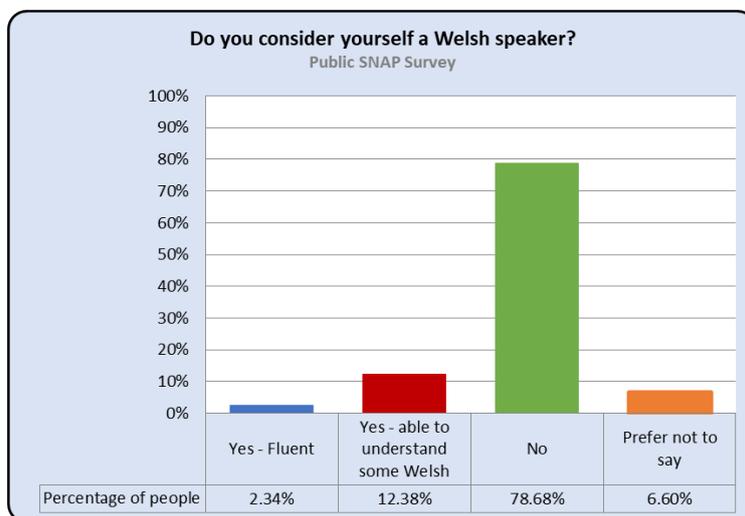
NB: There were 107 no responses.



Q35: Do you consider yourself a Welsh speaker?

Welsh speaker	No. of people	% of people
Yes - Fluent	17	2.34%
Yes - able to understand some Welsh	90	12.38%
No	572	78.68%
Prefer not to say	48	6.60%

NB: There were 93 no responses.



Q36: What is your ethnic group?

Public SNAP Survey		
Ethnicity	No. of people	% of people
White - Wel / Eng / Sco / NI / British	636	87.48%
White - Irish	5	0.69%
Gypsy or Irish Traveller	1	0.14%
Other White	12	1.65%
White & Black Caribbean	1	0.14%
White & Asian	4	0.55%
White & Black African	1	0.14%
Other Mixed	4	0.55%
Indian	1	0.14%
Pakistani	4	0.55%

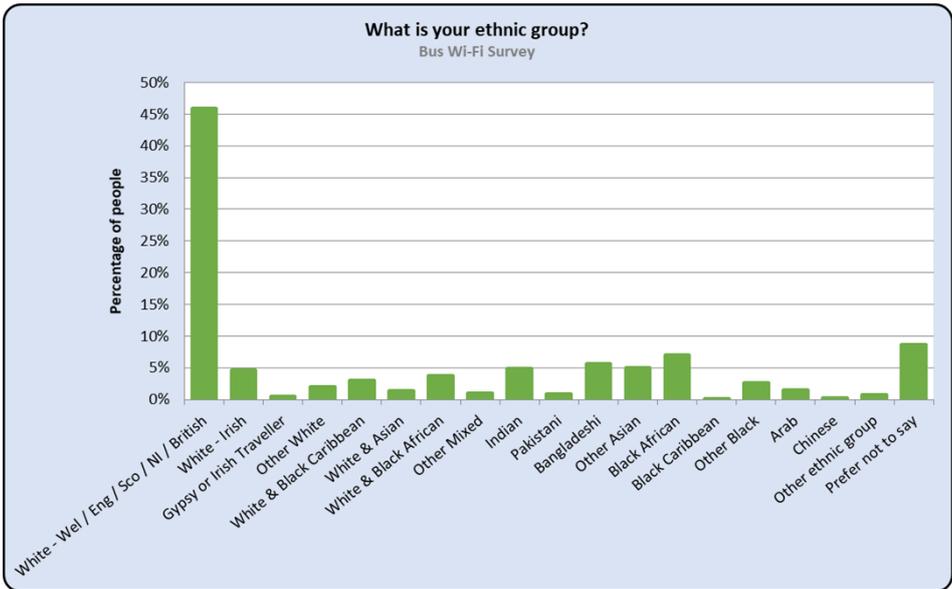
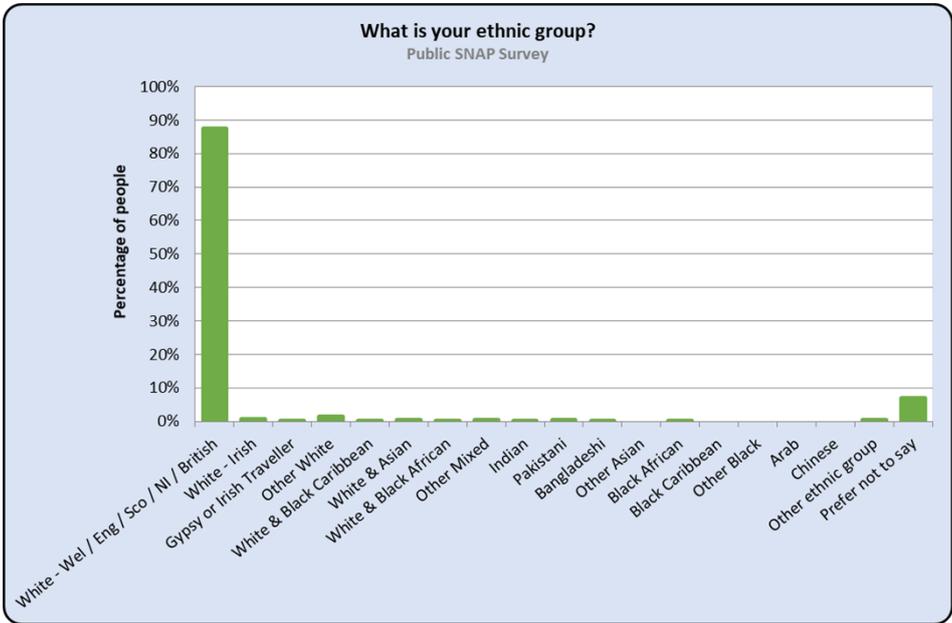
Public SNAP Survey		
Ethnicity	No. of people	% of people
Bangladeshi	1	0.14%
Other Asian	0	0.00%
Black African	2	0.28%
Black Caribbean	0	0.00%
Other Black	0	0.00%
Arab	0	0.00%
Chinese	0	0.00%
Other ethnic group	3	0.41%
Prefer not to say	52	7.15%

NB: There were 93 no responses.

Other White	Other Mixed	Other Asian	Other Black	Other ethnic group
British / French	White - Mexican			Australian
Polish				Cymry, dim lliw
European				
Polish				
European				
Italian				

Bus Wi-Fi Survey		
Ethnicity	No. of people	% of people
White - Wel / Eng / Sco / NI / British	300	45.94%
White - Irish	30	4.59%
Gypsy or Irish Traveller	3	0.46%
Other White	13	1.99%
White & Black Caribbean	20	3.06%
White & Asian	9	1.38%
White & Black African	25	3.83%
Other Mixed	7	1.07%
Indian	32	4.90%
Pakistani	6	0.92%

Bus Wi-Fi Survey		
Ethnicity	No. of people	% of people
Bangladeshi	37	5.67%
Other Asian	33	5.05%
Black African	46	7.04%
Black Caribbean	1	0.15%
Other Black	17	2.60%
Arab	10	1.53%
Chinese	2	0.31%
Other ethnic group	5	0.77%
Prefer not to say	57	8.73%

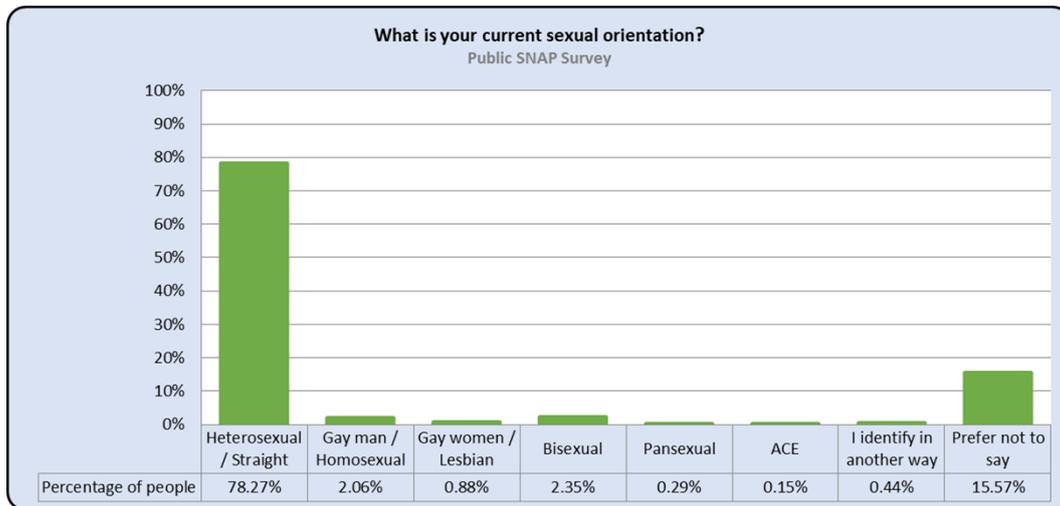


Q37: What is your current sexual orientation?

Sexual Orientation	No. of people	% of people
Heterosexual / Straight	533	78.27%
Gay man / Homosexual	14	2.06%
Gay women / Lesbian	6	0.88%
Bisexual	16	2.35%

Sexual Orientation	No. of people	% of people
Pansexual	2	0.29%
ACE	1	0.15%
I identify in another way	3	0.44%
Prefer not to say	106	15.57%

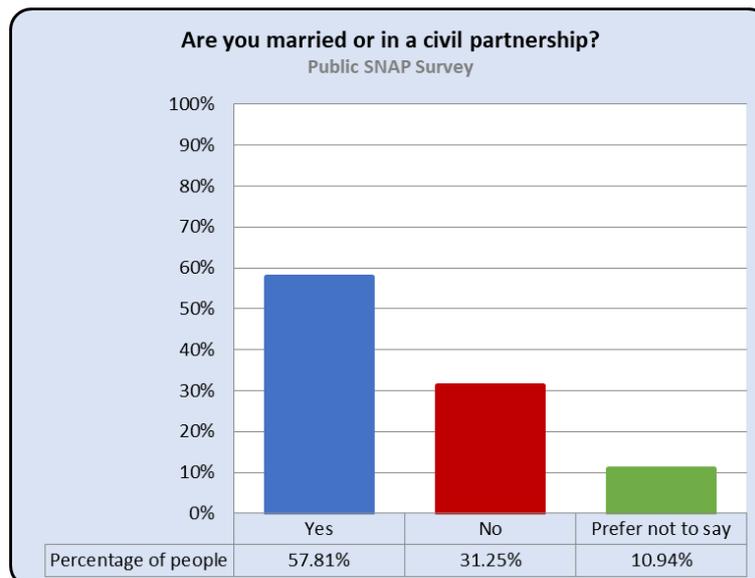
NB: There were 139 no responses.



Q38: Are you married or in a civil partnership?

Married	No. of people	% of people
Yes	407	57.81%
No	220	31.25%
Prefer not to say	77	10.94%

NB: There were 116 no responses.

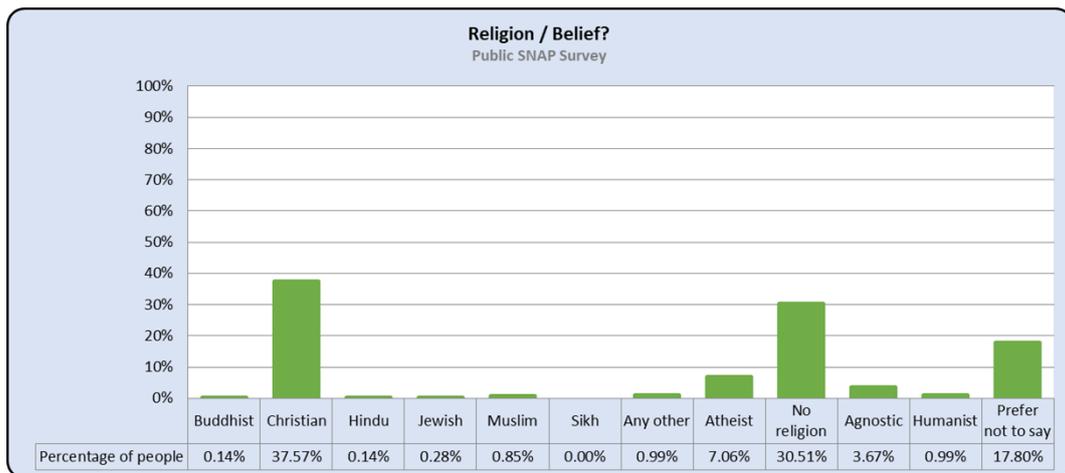


Q39: Religion / Belief?

Religion / Belief	No. of people	% of people
Buddhist	1	0.14%
Christian	266	37.57%
Hindu	1	0.14%
Jewish	2	0.28%
Muslim	6	0.85%
Sikh	0	0.00%

Religion / Belief	No. of people	% of people
Any other	7	0.99%
Atheist	50	7.06%
No religion	216	30.51%
Agnostic	26	3.67%
Humanist	7	0.99%
Prefer not to say	126	17.80%

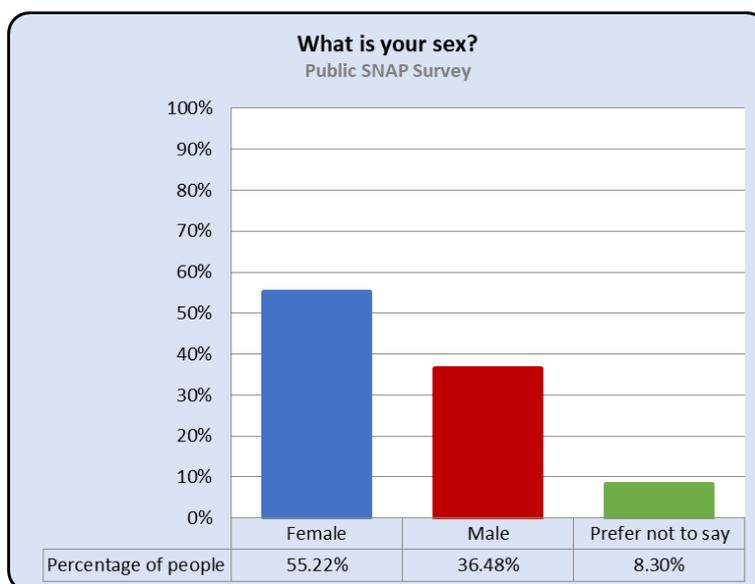
NB: There were 112 no responses.



Q40: What is your sex?

Sex	No. of people	% of people
Female	386	55.22%
Male	255	36.48%
Prefer not to say	58	8.30%

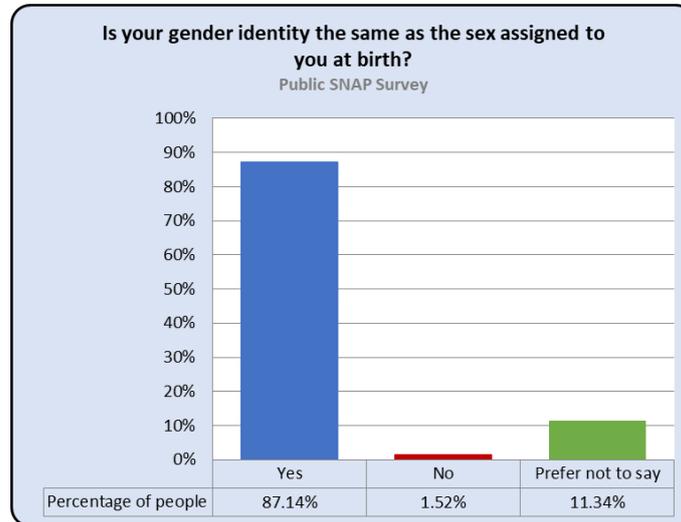
NB: There were 121 no responses.



Q41: Is your gender identity the same as the sex assigned to you at birth?

Identity assigned at birth	No. of people	% of people
Yes	630	87.14%
No	11	1.52%
Prefer not to say	82	11.34%

NB: There were 97 no responses.



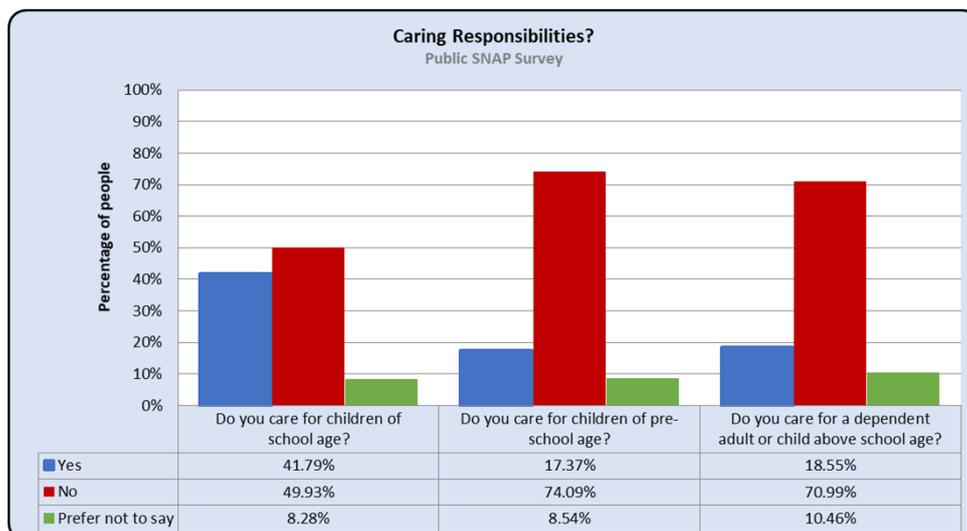
Q42: Caring Responsibilities?

School age	No. of people	% of people
Yes	303	41.79%
No	362	49.93%
Prefer not to say	60	8.28%

Pre-school age	No. of people	% of people
Yes	124	17.37%
No	529	74.09%
Prefer not to say	61	8.54%

Dependent adult	No. of people	% of people
Yes	133	18.55%
No	509	70.99%
Prefer not to say	75	10.46%

NB: There were 95 no responses (school age); 106 no responses (pre-school age); and 103 no responses (dependent adult).



Mae'r dudalen hon yn wag yn

Newport City Council Budget Consultation 2023-24

Response from the Newport Fairness Commission

February 2023

Gideon Calder, Kate Haywood, Ruth McKie, Rosalind Phillips,
Terry Price, Cllr Kate Thomas and Shereen Williams

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1. Preamble and context

- This is our **eleventh annual response** to the Newport City Council budget proposals.
- It comes at a time of **severe challenges to local authority finances**, with the UK facing perilous economic knock-on effects from the Covid-19 pandemic, Brexit, the war in Ukraine, and the UK government's 'emergency mini-budget' of September 2022.
- Thus after an exception in 2022-23 when the budget focused chiefly on investments, this year's budget reverts to the previous norm of an emphasis on **savings**. As we have noted repeatedly, after years of austerity since 2010, few council services would now be seen as anything other than essential. The public realm has been significantly depleted. Against such a background, it is not self-evident that savings will be positively *fair*. The best that can be achieved is a minimisation of *unfairness*. **While this situation is not new, it is incrementally worse each time decisions are made in this context.**
- Each of our annual responses has different slightly in form, adapted in light of the nature and scale of the proposals at hand and the current priorities of the Commission. In this report we have focused in on selected proposals – addressed in a discursive way (rather than applying ratings to all proposals as in previous years).
- While our approach has varied over time, we have an increasingly strong sense that we are **repeating ourselves**, in ways which prompt **concerns about the seriousness with which the Council addresses fairness**. These are highlighted in the key points below, and in **orange** throughout the text.

2. Key points

Normally here we would summarise salient points from our coverage of the proposals. On this occasion we are not in a position to offer that kind of overview, for these reasons.

- The public (and so the Fairness Commission) are **not provided with enough information to gauge and compare the impacts of the budget proposals set forward**.
- This makes it **prohibitively difficult to assess the fairness of those proposals**. We can offer loose commentary on the nature of the issues at stake, and observations on possible implications of the savings for particular groups. What we cannot do is fulfil the brief of scrutinising the work of the council and feeding back on the fairness of its decision-making.
- This is partly because the Council is **not meeting its own basic requirements, in terms of the adequate completion of Fairness and Equality Impact Assessments**, and indeed its obligations under the Equality Act 2010.
- **Presuming that the Council continues to support Newport having a Fairness Commission, it needs to take these concerns seriously**. As we always stress in our annual budget response, our role is not to make policy recommendations. Rather, our role is to facilitate critical reflection and dialogue around the Council's decisions and direction of travel. On the basis of the kind of information the Council is providing to the public about its budget proposals, this is not realistically possible to do.

None of these points should distract from the commentary below, or be taken as replacing it. It highlights a rich array of issues, gaps, themes and areas for concern. In each case, the points made are precisely the kind which would emerge in an adequately conducted FEIA process.

3. How we put this response together

The compiling of this response unfolded over four stages, between mid-December 2022 and late January 2023:

1. We divided the 27 proposals into 3 service areas (see below), with each then allocated to a team made up of Fairness Commission members.
2. Each team identified two priority proposals in each service area, using criteria below.
3. Each team provided a discussion of its chosen priority proposals.
4. The Chair then incorporated those discussions into this overall report.

SERVICE AREAS

1	2	3
<ul style="list-style-type: none"> • Adult Services (5 proposals) 	<ul style="list-style-type: none"> • Children’s Services (4 proposals) • Education (3 proposals) 	<ul style="list-style-type: none"> • City Services – Infrastructure (4 proposals) • Environment and Public Protection (5 proposals) • Finance (2 proposals) • Housing (2 proposals) • Law & Standards (1 proposal) • Regeneration & Economic Development (1 proposal)

Please note that these areas are grouped according to the nature of the issues raised in connection with each service group. There are smaller pools for areas 1 and 2, to allow for increased coverage of adult and children’s services, with education being a natural corollary of children’s services. While service area 3 covers a broader range, that is not to suggest that the issues there are less important – just that there is less risk in combining them together.

CRITERIA FOR IDENTIFYING PRIORITY PROPOSALS

These are the criteria by which the teams picked out proposals to treat as a priority. They are based roughly on our 4 Principles of Fairness (see Appendix)

How likely (on a scale of 1-3, where 3 is most likely) is the proposal in question...

- To have an especially adverse impact on some groups compared to others, and/or to increase the gap between those with more and those with less?
- To adversely affect those who are already most vulnerable and disadvantaged?
- To threaten the capacity of citizens to participate in society, and (where relevant) to shape the services they use?
- To be difficult to understand by those affected?

4. Discussion of priority proposals

SERVICE AREA 1 ADULT SERVICES
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Priority proposals identified:

- 1. Adult Day Opportunities (short break service)**
- 2. Adult contracts: commissioned services**
- 3. Eligible Care and Support Needs Budget**
- 4. Provision of Services to Support Residents with Learning Disabilities**
- 5. Restructuring of Adult Social Care**

Our teams were invited to pick 2 priority proposals in their allocated service area. In this case, we found it impossible to rank them: **precise comparison was made too difficult by the lack of information available**. Having decided to focus both on the scale of those potentially affected and also on relative vulnerability of each group affected. It proved difficult to get any idea of the scale at all for 4 of them as **there is little or no mention** of

- what each budget cut amounts to
- the scale of the impact – either quantitatively or qualitatively – of the loss of the service (in all but one case)
- how each might impact on different vulnerable groups (do some lose more than others, are some groups more protected?)
- any consultations with users

There also seems to be quite a lot of cutting and pasting, with standard responses across proposals and, oddly, often references to children's services for some reason.

The 2 proposals with largest potential impact are possibly the Adult Contracts and Eligible Support Needs proposals but again, it is **very difficult to be certain** because ideas of scale are missing from all but one. Therefore all 5 are discussed here as a precaution.

1. Adult Day Opportunities (short break service)

Why was this proposal identified as a priority?

It has proved impossible to properly or prioritise this over others because of a lack of detail especially of scale and of how it impacts on different groups of users the service currently supports. This is a complete withdrawal of a particular part of the service offering residential breaks.

What fairness issues does it raise?

At the moment it struggles to meet any of the 4 principles: equity because there is no real detail on scale and how it impacts on service users; priority because it fails to break down different groups that might be affected and how these might be prioritised in future; communication because

consultation has not yet taken place and no plan to do so provided; inclusion because service users are not yet part of the discussions.

How informative is the relevant Fairness and Equality Impact Assessment?

The Fairness section has not been completed at all.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

It obviously reduces levels of service and in particular eliminates one type of choice that it is hard to see a viable alternative filling the gap, short breaks are useful to reduce stress and pressures on carers. If stresses are not relieved there may be a greater danger of carers being unable to maintain their role and possibly result in long term residential care. The risks and possible knock on effects and calls for other services may be counter productive in the longer term but these are not properly identified nor assessed – would short term savings results in longer term extra costs?? The proposal lacks realistic risk assessments. Would the complete withdrawal of such a service be open to judicial challenge?? How the council decides to inform and consult users may be crucial to this.

How might the Council address those challenges?

A proper risk assessment for unintended consequences might help together with a real presentation of scale of service withdrawal, numbers affected and proposals to provide alternatives to address the service users' needs. Has the council worked out a viable alternative to this type of provision or not?? **The socio-economic analysis seems to have been cut and pasted:** it is unclear why there is a paragraph on children? Proposals may adversely impact on key partners in health and social relationships.

2. Adult contracts (Commissioned Services)

Why was this proposal identified as a priority?

It has proved impossible to properly or prioritise this over others because of a lack of detail especially of scale and of how it impacts on different groups of users the service currently supports. This proposal is particularly vague but potentially could have the most adverse impacts, very poorly drafted. Like the others it appears a generic response in many sections, often referring to children in many sections – leaves the impression of a cut and paste.

What fairness issues does it raise?

At the moment it struggles to meet any of the 4 principles, equity because there is no real detail on scale and how it impacts on service users; priority because it fails to break down different groups that might be affected and how these might be prioritised in future, communication because consultation has not yet taken place and no plan to do so provided, inclusion because service users are not yet part of the discussions.

How informative is the relevant Fairness and Equality Impact Assessment?

The Fairness section has not been completed at all.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

Any proposal that is so vague should ring alarm bells as little work has been done on the detail, identifying who might be affected, how and to what scale.

How might the Council address those challenges?

Again potentially affects a large number of users. No idea of scale of reduction in % terms and number of users or hours of support packages, nor the shape of a restructured service. No doubt it will mean a reduction in either numbers support or quality of service unless it means screwing contractors who may reduce terms for own workforces. All at a time when social care is known for not paying wages to attract or retain staff . This affects extremely vulnerable groups but no idea idea how it will impact on each different group. Too broad range and vague to work out.

Will likely lead of either less support time or a reduction in quality and consistency of care packages and likely to adversely major partners like Health.

3. Eligible Care and Support Needs Budget

Why was this proposal identified as a priority?

It has proved impossible to properly or prioritise this over others because of a lack of detail – especially of scale and of how it impacts on different groups of users the service currently supports. In a similar vein to other proposals this points to reductions in service levels without any detail so it is impossible for the reader to gauge the impact other than it will be negative or maybe very negative. Much of it appears to be a cut and paste job, often references to children in different sections. It gives carte blanche to managers to implement whatever cuts they wish without a proper description of impacts and likely risk to the Council.

What fairness issues does it raise?

At the moment it struggles to meet any of the 4 principles, equity because there is no real detail on scale and how it impacts on service users; priority because it fails to break down different groups that might be affected and how these might be prioritised in future, communication because consultation has not yet taken place and no plan to do so provided, inclusion because service users are not yet part of the discussions.

How informative is the relevant Fairness and Equality Impact Assessment?

The Fairness section has not been completed at all.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

This is almost like signing a blank cheque and it is difficult to see this as a proposal fit enough to be consulted upon. It needs a lot more work and modelling of likely scale of cuts, potential impact and details of how it may affect different groups of service users.

How might the Council address those challenges?

It suffers from same issues as others, no idea of scale, we already know that this service is stretched and severely under resourced given the health crisis. How will this actually impact on waiting times and the level of support offered to each individual? It will affect partners like health badly. It lacks projections, assessments of risk, details on how it may affect different groups of users. **The best suggestion would be to re write it properly.**

4. Provision of Services to Support Residents with Learning Disabilities

Why was this proposal identified as a priority?

It has proved impossible to properly or prioritise this over others because of a lack of detail within the other proposals (and even in this one) especially of scale and of how it impacts on different

groups of users the service currently supports. This is the only proposal to mention a figure of 10% for a reduction in services. There is still no detail on what this means in hours of support provided, numbers of service uses and how these are affected. Does it mean a tightening of thresholds or restricted groups that receive a service, are all groups of users affected equally or is there likely differentiation proposed. Again it seems parts are cut and pasted, with references to children etc.

What fairness issues does it raise?

At the moment it struggles to meet any of the 4 principles, equity because there is no real detail on scale and how it impacts on service users; priority because it fails to break down different groups that might be affected and how these might be prioritised in future, communication because consultation has not yet taken place and no plan to do so provided, inclusion *because service users are not yet part of the discussions.*

How informative is the relevant Fairness and Equality Impact Assessment?

The Fairness section has not been completed at all.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

The only one to talk about a reduction of 10% which will be significant although whether each package reduces by 10% or whether the service is given to less users is not clear. It covers a wide range of degrees of vulnerability, will the most vulnerable be more protected ie the threshold be raised. Not clear how groups will be consulted. There is an absence of detail and no proper risk assessment of impact and potential unintended consequences.

How might the Council address those challenges?

It would help if the proposal attempted to identify the challenges it possibly poses. It needs more detail to make any informed decision.

5. Restructuring of Adult Social Care

Why was this proposal identified as a priority?

It has proved impossible to properly or prioritise this over others because of a lack of detail especially of scale and of how it impacts on different groups of users the service currently supports. It talks of reducing 8 posts but it is not clear what this means in relative scale of reduction, how it impacts on numbers of service users, waiting lists, hours of support etc, the detailed description of impact is missing. Like the others it includes references to children which suggests large parts have been cut and pasted and not given specific thought to the actual proposal. The impact could be marginal or massive.

What fairness issues does it raise?

At the moment it struggles to meet any of the 4 principles, equity because there is no real detail on scale and how it impacts on service users; priority because it fails to break down different groups that might be affected and how these might be prioritised in future, communication because consultation has not yet taken place and no plan to do so provided, inclusion because service users are not yet part of the discussions.

How informative is the relevant Fairness and Equality Impact Assessment?

The Fairness section has not been completed at all.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

The FEIA appears incomplete at this stage. Consultations have not taken place yet with affected service users. Reduction in posts of 8 but no idea of scale of impact on numbers that can be helped. The fact that there are currently vacant posts is already impacting. How many people should be supported with current staffing (if full presumably causes waiting lists), how many could be supported with restructure? It covers services to a some very vulnerable groups old, disabled possibly mental health and others. No idea how this will as yet impact on quality of service to be given or whether some groups will fare worse than others. It lacks detail and risk assessments of impact. It is likely to exacerbate the existing social care crisis further with knock on impacts in health.

How might the Council address those challenges?

It seems counter intuitive given the acknowledged social care crisis and all the recent publicity around this. It is interesting that WG did not anticipate this in the settlement and seek to ring fence this sector. It does smack of a silo approach and not joining up the dots. It does help explain how the current crisis has developed over time without obvious linkages being made by planners.

<p>SERVICE AREA 2 CHILDREN'S SERVICES AND EDUCATION</p>

Priority proposals identified:

- 6. Barnardo's Partnership**
- 7. Educational Psychology**

6. Barnardo's Partnership

Why was this proposal identified as a priority?

The impact of this proposal is extensive and affects families who appear to access various services and programmes within the partnership. The partnership also works with a number of people who are vulnerable – looked after children, families of looked after children, teens at risk of exploitation etc.

What fairness issues does it raise?

To have an especially adverse impact on some groups compared to others, and/or to increase the gap between those with more and those with less? **Unable to assess as the FEIA is lacking in information.** It is also potentially inaccurate when stating that this proposal will not impact those with protected characteristics.

To adversely affect those who are already most vulnerable and disadvantaged? Rated 3 due to the nature of the service being provided that is primarily for those who are most vulnerable and disadvantaged.

To threaten the capacity of citizens to participate in society, and (where relevant) to shape the services they use? **Unable to assess as the proposal is unclear on how service users have been able to provide input.**

To be difficult to understand by those affected? Rated 3. The proposal is likely to be difficult to be understood as it could be unclear for children and young people (especially who are vulnerable) to understand why services that are meant to support them have been cut, or that they are no longer eligible for the service. It is also unclear as to how service users will be able to apply for and access alternative services to support them.

How informative is the relevant Fairness and Equality Impact Assessment?

The FEIA is poorly written. For example, this proposal will most definitely affect service users with protected characteristics across the city – and yet the ‘neither’ impact box has been ticked. **The proposal does not provide a breakdown of service users by protected characteristics.**

What specific fairness-related challenges does this proposal pose for the Council, going forward?

Potentially damaging to a vulnerable group of service users who are not in a position to advocate for themselves.

In the long run, it appears that this cut will result further costs being incurred elsewhere as service users will need to access alternative support and this will require new assessments.

The service users (particularly young people) are the most at risk of exploitation and future offending – the cut at this stage will reduce the amount of preventative support for them.

How might the Council address those challenges?

Revisit the FEIA to provide a more accurate picture on who will be impacted by the proposal.

Additional information on alternative services should also be included to provide reassurance that the service users will not be left without support.

7. Educational Psychology

Why was this proposal identified as a priority?

When reviewing the FEIA, this proposal had multiple protected characteristics that would be negatively impact as well as a long list of moderate to significant negative impact related to socio-economic disadvantage.

What fairness issues does it raise?

To have an especially adverse impact on some groups compared to others, and/or to increase the gap between those with more and those with less? Rated 3. Those with learning difficulties etc, would have a reduced access to the service, furthering the gap between those with LD and those without LD. The FEIA has also acknowledged the potential increased negative impact (ranging from mild to significant) of the proposal for young people already experiencing socio-economic disadvantage.

To adversely affect those who are already most vulnerable and disadvantaged? Rated 3 as the group most affected are vulnerable and disadvantaged by their LD and may not be in a position to advocate for themselves.

To threaten the capacity of citizens to participate in society, and (where relevant) to shape the services they use? Rated 3 as the service itself is meant to assess those who require additional support, and this reduced service means there will be those who will struggle without that support and impact on their ability to participate in society.

To be difficult to understand by those affected? Rated 3. Most families have to go through a difficult and challenging process to enable their children to be assessed and there is usually a waiting list. Reducing the service will not be easy for the families to understand as there is a need for assessments to take place and that the Council is admitting that it is reducing its ability to meet its statutory requirements in relation to ALN.

How informative is the relevant Fairness and Equality Impact Assessment?

The FEIA has been poorly considered. Whilst it is positive that the impact on those with protected characteristics have been acknowledged, **the FEIA does not provide clarity on any mitigating actions.**

What specific fairness-related challenges does this proposal pose for the Council, going forward?

The FEIA has acknowledged that the proposal will impact the ability for statutory requirements to be met, but the way this will be mitigated is unclear.

The reduction in staffing will create a 'slowing-down' of the service which will reduce support for young people whose needs are not deemed essential. This potentially will impact their ability to participate in society.

The potential for sourcing out-of-county placements may not only cause distress for service users and their families, but the Council may incur additional (and most likely substantial) costs.

How might the Council address those challenges?

The FEIA should be revised and the solution of 'redistributing the work to the existing staff' should be reconsidered as it is unclear whether the existing staff will have capacity to undertake additional work.

How statutory requirements relating to ALN will continue to be met despite the reduction to the service should be made clear, not only to alleviate concerns for service users and their families but to also ensure that the proposal does not undermine legal obligations.

SERVICE AREA 3 OTHER PROPOSALS

Priority proposals identified:

- 8. Reducing funding to the Shop Mobility scheme in 2023-24**
- 9. Educational Psychology**

8. Reducing funding to the Shop Mobility scheme in 2023-24

Why was this proposal identified as a priority?

This proposal appears to offer a relatively minimal financial saving to the local authority whilst imposing a significant cut (in terms of % of the overall budget) to a targeted service supporting people who are older, with disabilities and/or limited mobility. It therefore has a disproportionate effect on people who represent at least two protected characteristics in exchange for relatively modest savings. The people served by the ShopMobility scheme may also be disproportionately affected by the

cost-of-living crisis and by cuts to services identified elsewhere (adult services, city services, regeneration). It is important not to see the possible effect of this reduction, or any other reduction, in isolation. ShopMobility users are more likely to experience compounded and intersectional disadvantage when the cost of living crisis, national social policy and welfare changes and other reductions in Newport's services are considered.

What fairness issues does it raise?

This proposal relates to at least three out of the four principles of fairness. It has an especially adverse impact on some groups compared to others, it may increase the gap between those with more and those with less, it adversely affect those who are already most vulnerable and disadvantaged, it threatens the capacity of citizens to participate in society (i.e. town centre based activity/services) and although the FEIA identified age and disability as two effected protected characteristic it suggests that there has been no direct consultation with existing, previous or potential users of the service, or their family members. Lack of consultation and communication along with the % cut that is proposed, from a relatively small total budget, means that it may be difficult to understand by those affected.

The possible effect on town centre activity and engagement (in terms of businesses and services) is a secondary but important one. Of greater significance however is the effect on older people and people with disabilities in terms of civic engagement, isolation, reduced access to services and social activity. Given the needs of this group of citizens, arguably one of the most vulnerable and excluded, a proposed saving of this nature is indicative of the level of pressure on the local authority to make savings. However, the proposed involvement of Community Development workers to support Shop-Mobility is vague. I have assumed this is in relation to income generation but that is not made clear. There is a host of income generation expertise within voluntary sector organisations in Newport and this does not always appear to be recognised or capitalised upon by the local authority in terms of coordinated rather than competitive approaches to bid writing and income generation. A forum where cross sector priorities could be discussed, and income generation opportunities and skills shared, could offer a more strategic approach to fundraising by groups such as ShopMobility.

How informative is the relevant Fairness and Equality Impact Assessment?

The FEIA offers some acknowledgement of possible impacts on different parts of the community, although under Socio-Economic Duty **it is overly restricted in its estimation of those groups likely to be affected**. (If as is rightly acknowledged, the proposal 'could affect economically disadvantaged people who rely on subsidised access to the equipment Shop Mobility provides' it is not clear why this is deemed only to apply to 'Low income households without dependent children', among the list of disadvantaged groups. No consultation has been undertaken on the proposal, except via the general budget consultation.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

If this service fails due to the reduction in funding from Newport Council it may prevent people with restricted mobility from accessing the city centre for shopping or social meetings, creating more social isolation and possibly greater dependence on other services in vulnerable groups. People with limited mobility, who have been supported by Shopmobility's equipment, may experience deterioration in mental and physical health leading to increased demand on primary, secondary and social care, ultimately increasing cost pressures to statutory services. The loss of the service may have a detrimental impact on city centre trade.

No indication is given of the numbers of people who use the service daily but it impacts citizens who have protected characteristics – disability and or age. It would seem that there might be beneficial promotion of the service through (paid) carers and perhaps physiotherapists, mental health workers etc.

How might the Council address those challenges?

This seems to be an example of a service which is ideal for placement in the realm of charitable enterprises, providing services to more vulnerable people, with the potential to equip volunteers with useful skills, working with other registered voluntary sector businesses (eg ReMake etc) who have broadly similar aims. There could also be interest from the Newport Business Improvement District (BID). It could provide opportunities for the Social Registered Landlords to engage their tenants where disabilities or age affects their mobility. It would appear that there are organisations, other than NCC who this service could engage with to maintain its sustainability.

This represents a very small saving and there is not sufficient information on how the service will be affected.

9. Proposed Increase in Council Tax

Why was this proposal identified as a priority?

This year's proposal is unprecedented and it appears that most other Welsh councils will be in a similar position. The amount raised by households paying council tax is only 23% of the total needed for all services. If the council were to reduce the amount they claim they need to collect to balance the budget, revenue will have to be found elsewhere.

Newport has a high proportion of deprived areas. It also has a high proportion of vulnerable groups experiencing financial pressures due to illness, chronic conditions, disability, refugee and migrant status etc. It should be considered that Newport has a substantial amount of poor housing: in need of significant maintenance and with poor insulation and these residents may face higher outgoings.

What fairness issues does it raise?

The groups most vulnerable to pressures from the increases in cost of living will be, in some part, people with protected characteristics. However, this is the fastest growing area of Wales and with that growth come indicators that the new demographic will comprise now, and into the future, younger people. This is a positive outlook but will not ease the situation for many who will be facing difficulties during 2023. The way in which the amount of council tax is calculated for most properties is from 1991 evaluations. The majority are in bands A to C. (Band D is generally quoted for comparisons.) It seems probable that most properties constructed since that date have attracted proportionately higher ratings. All single occupancy households can claim a 25% reduction. There are also several other schemes available if properties are not occupied due to specific circumstances. The council have a council tax alleviation scheme for households in more extreme financial circumstances, which has been provided by Welsh Government.

How informative is the relevant Fairness and Equality Impact Assessment?

No FEIA has been provided in relation to this proposal.

What specific fairness-related challenges does this proposal pose for the Council, going forward?

Inflation now appears to be falling but reached over 11% during 2022 and this figure was used in

assessing increases in state benefits for the financial year 2023/24. The amount proposed is below inflation and clearly householders will experience many unavoidable increases which are substantially higher and will take away more of their disposable income than their council tax demand. There are no proposals for making the charging of council tax progressive – based on occupant’s income. Considering those in protected groups, it needs to be kept in mind that not all characteristics automatically mean those individuals are in hardship. The council need to maintain its income to continue to provide the services it has a statutory duty to deliver because these contribute to the survival of many vulnerable people. Also, arrangements have been proposed to alleviate the most financially deprived via the benefit system and council tax scheme.

How might the Council address those challenges?

Consideration needs to be given to whether disabled and the elderly will find weekly increases of £2.00-3.00 excessive against other rises, and if they do will they have access to readily accessible council advice services which will guide them towards help. The majority of citizens at any one time do not require the services which are most costly to the council – these being education or social services functions. They also have a right to expect that when cuts have to be made those services they find themselves valuing most will be maintained, although the costs may be a bit higher.

Will a substantially higher than usual rise in council tax have an impact on communities and the well-being of individuals within them? Consideration needs to be given as to which circumstances could change relations between individuals. The consequences, for example of fewer collections of clinical waste or nappies would upset neighbours, though it could be suggested that sensitive decisions about managing service delivery in challenging times is more crucial. The council should continue to provide current levels of information and consultation routes on budget proposals and these should be further developed in future. The option continues to exist to take out money previously reserved for the repayment of long-term schemes, such as revamps of roads or new schools. These debts will continue to exist because of statutory duties to deliver these schemes, and pay for them. However, in the short-term borrowing could take place. While this is a temporary solution (though not providing massive alleviation to hard-pressed citizens) this would be a fresh debt that had to be taken on in a time of elevated interest rates. These would increase budgetary pressures in future years.

Appendix: Principles of Fairness

Equity

We should acknowledge differences but also treat people in a consistent way, while aiming to reduce the gap between those with more and less.

- *Are people being treated in a consistent way, while acknowledging their differences?*
- *Will the gap between those with more and less be reduced?*
- *Have the interests of different groups affected (such as minorities) been taken into account?*

Priority

We should prioritise the needs of the most vulnerable and disadvantaged.

- *Have the needs of the most disadvantaged and vulnerable across the city been given priority?*
- *Have we taken care to consider possible indirect consequences for these people of decisions made with other priorities in mind?*

Inclusion

Citizens should be given the opportunity to participate in the shaping of how services are decided upon, designed and delivered.

- *Will the voices of all those affected be heard?*
- *Have possible impacts on the well-being of future generations been taken into account?*
- *Are all relevant citizens able to participate in and shape the service, as well as receiving it?*
- *Has consideration been given to the impact on citizens' relations with each other, and the spaces they share?*

Communication

All decisions should be clearly communicated to those affected, in a way which allows for feedback and recognises the obligations between citizens and their Council.

- *Are decisions being made transparently and consistently?*
- *Will relevant decisions be communicated to those affected in a clear way, with the opportunity for feedback?*
- *Are the obligations of citizens to the Council, and vice versa, clear?*

Unison response to 2023 budget proposals

Newport City Council have found themselves in a tremendously difficult position with the current financial crisis. We recognise that this is not of their creation, but it has led to budget proposals that make for very difficult reading.

The necessity to create a legal balanced budget has led to proposals that impact on some of the most vulnerable within our community's.

The reality is that after many years of austerity cuts from Westminster there are few choices that will not impact on the communities and the staff of Newport City Council.

We ask that the council carefully consider the options available to them and fully consider the impacts of those decisions. We appreciate that none of the councillors elected did so with an agenda of closing services.

We have of course offered individual feedback on a variety of the budget proposals and will not repeat those points here, but we would like to suggest that some of the cuts proposed will not meet the savings that have been suggested.

Running services differently will bring with it additional costs which will offer less value for money. Room hires, increased mileage costs, loss of working time due to staff working across several sites in a day, loss of experienced staff with expertise in their areas. Increased sickness caused by increased volume of work and increased stress.

The loss of short-term support and intervention at the earliest opportunities within family's that need additional support to avoid future long-term intervention that will require multi agency high level support at greater costs.

Increased pressures placed on remaining social services and the NHS due to support having to be removed only moves the problem. Robbing Peter to pay Paul just moves the problem further down the road.

Anti-social behaviour and noise pollution increases will potentially increase increasing demand on other services within the council and other external agencies also potentially impact on Newport City's reputation.

We would be remiss in our duties if we didn't point out that the majority of cuts to services appear to be at the front line of services with no great impact on senior management. We believe that if everything is currently being considered with nothing off the table then consideration must be given to senior structures and the numbers of heads of service currently in place.

Unison Newport City Branch cannot and will not support any budget that contains compulsory redundancies or that puts further pressure on staff that are already working above capacity on a regular basis.

Peter Garland
Branch Secretary
UNISON Newport City Branch

Unison response to budget proposals for Oaklands Respite service

Having attended the 1:1 meetings for the staff members at Oaklands with the line manager and HR I have witnessed the strength of feeling from the staff team at the sweeping proposals.

The intention to change the service delivery from a 5-day service to a 3-day service and reducing the staff to 12 from its current level is quite a short-sighted money saving exercise.

I understand the need to make savings in the overall NCC budget but the stress and difficulties the service users and their families are going to be subjected to is difficult to understand. The service that is currently provided gives a vital break not only for the service users but also gives an opportunity for the families to have a much-needed rest period to refill their energy levels and provide time to give other siblings and family members some quality time.

The changes will not only affect the staff who provide a top-quality service but the financial and emotional wellbeing of the parents and carers who trust and rely on the current service. The removal of service provision to 50% of the service users is going to leave 50% of service users and their families having to source, if possible, an exterior service provider which will be at a greater cost and not necessarily the quality of professionalism they currently receive from the highly trained and motivated NCC staff team.

While we are glad the service is not being axed altogether and the hope is that in the future the service will be expanded once more. The loss of highly qualified staff, during an extremely difficult time for recruiting staff into the care sector does not bode well for anyone thinking of joining the wider care profession.

The reduction in service provision will also impact on other support services who will need to be called upon to assist the families of the displaced service users. This will surely mean that their own services will be stretched coping with the expanded needs of families and their children. This is assuming those services are not affected by reductions in their own budgets as many services are being asked to make substantial savings themselves.

It has not gone unnoticed that NCC now has 11 Heads of Service, many not having been in place for long, who it appears are not going to be affected by the budget cuts.

Whereas staff who have served within NCC for many years are being told they cannot be sustained in their positions. Also, families being told their service is not affordable at this time.

It appears the lowest paid are being affected whilst the management structure remains largely unaffected.

We as a Union would not support forced redundancies within the workforce and will do our utmost for the benefit of our members and in their best interests.

John Lane
Assistant Branch Secretary
UNISON Newport City Branch

Unison Budget response to library's proposal

The impact on Library's may seem to be less damaging than impacts on other staff groups within the proposals.

The repurposing of the site in Pill to classrooms will impact on the local community who use the library as a local hub. From talking with the staff based within pill she has explained that many of the local community use the computers for various reasons including job applications, benefit claims etc.

Whilst these facilities are available in other areas across the city some of the local population tend not to travel outside of Pill and the local library and staff are a constant that they rely on.

The library currently links in with the other local community support projects and the repurposing of the site will remove that link from a community that is currently one of the poorest within Newport.

Peter Garland
Branch Secretary UNISON Newport City Branch.

Unison Budget Response to Barnardo's/Baby and me team

This team has had amazing results since being set up and the report on the teams results which the council celebrated earlier in the year supports this. The team are passionate and committed to the people they support.

The removal of the posts suggested will change the very nature of the team and the specialised help they can offer. They have helped families to bond and grow ensuring that children have the safe and supportive environment they need, and parents feel supported and able meet the challenges of being a new parent.

Whilst understanding the councils need to make savings, we ask that they look closely at the level of success of this team and consider not only the positive impact this team have had on a personal level for those they have supported but how much future interventions have been avoided.

By being involved so early in the family framework and supporting when first needed it must be considered how much future support will not be needed avoiding the use of valuable resources in the future. Not only financial resources but the amount of staffing hours needed in the future. We ask the council to think about the long-term impact of not having this team in place while considering the current financial crisis. Council must decide if the short-term savings outweigh the gains that could be made by this team continuing in the successful format that is currently operating so successfully.

This is again a budget proposal that has been put forward because this area has so many statutory services within it that limits the options around where savings can be made.

Peter Garland
Branch Secretary
UNISON Newport City Branch

Unison Response to budget proposal relating to Community Safety Wardens 2023

The proposal suggests that the current service be cut to four community safety wardens and 1 supervisor.

We struggle to see how the service would have a stable enough structure with enough staff to be able to operate the service. If the supervisor becomes the back up for staff cover for sickness or annual leave the question is how they manage their workload if they are covering patrols as well. If the staff are at the lowest levels of annual leave that's 16 weeks a year that patrols could not take place without a supervisor having to step away from their tasks to support if patrols were to continue and that does not include any sickness cover.

The two potential rotas that have been suggested for the service moving forward suggest either staff working every Saturday of the year or having one Saturday off in three. The rota would consist of a five-day week Tuesday, Wednesday Thursday Friday Saturday. The second rota suggestion from staff offered them a Saturday off while working a Tuesday instead once every 3 weeks. (this was a staff proposal that has been turned down).

When the initial proposal was put forward it was suggested working days would be selected via statistics but both the CSW's and supervisors believe Mondays are actually very busy and removing them as a working day is just another cut to their wages as they would no longer be paid bank holiday rates. A saving for the council again paid for directly from the pockets of staff. This also means any complaints from a Saturday night will not be acknowledged or responded to till a Tuesday late afternoon.

There is not a service across the council where staff are asked to work every Saturday in a year or have to use annual leave to achieve a full weekend off from work. Work/life balance is important for mental well being and to allow for good family harmonics.

There is a suggestion that the CSW wardens will change how they will work if this budget proposal goes through. This does not seem to have been explored with any great thought with suggestions such as working only in specific targeted areas whilst continuing to cover the range of tasks previously managed.

The CSW's feel that they offer an important service to NCC which is not recognised due to using hire vehicles with no identifying marks this they feel limits their visibility within the community. If they were using NCC vehicles there would be a saving of the vehicle hire costs and they would be more visible to the communities of Newport.

Currently the staff deal with all of the noise complaints within Newport so staff are questioning if they would have the ability to maintain this task and if not, who would deal with those cases. Police no longer respond to noise complaints and environmental health do not have the ability to respond to calls outside of business hours. This argument can also be made for the many other tasks that the team deal with.

Both of the long serving supervisors have opted for redundancy as neither feels that the alternative proposal will work and the service, they have supported for many years is being set up to fail and will become a victim of further cuts next year.

Whilst their service is being cut there is further investment within CCTV, and they question why the weight of these cuts are not being shared across other areas.

APPENDIX 4b - Specific responses to consultation

We have attempted to find out how many FPN's have actually be paid after being issued by the team, but we don't have the information at time of this response being written. Savings suggestions from staff are outlined below.

Delete the two supervisor roles make one/two senior CSW's more senior duties passed onto manager.

Use NCC electric vehicles instead of the hire vehicles currently being used. Savings on fuel and hire costs

Ensure that all fixed penalty notices are paid those not paid are challenged robustly.

The staff feel under valued and uncared for with the latest proposal suggesting that they can work a shift pattern that will be detrimental to themselves while life above supervisor level goes on without any impact. They feel the proposal is unfair impacting on staff at the front line and the members of public who will have to turn to the police for support or to suffer in silence as they are impacted on by anti-social behaviour and those suffering noise complaint issues are drowned out by the silence of no one being available when it is needed.

This proposal is unrealistic and unsustainable. Staff would rather see the service shut down than to work in a token role that cannot meet the needs of the service.

Unison Response to Budget proposal for Cwtch Team 2023

The proposal around the Cwtch team includes shutting the building that currently houses the team. This building is what allows the team to do the job that they do as well as they do and as safely as they do.

Each room is set for a specific age group and there is huge supply of equipment and toys for families to use at the centre.

The rooms are equipped with an alarm system and additional support from the other colleagues within the building to support with escalations of aggression. To help when emotions are raised at the end of a session and children and parents have to leave each other.

When speaking with the staff all of them have highlighted how being able to work in a safe environment allows them to do their job to their best of their ability's.

The alternative proposal suggests that the work of this team can continue if the building and the majority of staff are removed from the structure. We challenge this proposal on a number of points.

- Consistency of meetings families currently have a structured arrangement knowing where and when meetings will occur this will not be possible if the proposal goes ahead. There are not enough private or council rooms that can be booked with any degree of guarantee around suitability or sustainability. This will impact on the family's the quality of meetings and the final results around reuniting children with their families.
- There is a suggestion that contact meetings can be carried out in the family homes. These are the very homes children have been removed from and will be confusing for them and a risk for the staff supporting them.
- For every room that has to be booked outside of the council there will be a cost implication which will impact on any savings made. Considering the cost-of-living crisis this will only increase.
- During the session's disclosures are made. The staff have to record this critical information word for word. The Cwtch site allows this to happen accurately and confidentially. The environment can help these disclosures happen due to individuals feeling safe.
- Whilst this is not a statutory service it is quite frankly run as such it operates 52 weeks a year. Annual leave is granted only as long as the service can support the volume of work. There is a constant struggle for the service to manage the expectations of the courts and cutting this service and how these meetings are managed will impact negatively on NCC's reputation.
- The Cwtch building is also used by other areas within social services so there will be significant impact on those areas if the building is mothballed which doesn't seem to have been considered anywhere within the proposal.

APPENDIX 4b - Specific responses to consultation

- For every family that are unable to access the service there is a potential they will need greater intervention in the future which means a bigger impact on services and cost implications.
- The branches greatest concern rests around the safety of staff trying to fulfil this role in the public environment. Due to the nature and sensitivity of these meetings it will only be a matter of time before there is an escalation in a public space. Without control of the environment that the meeting is taking place in the risk cannot be managed. This is a risk that is foreseeable and cannot be minimised to a reasonable level.

Unison Newport City branch will fully support any member that raises concerns around health and safety within their workplace and we will robustly challenge any actions that lead to a detrimental impact on our members physical and mental health wellbeing.

This proposal was put forward by the head of service because of the current financial crisis. We ask the council to look at the long term impact this decision will have on families in crisis. We ask them to consider what cutting the service means in the long term to Newport community's, the over stretched services that will have to fill the hole left by the Cwtch team and the building. The service that is left will be greatly diminished and cannot achieve anywhere near the results or manage volume of work that will be left behind safely for users or staff.

We have not gone into the specific costs or saving suggestions as we have worked with staff and have seen their responses which include this information.

The staff know the importance the building has in allowing them to properly support their family's please listen to them.

Peter Garland
Branch Secretary
UNISON Newport City Branch

Unison Budget response outreach service 2023

The outreach service is a relatively new service that was created from the closure of the Brynglas day centre.

Its purpose is to support those at most risk within the community offering the opportunity for a member of staff to sit with the client offering their carer a break for a few hours and the client someone different to interact with. There is also an option for them to use the day centre facilities at spring gardens which offers a warm safe environment and a group of peers to interact with.

There are currently sixty-one families using the service with more families on the waiting list for the service and probably more waiting as intake was stopped when the proposal went into consultation. Due to the nature of the service, they face a few more logistical challenges around having their voices heard the service have worked hard to support them to be able to do so. This again shows the level and commitment of this staff group and service to their service users.

There is a wealth of caring skills and experience wrapped up in the service with some staff having over thirty years' experience.

The majority of the staff affected have gone through similar processes on a number of occasions some of the staff have come from Kensington court and some from Brynglas day centre, so this process has been particularly hard on them.

The impact of closure of the service would mean carers don't get respite which can impact on their well being both physically and mentally, if those care givers can no longer look after their loved one's services will have to step in and support, there may be hospital admissions and delays in discharges due to not being able to send them home. All of this involves cost most of which will be picked up by other council services already at full stretch.

Peter Garland
Branch Secretary
UNISON Newport City Branch



Our ref: RH/JKP
11 January 2023

Kevin Howells
Senior HR and OD Business Partner
NCC

Dear Mr Howells

Re: GMB Comments re Consultation - Barnardo's Partnership Restructure Proposal

GMB is very concerned about the impact the proposed cuts to the existing Barnardo's partnership structure will have upon both staffing levels and communities who access this service with specific reference to young people/children.

The Placement Support (3 posts) and Baby And Me Team (1 post) is an intricate part of the overall Barnardo's partnership structure, therefore, to remove it will significantly reduce the effectiveness of the service. GMB has been given examples of how the intervention of the family support has protected young people/children from abuse within the home environment. It is believed that without this intervention, the child/young person could have remained within this abusive relationship.

The children/young people living under SGO's, Fostering and adoption are more on the edge of care with the likelihood of coming fully in the care system than children living at home with birth parents as there is still the option of looking for extended family and friends for them, where those options have already been explored for the others.

The placement support was implemented due to the amount of placement break downs and children/young people being moved to multiple placements in very short time - which as we know is not good for their emotional well-being.

The money that will be saved has not been compared with the amount of money that is being saved from other service areas by this very specialised/ specific intervention.

The GMB would therefore request the Council to identify the amount of savings this service has contributed to other sections of Barnardo's partnership and other wider social care services across the Council.

GMB is therefore, requesting the Council reconsider axing the Family Support Service within the Barnardo's Partnership function.

Yours sincerely

Rowena Hayward
Senior Organiser



Oaklands Respite Service – a proactive alternative to the proposed financial cuts for both NCC and the children.

Evidence and proposals to support more (not less) investment regarding Oaklands Respite Service – and which show the proposed cuts are not financially or morally viable .

In December 2022, Newport City Council proposed a number of cuts across the city to address a deficit within their 23/24 budget. These proposals target disability services offered and place significant pressure on this particular group of people, including children and their families. Through cuts made to Oaklands respite service the council aims to contribute to the deficit fund by £485,000. This paper shares the ways that NCC has communicated misleading information about the proposal and the impact this will have on children and families. It highlights the way that NCC could have used public money in a more positive and creative way and that this too has come at a human cost to children with disabilities. It is proposed that the savings made by these cuts to the service will be negated by the financial implications. The staff at Oaklands have identified the ways in which the service currently saves money for the Council and that these savings would cease in the event that the proposal is put into action. Additionally, Oaklands staff have identified further cost savings and opportunities to generate income for the council.

It is believed that NCC's proposal is short-sighted, contributing to the systems that function against 'enabling people to live better lives'.

Additional comments and financial information in support of Oaklands Respite Care and opposing the proposed budgetary cuts 15 February 2023

"Please see the enclosed comments and financial proposals to accompany previously submitted information from GMB.

This report is being formally submitted by GMB on behalf of the dedicated staff at Oaklands Respite Care and is submitted as part of the formal consultation process "

***For disabled children who access Oaklands as a residential placement,
NCC proposes removing the solution and creating a crisis.***

***For disabled children who access Oaklands as a respite provision,
NCC could create the crisis and remove the solution.***

Misleading Information and clarification

The proposal aims to save £485,000.00 by reducing the respite service offering. NCC has communicated these cuts in a manner that is misleading and fails to fully recognise the impact this will have on children and families. Below is a table of the dangerous discourse around this proposal highlighting the deliberate deception made by NCC in their public communications. Therefore the misinformation is addressed and the key facts are provided in the table below and which provides clarity.

APPENDIX 4b - Specific responses to consultation

NCC Proposal	Oaklands Response
<i>'Oaklands provide planned short respite breaks...'</i>	Oaklands provides both planned short respite breaks and temporary residential placements for children with disabilities
<i>'Each Child would receive 4 sessions per month, a reduction from on average 6 sessions'</i>	Only 3 children of the 23 supported by the service, have 6 sessions per month. These are children most at risk of family crisis.
<i>'Oaklands service will reduce from 7 days a week to 4'</i>	Oaklands currently offers a 24/7 service, minus bank holidays. The service is proposed to reduce to 3 evenings and 3 mornings a week.
<i>'Oaklands also provides a domiciliary care service'</i>	Domiciliary care, for the children who access Oaklands, is currently not in operation. This misleads the public to believe that families have more support than they do.
<i>'The service could continue to support 11-12 children, a reduction from 21'</i>	The current children's' booking system is constantly tested by children's compatibility and the individual's needs. In order to support up to 12 children over 3 overnight stays per week, the individuals selected to use the service may be those with less complex needs / challenging behaviour. This presents a shift in the Oaklands statement of purpose, not to support families and children in need, but those who are more easily placed.

This miscommunication could be construed as an attempt to appease parents and mislead the public. It fails to mention how children and families will be 'selected' to continue to access the service. This is yet another element of the proposal that has left staff concerned over the transparency regarding the process.

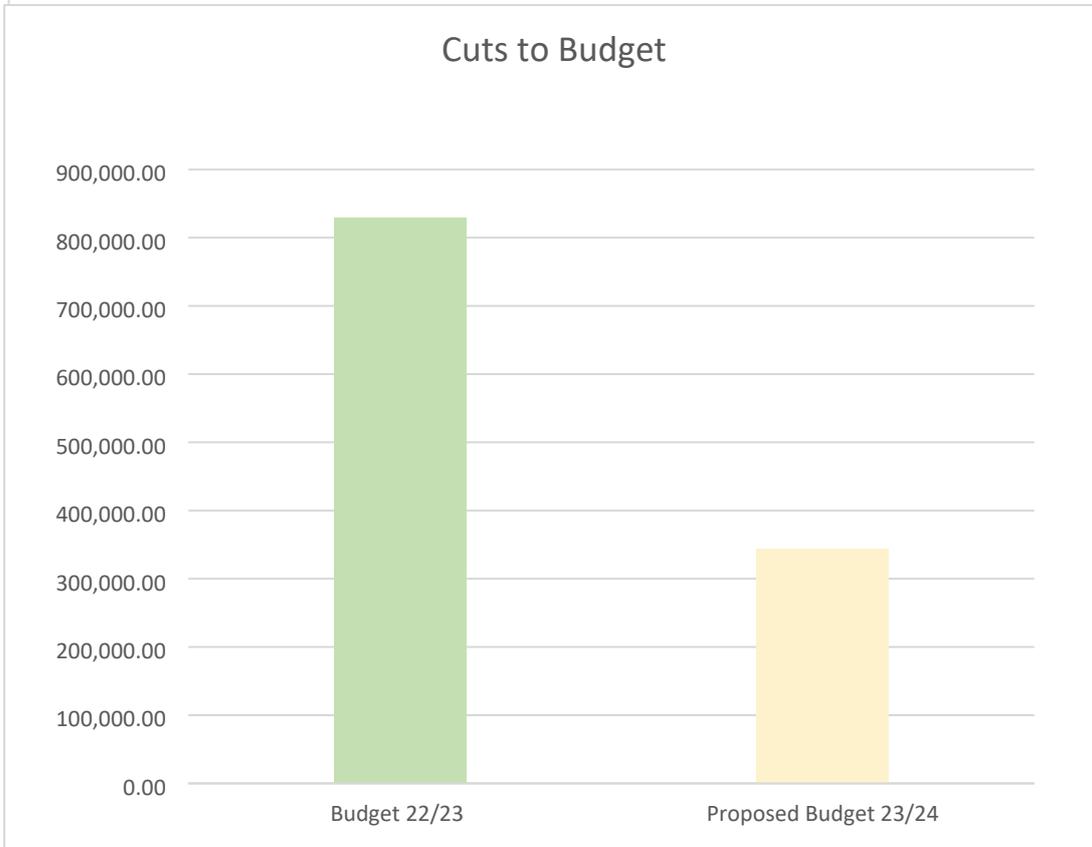
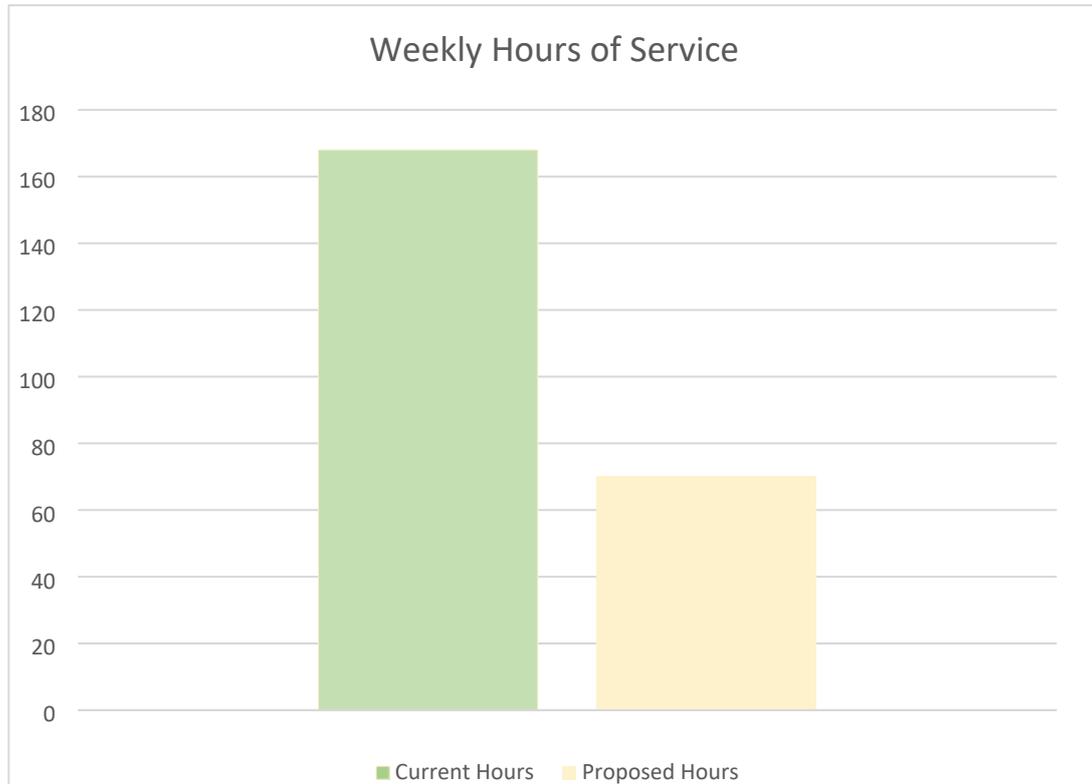
The proposal bears most conviction when it notes: 'the service is not a statutory requirement', Undoubtedly, a Council's decision to support a group of vulnerable people should be based on more than their legal requirements. However, NCC plainly acknowledge that despite professing to be '*courageous, positive, responsible*', they are not led by a moral compass but rather a legal framework of accountability.

Below is a visual representation of the significance of these proposed cuts; in the pursuit of

APPENDIX 4b - Specific responses to consultation

transparency a starkly different image begins to emerge.

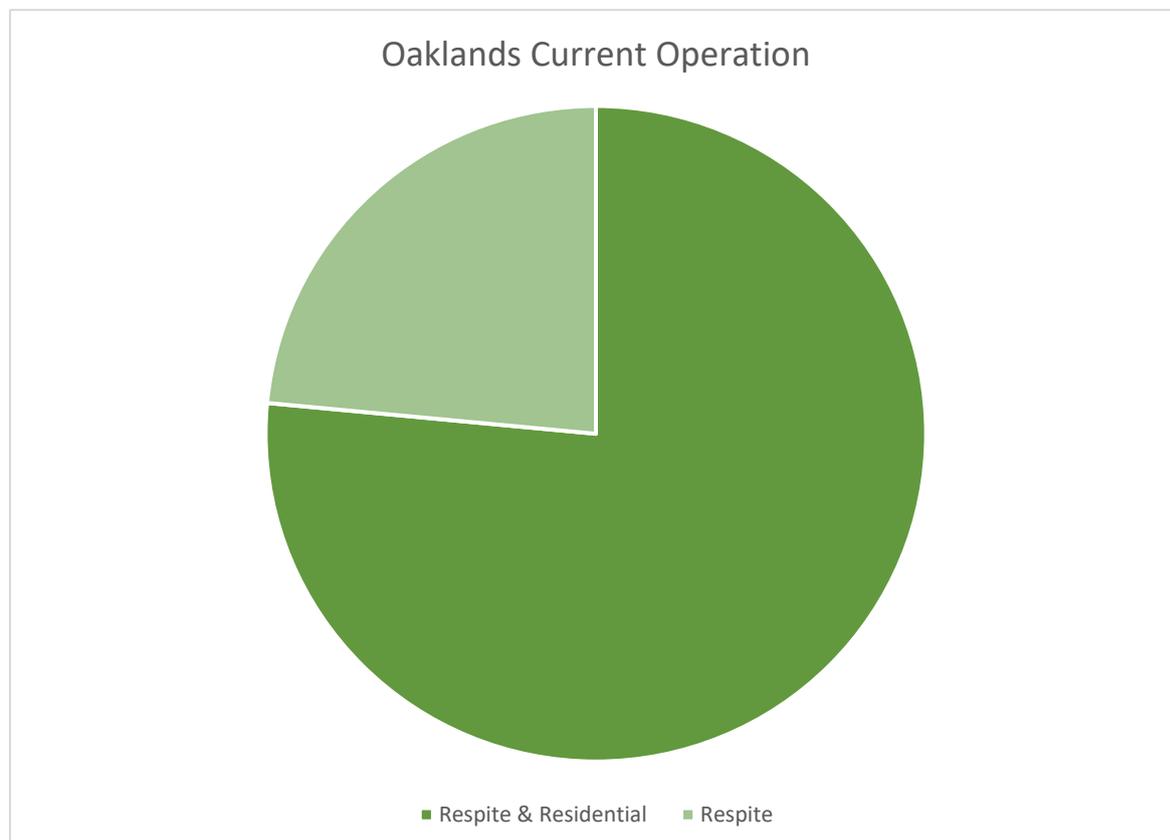
Oaklands Current Operation



Oaklands has a dedicated team of highly skilled and experienced staff, delivering quality specialist care to support disabled children with complex needs. The service has consistently received positive feedback from both the children and families who access it, and the

APPENDIX 4b - Specific responses to consultation

professionals and external agencies with which they collaborate. In addition to the respite that Oaklands provides, the service has stood in for NCC's absent residential provision for disabled children. This not only mitigates the claim that Oakland's is under threat as it is a 'stand-alone' service, but also highlights the additional value that the service brings. The below image is a representation of the service that Oaklands provides to an already underserved community. The data evidences that over the last 34 months the service has had up to two residents at one time for a total of 26 months.



In this time Oaklands has proven that they are able to provide a high-quality respite service alongside an essential residential offering. This work has made significant savings for NCC as detailed in the following case study.

In 2020 two children accessed Oaklands with residential status for 75 weeks.

The estimated costs mitigated by this placement have been calculated based on:

a) figures approximated by NCC representatives.

b) figures evidenced in NCC's current expenditure.

a) 2 children @ £5,500.00 per child, per week, for 75 weeks = £825,000.00

*b) 2 children @ £8116.25 per child, per week, for 75 weeks = **£1,217,437.50***

NCC

Newport City Council have sustained a continued attrition regarding disability services including Oaklands over a number of years and consultation periods. NCC have systematically sought to dismantle the service and minimize their responsibilities to disabled children via budget cuts. Their use of public money has been felt in the lives of disabled children, and Oaklands bears witness to both the financial and human costs.

APPENDIX 4b - Specific responses to consultation

In response to NCC's proposal to cut the Oaklands respite service, Oaklands staff requested information on financial risk assessment to identify the financial implications of the cuts. In the table below we have identified the estimated savings made by NCC, when using Oaklands as a residential setting, and the potential cost of withdrawing respite support from families for whom it is integral. Again, these totals have been calculated by both information shared by the council, and figures evidenced in NCC's current expenditure.

NCC Weekly Suggested Cost One Child	Actual Weekly Cost One Child
Oaklands Weekly Cost 2 RCCW (Additional hours)	NCC Weekly Saving
£1,025.60	£7,090.95
£104,000.00 - £386,000.00	£422,045.00
Oaklands Annual Cost 2 RCCW (Additional hours)	NCC Annual Saving
£53,315.60	£368,729.40

Not only does this exemplify NCC's current short-sighted-spending and the savings Oaklands generates for the council, but it forecasts the potential costs of taking on residential responsibilities for those children and families who are more at risk of crisis without respite care. These figures, held against the budget allocated to Oaklands as a whole, clearly demonstrate the efficacy of Oaklands as a positive service; one that should be bolstered not bulldozed.

Dual Registration

Oaklands staff propose that one bed within Oaklands' 5 bedroom property is allocated for the residential placement of a NCC child with disabilities. As previously outlined, a number of children have been made resident at Oaklands on an emergency basis and NCC have subsequently placed these children in costly private homes far from their home environment and community. Oaklands staff believe that we can negate this, improve this system and contribute to enabling disabled children in Newport to live better lives. The cost implication on Oaklands as a respite service, calculated as 2 additional staff for 10 hours each day is detailed in the table below.

By offering one residential placement to a Newport child with disabilities the Council will save £422,045.00 in one year at the potential cost of £53,315.60. This means that the total saving would be £368,729.40, only £116,270.60 short of the proposed savings made by cutting the service. Within this shortfall perhaps NCC might recognise the human cost associated with refusing to offer long-term residential placements for disabled children. Additionally, NCC might consider the additional cost of supporting families at risk of placing their children into a residential setting.

Human Cost

The present use of Oaklands as a temporary residential setting for disabled children signifies the Council's already short sighted view of the systemic problems it feeds. Children's rights are ignored when they are placed in private residential placements throughout the country. The proposal significantly strains this issue by offering up more children to potential crisis and trauma. This current system fails to recognise children's' rights as set out by the UNNRC:

Article 18 (parental responsibilities and state assistance): governments must support parents by creating support services and giving parents the help they need to care for their children. NCC's

APPENDIX 4b - Specific responses to consultation

proposal directly removes vital support and assistance from families who need help to care for their children.

Article 23 (children with a disability): a child with a disability has the right to live a full and decent life, playing an active role in the community. NCC's proposal places children at higher risk of residential placements outside of their community and disregards this right.

Article 8 (every child has the right to an identity): children should be supported to preserve their identity. A widely held view of how identity is constructed relies the environment in which a child grows up. NCC aids a system that ignores this and instead of offering it's own support, gives children over to other local authorities up and down the country.

Concluding Statements

Newport City Council have consulted staff and the public in a way that has been misleading and inaccurate. Staff and public have raised concerned over the ethics of this proposal, its formation and dissemination, and its implications.

Oaklands respite service, and it's committed staff team, have provided residential placements for children as crisis intervention, and provided a quality respite service as crisis prevention. In cutting the service by over half, this work cannot continue.

The savings that Oaklands have made the council in the last 34 months alone have been calculated using figures shared by NCC representatives. The staff disagree with the accuracy of these figures and can evidence that the reality has an even greater financial implication. Oakland's residential offering has saved the council over 1 million pounds.

In cutting Oakland's respite service, children and families are at risk of entering the care system. Costly residential placements are estimated using figures shared by NCC representatives, at £104,000-£286,000 per year, per child. We believe this cost is more likely to exceed £422,045.00 per year, per child. We believe that all of the families who are refused access to respite support are at risk of placing their child into residential care as the service would be cut from supporting 23 children, to 11- 12.

We have seen first-hand the impact of placing children in residential settings that are not appropriate and fail to recognise children's rights. There is no residential offering for disabled children in Newport, aside from the temporary one that Oaklands offers. Children's rights are rejected by this system propped up by NCC.

We propose that Oaklands continue to operate a 24/7 respite service. To support this we would generate income for the service by offering a long-term residential placement to a Newport-child with disabilities. We estimate that this will continue to generate savings in excess of £422,045.00. We acknowledge the cost implications this has on the Oaklands budget as £37,382.80. We identify that despite this, the service can generate savings of up to **£384,662.20.**

***For disabled children who access Oaklands as a residential placement,
NCC could remove the solution and create the crisis.***

***For disabled children who access Oaklands as a respite provision,
NCC could create the crisis and remove the solution.***

Mae'r dudalen hon yn wag yn

APPENDIX 5 – Budget Investments

New Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
SOCIAL SERVICES					
Children Services	Other	Children Looked After - Additional support as a result of the international crisis and emerging impact of COVID on wellbeing. Increased translation costs , transport costs and professional fees. This is a conservative estimate based on the rising cost of living and fuel.	180	0	0
Children Services	Demand - Social Care	Supported Accommodation age 16 -18 rising demand. Working with social housing to provide new accommodation opening in January 2023 @ £925 per week. As well as accommodating increased demand, this will be less expensive than current accommodation used. The pressure has therefore been partially mitigated by corresponding savings in the Leaving Care budget.	198	0	0
Children Services	Demand - Social Care	Increased number of children being placed into emergency accommodation due to a lack of provision, this will be exacerbated by the eliminate profit legislation. This pressure will enable the use of 2 fully staffed NCC owned annex's providing 4 placements and will avoid the use of unregulated, more expensive placements. Eliminate Grant Funding has been awarded for 3 years which enables the pressure to be removed in 23/24 but needed in 25/26.	0	0	1,360
Children Services	Policy change	Change in funding structure for projects established under the Regional Integrated Care Fund.	0	221	147
Adult Services	Other	Full fibre technology to provide telecare to the 3 in-house residential care homes. A successful bid was made to Welsh Government's Local Broadband Fund for the investment but there will be on-going revenue costs of £29k from 25/26.	0	0	29
Adult Services	Other	Older People Residential Care Fee uplifts - Fee increases above inflationary pressure provided in 22/23, exacerbated by the fee increases awarded by neighbouring authorities. This is a conservative estimate of the pressure as there is a rising cost of utilities, food etc.	174	0	0
Adult Services	Demand - Social Care	Short Breaks Loss of unpaid carers grant as well as an increased demand for short breaks which enables older people to live in their own homes for longer.	182	0	0

APPENDIX 5 – Budget Investments

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Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
SOCIAL SERVICES					
Adult Services	Demand - Social Care	Residential Placements Demand Increase - Based on the July monitoring overspend less forecast overachievement on income	515	0	0
Adult Services	Other	Non Residential Fee Increases LD Providers - Cost of living pressures. Retendering exercise has resulted in significant additional costs from providers due to the rising inflation and cost of living	558	0	0
Adult Services	Demand - Social Care	Direct Payments - In order to incentivise the take up of direct payments and to encourage new entrants to the social care workforce there is a need to offer a further uplift to the Direct Payment rate. This will also incentivise current staff to remain in post. The pressure request is to increase the hourly rate paid to £11.50 per hour which would be the second highest across the region. NCC currently pays the lowest at £10.37 per hour	113	0	0
Adult Services	Policy change	Regional Integrated Care Fund - Change in WG funding structure for projects which will result in cash savings needed to fund statutory services	0	353	58
ENVIRONMENT & SUSTAINABILITY					
Housing & Communities	Demand - Other	Homelessness costs - Costs this year are in the region of £2.5m. There remains a degree of uncertainty as to what proportion of these costs are temporary or permanent so will continue to be closely monitored. Housing benefit element approx. £2.75m, residual shortfall in Homelessness circa £750k. Confirmation of additional WG funding (NOLOA - No One Left Out Approach) has enabled this pressure to be reduced	3,165	0	0
Housing & Communities	Other	Adult Community Learning - WG drive to increase service provision	40	0	0
Infrastructure	Other	Highways materials - above inflation price rises in materials being experienced across the market	17	0	0
Infrastructure	Other	Increase resource within the passenger transport unit	111	0	0

APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
ENVIRONMENT & SUSTAINABILITY					
Infrastructure	Other	Fuel pressure - Additional fleet maintenance fuel costs due to increasing levels of inflation	275	0	0
Environment & Public Protection	Other	Fixed Penalty Notice (FPN) and Environmental Licence Income - the community safety warden service over a number of years has reduced operating hours and coverage by area resulting in a reduction in FPNs issued and subsequent income collected. Environmental licence fees have been reduced by DEFRA which has impacted on the income levels generated.	47	0	0
TRANSFORMATION & CORPORATE					
People, Policy & Transformation	Other	Community Safety Network - a reserve was established a number of years ago to meet the ongoing costs associated with the Community Safety Network that provides CCTV for the city. The reserve will be fully depleted in 23/24 but the annual contract of £128k will remain. There is potential to reduce contract value dependant on review of need.	86	42	0
People, Policy & Transformation	Other	Occupational Health Contract - renewal of contract	60	0	0
People, Policy & Transformation	Other	Salary Sacrifice - a salary sacrifice scheme and income target was introduced following the implementation of Total Reward in 2018, the income target has never been fully met.	30	0	0
People, Policy & Transformation	Other	Welsh Language Translation - a reserve is in place for Welsh language costs which has funded a range of activities to increase the use of the Welsh language in Newport City Council and across the city. Based on current projections this reserve will have been utilised fully by March 2024. The budget for Welsh language translation costs has remained at the same level for a number of years and our continued work to develop the use of the Welsh language, increased service area need, and the introduction of the Welsh language skills policy will result in a budget pressure from 24/25 onwards.	0	40	0
Law & Standards	Pricing	Insurance Premium - renegotiation of contract price based on 30% increase in other local authorities	214	0	0

APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
TRANSFORMATION & CORPORATE					
Finance	Other	My Council Services (MCS) Operational Support Team & Project Team - The Operational Support Team is an integral part of the Council's Contact centre operation and also includes an unfunded project team who initially implemented the Councils 'My Council Services (MCS)' system' and continued to roll it out further to services since then. MCS is a business-critical tool; key to several services across the council, supporting our digital strategy with over 260 online forms, a Customer Portal and Newport App. There is no base budget to fund the MCS project team and underspends/reserves which have funded it to date are now depleted.	82	0	0
Finance	Other	Creation of a combined Revenues & Benefits Service - restructure of existing teams to strengthen management posts and align officers on equivalent grades	90	0	0
CHIEF EXECUTIVE					
Education (Schools)	Demand - New Schools	New East Glan Llyn Primary School - This school will be the second to be established on the Glan Llyn development, and is being provided by the developer through the S106 agreement. The school will be a 2 FE school, with a nursery and 2 10-place learning resource base (LRB) classes on site.	0	0	TBC
Education (Schools)	Demand - New Schools	New East Glan Llyn Primary School - Head Teacher (HT) required in post from May 2025 and School Support Officer (SSO) and Caretaker required in post from June 2025 in advance of official opening to support new school requirements.	0	0	TBC
Education (Schools)	Demand - Other	<p>ALN Funding to Schools:</p> <p>Part 1: ALN funding for the development of universal, targeted provision and specific provision has not been increased to Schools in line with inflation. Previously this element would have been linked to a lump sum amount and the number of School Action Plus pupils in their School. Primarily the funding Schools receive is used to employ Teaching Assistants to run a variety of universal, targeted and specific interventions however this funding has not increased to match the increased costs of staffing. This means that current funding is not allowing schools to meet the needs of its ALN learners</p> <p>Part 2: There continues to be a lack of provision available in secondary schools to meet the needs of those pupils who are due to leave a primary Learning Resource Base (LRB). Placing a secondary LRB into each of the nine 11-18 schools is not a desirable or an affordable model for the future. However a transitional provision is required to support more complex ALN needs and to prevent exclusions and the requirement of Out of County places.</p>	0	TBC	TBC

APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
CHIEF EXECUTIVE					
Education	Demand - Other	ALN Transformation and core staffing Potential pressure as staff critical to LA statutory requirements under new ALN Act are currently funded by a 3 year grant from WG and should this not be extended at the end of that period there will be a pressure on Education budgets to retain these posts.	0	TBC	TBC
Education (Schools)	Other	Teachers pension - Estimated 1% pa increase over the next three years from 2023/24. This assumes that pension rates will increase to 26.68% by 2025/26 however the outcome of the pension valuation is yet to be confirmed	566	566	566
Education (Schools)	Other	Teachers pay - Additional 1% provision set aside for teachers pay award increasing total provision to 3.5%	600	0	0
Education (Schools)	Other	School business rates - revaluation will see in an increase in school rateable values	111	0	0
Regeneration & Economic Development	Other	Management post in Place - shortfall in budget against the newly created Culture Manager due to Evaluation Panel awarding a higher grade than anticipated	5	0	0
Regeneration & Economic Development	Other	Medieval Ship - cessation of WG grant to support the maintenance of the ship has led to budget pressure.	20	0	0
NON-SERVICE					
Non-Service	Other	Housing Benefit technical overpayments	400	0	0
Non-Service	Pricing	NJC pay award - 4% provision was allowed within the 22/23 budget. When applying the 22/23 proposed pay award to the current structure this works out on average as 6.4% increase before any assumed pay award in 23/24. This pressure represents the budget uplift in 22/23 for the proposed pay award before any future awards. This element relates to non schools staff only	1729	122	126

APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
NON-SERVICE					
Non-Service	Pricing	Pension Deficit - Estimated 2.6% increase over the next 4 years from 2024/25. This assumes that employer contributions will increase to 24.8% by the end of the 4 year period. If the funding available to the council improves during this time would look to bring forward/ accelerate the increase.	0	537	537
Non-Service	Other	Annual sums - budget required to fund on a recurring basis	0	500	500
Non-Service	Other	Cost of additional days annual leave (Term Time Only (TTO) contracts)	184	0	0
NEW BUDGET INVESTMENTS TOTAL			9,752	2,381	3,323

APPENDIX 5 – Budget Investments

Agreed/ Revised Investments

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

APPENDIX 5 – Budget Investments

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Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
ENVIRONMENT & SUSTAINABILITY					
Environment & Public Protection	Other	Sustainable Waste Management Grant - based on estimated reduction in grant funding across Wales. The impact on NCC is yet to be confirmed so could be subject to change	50	50	0
Environment & Public Protection	Other	Closure of asbestos cell - The cell has closed therefore resulting in loss of income. There is likely to be a small reduction in cost which has the potential to reduce the required investment.	139	0	0
Environment & Public Protection	Other	Cemeteries - 4 x cemetery liaison officers	35	0	0
Infrastructure	Other	Highways - Asst structural engineer, highways planning and H&S officer	35	0	0
Environment & Public Protection	Other	Cleansing - increased provision in the city centre	50	0	0
Environment & Public Protection	Other	Parks/ play areas - maintenance and replacement of equipment	150	0	0
Environment & Public Protection	Other	Additional Environmental Health officer	11	0	0
TRANSFORMATION & CORPORATE					
People, Policy & Transformation	Pricing	Norse JV - Increased contract payment as a result of assumed uplift each year.	89	92	0
People, Policy & Transformation	Pricing	Shared Resource Service (SRS) - Increased contract payment as a result of assumed pay award	35	35	0
People, Policy & Transformation	Other	Health & safety posts	81	0	0
Law & Standards	Other	Electoral reform	10	0	0
Finance	Other	Accountancy	15	0	0

APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
CHIEF EXECUTIVE					
Education	Demand - Other	SEN Out of County (OOC) pupil demand - Demand increasing at 15 pupils per year based on trend data at an average cost for 22/23 of £35k and a conversion rate of 75% for pupils moving to out of county provision. Pressure reduced by increases in provision in secondary sector and special sector as increased capacity should avoid OOC costs	0	0	11
Education	Demand - Other	Gwent Music - An ongoing review of the service will bring about a requirement to change in line with the WG's national plan for music. A national framework will be established and provide recommendations as to how the music service is organised.	0	290	0
Education	Demand - Other	New Llanwern Village Primary - School to open September 2024. Head Teacher (HT) required in post from May 2024 and School Support Officer (SSO) and Caretaker required in post from June 2024 in advance of official opening to support new school requirements.	0	46	0
Education	Other	Early intervention and protection - additional resource to provide a proactive approach into assessing and supporting vulnerable pupils	45	0	0
Education (Schools)	Demand - New Schools	Secondary School Transitions (net change) - In line with pupil projections as reviewed by Planning of School Places group and 2022/23 average pupil funding for secondary school pupils. This equates to an increase of 170 FTE from 22/23 to 23/24, 14 FTE from 23/24 to 24/25 and 34 FTE from 24/25 to 25/26.	632	52	126
Education (Schools)	Demand - New Schools	Primary School Transitions (net change) - In line with pupil projections as reviewed by Planning of School Places group and 2022/23 average pupil funding for primary school pupils. This equates to a reduction of 77 FTE from 22/23 to 23/24, 63 FTE from 23/24 to 24/25 and 86 from 24/25 to 25/26.	-215	-176	-240

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APPENDIX 5 – Budget Investments

Tudalen 298

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
CHIEF EXECUTIVE					
Education (Schools)	Demand - New Schools	<p>New Llanwern (Village) Primary Schools - This school will be established on the housing development at Llanwern Village, and is being funded as part of S106 agreements. The school will be a 1.5 FE school, with a nursery and 10 place learning resource base (LRB) unit on site. The MTFP assumes that the school will open in September 2024 as a growing school with a small number of pupils in each year group with the intention of these growing each year.</p> <p>Year 1 N = 20 FTE R = 30 Y1-6 = 15 pupils LRB = 10 pupils</p> <p>Y2 N = 20 R-Y6 = 30 LRB = 10</p> <p>Y3 N = 20 R-Y6 = 45 LRB = 10</p>	0	542	528
Education (Schools)	Demand - New Schools	<p>New West Glan Llyn Primary School: This school was established on the housing development at St Modwen's, and was built by the developer as part of S106 agreements. The school is a 2 form entry school, with a nursery and 20 place learning resource base (LRB) unit on site. The school opened in September 2019 as a growing school with a small number of pupils in every year group with these growing each year and will be fully grown by September 2022.</p>	98	0	0
Education (Schools)	Demand - New Schools	<p>New Primary School - Whiteheads: This school will be established on the housing development at the Whiteheads site, and is being built by the developer as part of S106 agreements. The school will allow for the move and expansion of Pillgwenlly Primary school to expand from 2 form entry (FE) to 3FE from April 2024.</p>	0	229	104
Education (Schools)	Demand - New Schools	<p>Welsh medium primary school: The school will be a 2 form entry, with a nursery on site. The school opened in September 2021 as a seedling school, with a capacity of 444 with a nursery and reception class in the first year and a further year group added every year until it reaches capacity. A 10 place learning resource base will open in the school in September 2024 and is anticipated to be full upon opening.</p>	40	191	205

APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
CHIEF EXECUTIVE					
Education (Schools)	Demand - New Schools	Expansion of Tredegar Park Primary - increase admissions to 75 from 60 on a year by year basis starting with reception, initially planned from September 2021 but due to delays now from September 2024.	0	0	32
Education (Schools)	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - (Kimberley site) Funding based on Category 2 Special school place led funding. To open a total of 28 places over the foundation phase - 8 places Y1 then 10 places per year group for reception, year 1 and year 2.	230	96	0
Education (Schools)	Demand - New Schools	Ysgol Bryn Derw Satellite Provision - (Lodge Infants site) Funding based on Category 2 special school place led funding. To open a total of 48 places for Key Stage 2 provision, 12 places per year group for years 3 to 6. Opening to year 3 pupils in September 2024.	0	187	290
Education (Schools)	Demand - New Schools	Llanwern ASD Base Opening Sept 23 as a 20 place provision Growing at 4 per year from Sept 23	0	88	87
Education (Schools)	Demand - New Schools	Maesglas Primary Expansion - Maesglas Primary school to increase published admission number (PAN) from 38 to 45 pupils, growing from reception in September 2024.	0	12	32
Education (Schools)	Demand - Other	eFSM - increase in entitlement Continued review required to establish the permanent increase in entitlement. Significant uncertainty remains due to the effect of the pandemic and current cost of living crisis.	0	TBC	TBC
Regeneration & Economic Development	Other	To fund the full year impact of the newly created City centre manager	16	0	0
Regeneration & Economic Development	Other	Destination management - place marketing	14	0	0

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APPENDIX 5 – Budget Investments

Service Group	Category	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
CHIEF EXECUTIVE					
Regeneration & Economic Development	Other	Tourism - promotion of the city	13	0	0
NON SERVICE					
Non-Service	Capital Financing - other	Capital Programme - To fund the capital financing costs of the current (in principle) capital programme. Investment required to meet the promises set out in the Corporate Plan	0	208	0
AGREED/ REVISED BUDGET INVESTMENTS TOTAL			2,750	2,393	1,580
BUDGET INVESTMENT TOTAL			12,502	4,774	4,903

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Pressures Summarised:

Pressures by Type	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
New budget pressures	9,752	2,381	3,323
Previously agreed/ revised budget pressures	2,750	2,393	1,580
New and previously agreed/ revised pressures	12,502	4,774	4,903
Inflationary pressures (Inc increments)	36,071	23,220	19,922
TOTAL BUDGET PRESSURES	48,573	27,994	24,825

APPENDIX 6 – New Budget Savings

New budget savings for consultation

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
SOCIAL SERVICES					
Children Services	CS2324/02	A change in the funding arrangements for the Strategic Partnership with Barnardo's Cymru	462	0	0
Children Services	CS2324/03	Restructure of the Family Time Supervised Contact Offer (CWTC Centre)	278	0	0
Children Services	CS2324/04	Oaklands and Short Break Provision re-modelling	485	0	0
Children Services	CS2324/05	Staffing across Children's Services	435	0	0
Adult Services	AS2324/01	Adult contracts: commissioned services	286	0	0
Adult Services	AS2324/02	Eligible care and support needs	468	0	0
Adult Services	AS2324/03	Provision of services to support residents with a learning disability	308	0	0
Adult Services	AS2324/04	Short breaks service for older adults (formerly known as day opportunities)	613	0	0
Adult Services	AS2324/05	Restructuring of Adult Social Care with changes to staffing	419	0	0
ENVIRONMENT & SUSTAINABILITY					
Housing & Communities	HC2324/01	Library and Adult Community Learning Services	110	15	0

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APPENDIX 6 – New Budget Savings

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
ENVIRONMENT & SUSTAINABILITY					
Housing & Communities	HC2324/02	Reduce financial support to the Shop Mobility scheme in 2023-24	7	0	0
Environment & Public Protection	EPP2324/02	Community Safety Warden Service Restructure	169	0	0
Environment & Public Protection	EPP2324/04	Increased fees and charges within Environment and Leisure Services	71	0	0
Environment & Public Protection	EPP2324/05	Introduce parking charges to four park and countryside car parks	50	0	0
Environment & Public Protection	EPP2324/06	Household Waste Recycling Centre - Charging for non household waste	62	0	0
Environment & Public Protection	EPP2324/08	Charge for replacement (residual waste) bins	40	0	0
Environment & Public Protection	EPP2324/09	Domestic Residual and Garden Waste Collection – 3 Weekly Collections	160	160	0
Infrastructure	INF2324/02	Changes to Operational Practice and Procedures	180	0	0
Infrastructure	INF2324/04	Streetlighting Switch off 00:00 to 06:00 (excluding safety critical sites) and Reduction in Maintenance	300	70	0
Infrastructure	INF2324/05	Fees and Charges – Fees increased by 10% rather than the standard 4%	40	0	0

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APPENDIX 6 – New Budget Savings

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
TRANSFORMATION & CORPORATE					
Law & Standards	LS2324/03	Reduce Staffing levels in the Registration Service	54	0	0
Finance	FIN2324/01	Reducing opening times in Customer Services with move to more self-service	53	0	0
Finance	FIN2324/02	Switching off phone and face to face channels for some transactions	97	0	0
CHIEF EXECUTIVE					
Education (non Schools)	EDU2324/04	To Reduce Local Authorities (LA) Core Contributions to the Educational Achievement Service (Regional School Improvement Service)	158	0	0
Education (non Schools)	EDU2324/05	Educational Psychology Savings Proposal	60	0	0
Education (non Schools)	EDU2324/07	10% Reduction in Core Contributions to SenCom Regional Services (Sensory & Communication Support Services)	67	0	0
Education (Schools)	New	Proposal to fund 100% of growth pressures, 50% of pay pressures and for schools to absorb other identified pressures in 2023/24.	8,475	0	0
Regeneration & Economic Development	RED2324/01	Newport Live Management Fee	217	TBC	TBC
NEW BUDGET SAVINGS FOR CONSULTATION TOTAL			14,124	245	0

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APPENDIX 6 – New Budget Savings

New budget savings implemented under delegated authority

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
SOCIAL SERVICES					
Children Services	CS2324/01	Miscellaneous budget savings	25	0	0
Prevention & Inclusion	PI2324/01	Review of Prevention and inclusion Service	92	0	0
ENVIRONMENT & SUSTAINABILITY					
Housing & Communities	HC2324/03	Increasing housing related support, move on opportunities and the effectiveness of housing management in Temporary Accommodation	296	0	0
Environment & Public Protection	EPP2324/01	Cemeteries team restructure	61	0	0
Environment & Public Protection	EPP2324/03	Increased income in Trading Standards	48	0	0
Environment & Public Protection	EPP2324/07	Changes to recycling containers	45	0	0
Infrastructure	INF2324/01	Repurposing of Usk Way Plaza Fountains and Water Feature	40	0	0
Infrastructure	INF2324/03	Withdrawal of Reen / Watercourse Maintenance and Rural Hedge Cutting	30	0	0
TRANSFORMATION & CORPORATE					
Law & Standards	LS2324/01	Reorganisation of Corporate Administration and Legal support	97	0	0

APPENDIX 6 – New Budget Savings

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
TRANSFORMATION & CORPORATE					
Law & Standards	LS2324/02	Democratic Services	37	0	0
People, Policy & Transformation	PPT2324/01	Digital Contracts Review and Service Re-design	288	0	0
People, Policy & Transformation	PPT2324/02	IT Service Contract Reduction	290	0	0
People, Policy & Transformation	PPT2324/03	Laptop Refresh Cycle Extension	20	0	0
People, Policy & Transformation	PPT2324/04	Reduce Grants and Contracts - Newport Live Discretionary Grant and Newport Youth Council Support Contract	18	10	0
People, Policy & Transformation	PPT2324/05	Remodel Policy and Partnership Structure and Welsh Language Arrangements	62	0	0
People, Policy & Transformation	PPT2324/06	Newport Norse JV rebate increase	238	0	0
People, Policy & Transformation	PPT2324/07	Budget Saving on the Entry Points Scheme, Graduate Scheme and Organisational Development	144	0	0
People, Policy & Transformation	PPT2324/08	Budget saving through HR restructure	30	24	0
People, Policy & Transformation	PPT2324/09	Improved Asset Management and Income Generation	142	0	0
People, Policy & Transformation	PPT2324/10	Business Improvement / Transformation Restructure	61	0	0

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APPENDIX 6 – New Budget Savings

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Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
TRANSFORMATION & CORPORATE					
People, Policy & Transformation	PPT2324/11	Reductions in Chief Executive and Leadership support budgets	21	0	0
Finance	FIN2324/03	Internal Audit (IA) – to remove 1 x Audit Manager from the IA team structure	61	0	0
Finance	FIN2324/04	Reduction in non-staffing expenditure budgets, increase in income targets and deletion of a vacant post within Accountancy	55	5	0
Finance	FIN2324/05	Reduction in Revenue Budget Monitoring Process	119	0	0
Finance	FIN2324/06	Budget Saving Revenues and Benefits	23	0	0
CHIEF EXECUTIVE					
Education (Schools)	NS2324/03	National Insurance increase reversed - the 1.25 percentage point rise in National Insurance will be reversed from November 2022 (£717k schools and £435k non schools)	717	0	0
Education (non Schools)	EDU2324/01	Reduction to Primary School Meal Budget	576	0	0
Education (non Schools)	EDU2324/02	Proposal to Reduce Redundancy Budget	112	0	0
Education (non Schools)	EDU2324/03	Increase Income Target - Recoupment Budget	250	0	0
Education (non Schools)	EDU2324/06	Inclusion Advisory Savings Proposal	66	0	0
Education (non Schools)	EDU2324/08	To remove core funding from the Early Years Team and replace with external grant funding	38	0	0

APPENDIX 6 – New Budget Savings

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
CHIEF EXECUTIVE					
Education (non Schools)	EDU2324/09	To increase Newport City Councils management costs for Gwent Ethnic Minority Support Services (GEMS)	54	0	0
Education (non Schools)	EDU2324/10	Reduction of Staffing within the Education Planning and Development Team	30	0	0
Education (non Schools)	EDU2324/11	Additional Learning Needs (ALN) Team - Reduction in Staffing Complement	56	0	0
Regeneration & Economic Development	RED2324/02	Reduction in Empty Properties Direct Action budget and Creation of Reserve	100	0	0
Regeneration & Economic Development	RED2324/03	Planning Performance Agreement Income	20	0	0
Regeneration & Economic Development	RED2324/04	Reduction in Energy Budget: Leisure Estate	616	0	0
NON SERVICE					
Non Service	NS2324/02	National Insurance increase reversed - the 1.25 percentage point rise in National Insurance will be reversed from November 2022	435	0	0
Non Service	New	Reduce covid contingency budget	160	0	0
Non Service	New	Non operational pensions	200	0	0

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APPENDIX 6 – New Budget Savings

Tudalen 308

Service Group	Unique ID	Proposal Title	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
NON SERVICE					
Non Service	New	Release budget temporarily re-classified for Covid risk mitigation in 22/23	980	0	0
Non Service	NS2324/01	Council Tax Reduction Scheme	800	0	0
NEW BUDGET SAVING IMPLEMENTED UNDER DELEGATED AUTHORITY			7,552	39	0
BUDGET SAVINGS TOTAL			21,676	284	0

Savings Summary:

Savings by Type	23/24 (£'000)	24/25 (£'000)	25/26 (£'000)
Previously Agreed Savings	0	0	0
New Budget Savings Implemented Under Delegated Authority	7,552	39	0
New Budget Savings For Consultation	14,124	245	0
TOTAL BUDGET SAVINGS	21,676	284	0

APPENDIX 7 – Medium Term Financial Plan (MTFP)

	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
Funding				
Base change in WG Revenue Support Grant (+8.8% in 23/24 and +3% thereafter)	(23,599)	(8,676)	(8,937)	(41,212)
Residual increased share of the total Revenue Support Grant due to data changes showing increased relative spending need	-	(1,012)	-	(1,012)
Estimated increase in NCC share of RSG due to population changes		(500)	(500)	(1,000)
Increase in tax base - C.Tax @ 22/23 rate	(161)	-	-	(161)
C. Tax @ 9.5% in 23/24 and 4% thereafter	(7,368)	(3,397)	(3,533)	(14,298)
Less consequential increase in benefits	1,205	544	565	2,314
Change in Income/Funding	(29,924)	(13,041)	(12,405)	(55,370)
Revenue Investments / Increased Costs				
Pricing - Pay Inflation & Increments (non schools)	7,187	2,651	2,521	12,359
Pricing - Contract/ Income Inflation (non schools)	18,416	12,530	11,050	41,996
Pricing - Pay Inflation & Increments (schools)	8,594	5,362	5,269	19,225
Pricing - Contract/ Income Inflation (schools)	3,941	3,463	1,745	9,149
Demand - Schools	785	1,221	1,164	3,170
Standstill/ 'committed' position	38,923	25,227	21,749	85,899
Demand - Social Care	1,968	451	1,465	3,884
Demand - Other	3,165	336	11	3,512
Policy change	32	574	205	811
Investments - Inc. Corporate Plan Promise	-	-	300	300
Capital Financing - other	-	208	-	208
Other	4,485	1,198	1,095	6,778
Total Pressures	48,573	27,994	24,825	101,392
General budget transfer to / (from) Reserves	563	-	-	563
Gap Before Cost Reduction Plans	19,212	14,953	12,420	46,585
Cost Reduction - Transformation / Change Programme				
Cost reduction - new savings	13,201	284	-	13,485
Schools contribution to budget gap	8,475	-	-	8,475
Cost reduction - previously agreed savings	-	-	-	-
Total Savings	21,676	284	-	21,960
Balance - @ WG +8.8% in 23/24 and +3% thereafter	(2,464)	14,669	12,420	24,625

Mae'r dudalen hon yn wag yn

APPENDIX 8 – Reconciliation of Movements Since Budget Consultation

	23/24 £'000	24/25 £'000	25/26 £'000
December 2022 MTFP Balances	16,078	15,899	11,968
Draft settlement: +8.88% in 23/24. Revised assumption of +3% thereafter	(11,738)	(2,078)	(623)
Adjust funding for residual 2021 census data	0	(1,012)	0
Estimated increase in NCC share of RSG due to population changes	0	(500)	(500)
Budget shortfall as at February Cabinet	4,340	12,309	10,845
<u>Movement since consultation/ December 2022 update</u>			
<u>Pressures/ Investments:</u>			
Pay Inflation - Increase NJC pay award by 2.5% (inc. Norse)	2,647	40	0
Pay inflation - Increase teachers pay award by 3.5%	1,879	1,246	0
2022/23 pay award - cost of additional days leave (term time only staff - £160k schools)	184	0	0
Annual sums - budget required to fund on a recurring basis	0	500	500
School Business rates - Revaluation will see increase in schools RVs	110	0	0
Fleet Maintenance - increase in fuel costs	275	0	0
ICF - Change in funding structure for projects established under the regional Integrated Care Fund	0	574	(285)
Passenger Transport - Increase resource within passenger transport	111	0	0
Total change in pressures/ investments	5,206	2,360	215
<u>Mitigation/ Savings:</u>			
Release of covid base budget	(160)	0	0
Housing Benefit - reduction in HB technical overpayments pressure	(200)	0	0
Non Service - reduced budget required for non operational pensions	(200)	0	0
Non Service - release budget temporarily re-classified for Covid risk mitigation in 22/23	(980)	0	0
Non Service - increase Council tax reduction scheme saving	(300)	0	0
Children's Services - remove social care demand pressure - eliminate funding	(1,360)	0	1,360
Homelessness - reduced pressure following confirmation of WG funding	(335)	0	0
Schools contribution to overall budget gap	(8,475)	0	0
Total change in mitigation/ savings	(12,010)	0	1,360
February 2023 MTFP balances	(2,464)	14,669	12,420

Mae'r dudalen hon yn wag yn

APPENDIX 9 – Equalities Issues

Budget Proposals and Fairness and Equality Impact Assessments (FEIA).

In line with the council's legal duties as set out in the Equality Act 2010 and the Welsh Language (Wales) Measure 2015, all budget proposals have undergone a full equality impact assessment, which have been updated to reflect public consultation responses. Equality impact assessments can be found [here](#).

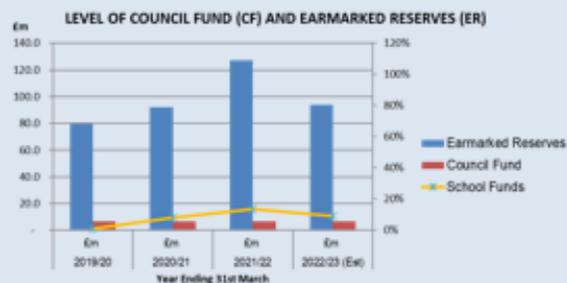
As part of the council's Equality Duties the authority is required to evidence its consideration of the impacts of decisions on people that share Protected Characteristics. The Welsh Government also intend to enact the Socio-economic Duty on the 31st March 2021 which requires the council to pay due regard, in its strategic decision making to the need to minimise inequalities of outcome arising as a result of socio-economic disadvantage. Although budget decisions will be made prior to this date, the council wish to act in the spirit of the Duty and have considered key 'domains' of inequalities of outcome in line with those included in the Welsh Index of Multiple Deprivation (WIMD) and the Equality and Human Rights Commission's Measurement Framework for Equality and Human Rights.

Mae'r dudalen hon yn wag yn

Appendix 10 - Financial Resilience

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts

Level of Council Fund (CF) and Earmarked Reserves (ER)



Level of Reserves

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 (Est) £m
Earmarked Reserves	79.5	92.2	127.2	93.9
Council Fund	6.5	6.5	6.5	6.5
School Funds	1.1	9.6	15.7	10.5

Budgeted Sources of Funding

Total Revenue Funding	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Revenue Support Grant	214,343	228,077	240,796	265,612
Council Tax	66,268	72,193	75,134	77,400

Budgeted Revenue Funding Split



Financial Performance and Ratios

Ratio	2018/2019 £'000	2019/2020 £'000	2020/2021 £'000	2021/2022 £'000
Net Worth (Assets - Liabilities)	- 48,973	- 10,982	- 91,810	39,494
Net Worth (exc Pension Liab.)	351,614	340,845	383,304	442,696
Working Capital Ratio	1.08	1.03	1.56	1.77
Gearing Ratio	52.8%	51.9%	70.4%	104.1%

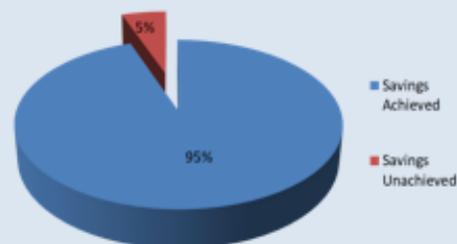
The figures below shows the 22/23 forecast position for both revenue and capital

2022/23 Revenue Forecast Position - December

Directorate	Current Budget £'000	Budget Forecast £'000	Variance £'000	Variance %
Children Services	28,185	30,486	2,301	8.2
Adult Services	59,264	58,537	- 727	(1.2)
Prevention & Inclusion	925	758	- 167	(18.1)
Finance	5,155	5,044	- 111	(2.2)
People, Policy & Transformation	14,274	14,563	289	2.0
Law & Standards	4,812	4,709	- 97	- 2.1
Housing & Communities	4,688	6,582	1,894	40.4
Environment & Public Protection	15,060	15,480	400	2.7
Infrastructure	12,184	13,615	1,511	12.5
Regeneration & Economic Development	5,813	5,698	- (115)	(2.0)
Education	16,871	16,545	- (326)	(1.9)
Schools	122,267	127,552	5,285	4.3
Total Directorates	289,218	299,549	10,331	3.6
Capital Financing	23,571	21,290	- (2,281)	(9.7)
Contingency/ Provisions	6,710	3,819	- (2,891)	(43.1)
Levies / other	24,528	23,316	- (1,212)	(4.9)
Reserves / Transfer	(1,015)	(6,298)	- (5,283)	- 520.5
Total Budget	343,812	341,676	- (2,136)	(0.6)
C Tax deficit	-	250	250	-
Projected Over/ (Under) spend	343,812	341,926	- (1,886)	(0.5)

Revenue Savings Achieved and Unachieved (December 2022/23)

2022/23 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



Analysis of Unachieved Savings

ANALYSIS OF UNACHIEVED SAVINGS - 2022/23



2022/23 Capital Forecast Position - December

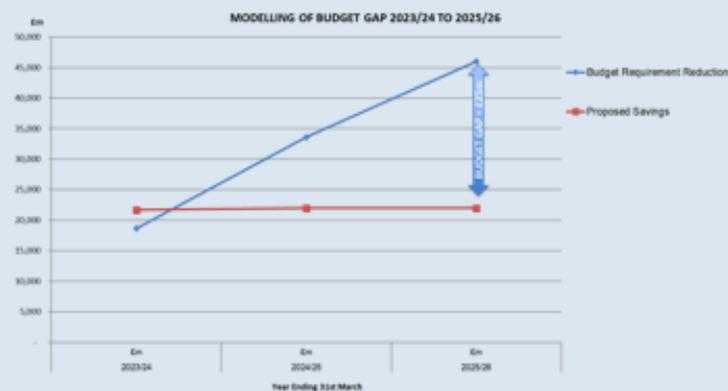
Directorate	Final Budget £'000	Budget Forecast £'000	Variance £'000	Slippage £'000	Variance (Under)/ Overpend £'000
Education	39,038	33,129	- (5,909)	-	-
Environment & Public Protection	9,508	8,624	- (884)	(760)	(124)
Housing & Communities	44	-	- (44)	(44)	-
People, Policy & Transformation	3,856	3,786	- (70)	(97)	27
Prevention & Inclusion	3,601	2,422	- (1,179)	(669)	(510)
Regeneration & Economic Development	19,283	7,803	- (11,480)	(10,664)	(816)
Adult Services	197	165	- (32)	-	(32)
Children Services	970	982	12	(224)	236
Infrastructure	13,937	5,013	- (8,924)	(8,685)	(239)
Total Budget	90,434	61,924	- (28,510)	(18,139)	(1,462)

The tables below show the Medium Term Financial Plan (MTFP) and the risks facing the Council.

MTFP Scenario

	2023/24 £m	2024/25 £m	2025/26 £m
Financial Pressures	48,573	76,567	101,392
Technical adjustments	-	-	-
Financial Pressures	48,573	76,567	101,392
Funding reductions	- 29,924	- 42,965	- 55,370
Budget Requirement Reduction	18,649	33,603	46,022
Reserve transfers	563	563	563
Proposed Savings	21,676	21,960	21,960
Shortfall to requirement	- 2,464	12,206	24,625

Modelling of Budget Gap 2023/24 to 2025/26



Capital Expenditure & Need to borrow

Capital Expenditure	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Total capital expenditure	52.7	TBC	TBC	TBC
Capital Financing Requirement				
Investments or (new borrowing)	-	TBC	TBC	TBC
CFR	276.7	TBC	TBC	TBC

Appendix 10a – Projected earmarked reserves

Reserve	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24	Balance at 31-Mar-25
	£'000	£'000	£'000	£'000
Council Fund	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(15,737)	(10,453)	(10,453)	(10,453)
Earmarked Reserves:				
Music Service	(127)	(127)	(127)	(127)
Pay Reserve	(1,418)	(1,418)	(1,418)	(1,418)
Insurance Reserve	(1,162)	(1,162)	(1,162)	(1,162)
MMI Insurance Reserve	(602)	(602)	(602)	(602)
Education Achievement Service	(92)	(92)	(92)	(92)
Schools Redundancies	(1,098)	(913)	(913)	(913)
General Investment Risk Reserve	(2,631)	(2,759)	(2,495)	(2,231)
European Funding I2A & CFW	(1,398)	(1,474)	(1,474)	(1,474)
MTFP Reserve	(9,401)	(6,549)	(6,454)	(5,454)
GEMS Redundancies	(78)	(78)	(78)	(78)
Landfill (fines reserve)	(332)	(343)	(343)	(343)
COVID Risk Reserve	(1,820)	(1,820)	(1,820)	(1,820)
SUB TOTAL - RISK RESERVES	(20,159)	(17,337)	(16,978)	(15,714)
Capital Expenditure	(9,928)	(14,524)	(14,524)	(14,524)
Displacement Headroom	(10,279)	(1,812)	(1,812)	(1,812)
Capital Grants Unapplied	(3,210)	(3,210)	(3,210)	(3,210)
Transformation Plan Fund	(7,567)	(6,406)	(2,704)	(2,704)
Super Connected Cities	(170)	(42)	-	-
School Works	(27)	(27)	(27)	(27)
School Reserve Other	(929)	(457)	(5)	(5)
Schools ICT Sustainability	(50)	(100)	(150)	(200)
Feasibility Reserve	(54)	(51)	(51)	(51)
Chartist Tower	(256)	-	-	-
Usable Capital Receipts	(9,390)	(7,469)	(7,469)	(7,469)
Streetscene Manager Support	(11)	-	-	-
SUB TOTAL - ENABLING RESERVES	(41,871)	(34,098)	(29,952)	(30,002)
Municipal Elections	(180)	-	-	-
Local Development Plan	(515)	(495)	(273)	(144)
Strategic Development Plan	(110)	(165)	(220)	(275)
Glan Usk PFI	(1,607)	(1,607)	(1,607)	(1,607)
Southern Distributor Road PFI	(39,940)	(39,043)	(39,043)	(39,043)
Building Control	(124)	(162)	(162)	(162)
Loan modification technical reserve (IFRS 9)	(513)	(408)	(408)	(408)
Soft Loan interest equalisation reserve	(1,648)	(1,348)	(1,348)	(1,348)
Kingsway	(64)	-	-	-
SUB TOTAL - SMOOTHING RESERVES	(44,701)	(43,228)	(43,061)	(42,988)
Works of art	(21)	(21)	(21)	(21)
Theatre & Arts Centre	(232)	(232)	(232)	(232)
Environmental Health - Improve Air Quality	(49)	(49)	-	-
Apprenticeship Scheme	(7)	(7)	-	-
City Economic Development Reserve	(90)	(90)	(90)	(90)
Welsh Language Standards	(127)	(88)	(88)	(88)
Port Health	(20)	(20)	(20)	(20)

Reserve	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24	Balance at 31-Mar-25
	£'000	£'000	£'000	£'000
Financial System Upgrade	(600)	(296)	(168)	(0)
SS Covid recovery	(563)	-	-	-
Events	(275)	(310)	(310)	(310)
Voluntary Sector Grants	(27)	-	-	-
IT Development	(53)	-	-	-
Joint Committee City Deal Reserve	(662)	(662)	(662)	(662)
Civil Parking Enforcement	(193)	-	-	-
Community Covid Recovery Fund	(500)	(500)	-	-
City Services – refurbishment & cleansing of open spaces	(19)	-	-	-
Green Recovery Task Force	(1,000)	(957)	(457)	0
Business Support	(81)	-	-	-
Business Development Grants	(250)	-	-	-
Community Occupational Therapy	(53)	(3)	(0)	(0)
Directly Managed Community Centres Maintenance	(50)	(50)	(50)	(50)
IT Infrastructure	(647)	(120)	-	-
PSB Contribution	(40)	(40)	(20)	-
COVID Reserve	(426)	(351)	(220)	(120)
Homelessness Prevention	(327)	-	-	-
Chief Education Grant	(568)	(111)	(111)	(111)
Home to School Transport - St Andrews	(499)	(183)	(114)	(0)
Housing Supply review	(25)	-	-	-
Anniversary tree planting / green canopy	(3)	(3)	-	-
Cariad Casnewydd	(170)	(166)	(100)	-
Community Gardening Schemes	(180)	(180)	(90)	-
Market Arcade owner contributions	(51)	(51)	(51)	(51)
Parks & Open Spaces	(2,500)	(1,300)	(400)	-
Discretionary Rate Relief	(900)	(727)	(342)	-
Domiciliary Care Service Capacity	(500)	(302)	(0)	(0)
Social Services PPE Reserve	(212)	-	-	-
St. Andrews Primary	(305)	(157)	-	-
Communications Corporate Requirement	(232)	(232)	-	-
Decarbonisation Projects	(90)	-	-	-
Prior Year Underspend - 21/22	(7,895)	-	-	-
SUB TOTAL - OTHER RESERVES	(20,442)	(7,209)	(3,547)	(1,756)
RESERVES TOTAL	(149,409)	(118,823)	(110,490)	(107,411)

Reserves recommended for repurposing:

Education Achievement Service	(92)
COVID Risk Reserve	(910)
Green Recovery Task Force	(957)
Domiciliary Care Service Capacity	(302)
Apprenticeship Scheme	(7)
Community Occupational Therapy	(3)
Directly Managed Community Centres Maintenance	(50)
IT Infrastructure (see separate tab for detail)	(213)
Anniversary tree planting / green canopy	(3)
Total	(2,537)

APPENDIX 10b - Summary of Transformation Fund spend and forecast

Transformation Fund - Summary Forecast	£'000
Balance B/F 31st March 2022	(7,567)
Total forecast spend 2022/23	1,161
Transformation Fund balance 31st March 2023	(6,406)
Further Funding Required:-	
Bids & Savings Proposals	
2023/24	3,702
2024/25	0
2025/26	0
Remaining Transformation Fund available for future use	(2,704)

APPENDIX 11 – Fees and Charges for Consultation

SERVICE AREA: Social Services

Income Source	22-23 Charge (exc VAT)	Proposed 23-24 Charge (exc VAT)	Unit of Charge (per hr / day etc)	% Increase
Other Local Authority Charges				
NCC Residential Homes (£ per week)				
Blaen-y-pant - Residential/Dementia Care	738	943	per week	27.8%
Parklands - Residential Care	637	807	per week	26.7%
Spring Gardens - Dementia Care	738	943	per week	27.8%
External Respite Facilities (£ per week)				
Centrica	1,108	1,263	per week	14.0%
Day Services (£ per week)				
Short Breaks - sessional rate	50	57	per session (half day)	14.0%
Short Breaks - hourly rate	16	18	per hour	14.0%
Children's Residential charge to other LA or Health (£ per week)				
In-house children residential homes	Variable depending on needs of the child			
Newport Residents Charges				
NCC Residential Homes (£ per week – short term stays over 8 weeks and permanent admissions).				
Blaen-y-pant - Residential/Dementia Care	738	943	per week	27.9%
Parklands - Residential Care	637	807	per week	26.7%
Spring Gardens - Dementia Care	738	943	per week	27.9%
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>				
NCC Residential Homes (£ per week - short term stays up to 8 weeks duration)				
Blaen-y-pant - Residential & Dementia Care	Charged under non-residential charging policy and capped at £100 per week			0%
Parklands - Residential Care				
Spring Gardens - Dementia Care				
External Respite Facilities (£ per week – short term stays up to 8 weeks duration)				
Centrica	Charged under non-residential charging policy and capped at £100 per week			0%
Supported Housing (£ per week)				
Supported Housing for Learning Disability clients	Charged under non-residential charging policy and capped at £100 per week			0%
Day Services (£ per day)				
Day Services/Opportunities – Learning Disability	Charged under non-residential charging policy and capped at £100 per week			0%
Day Services/Opportunities – Mental Health/Older People	Charged under non-residential charging policy and capped at £100 per week			0%
Spring Gardens Day Opportunities	Charged under non-residential charging policy and capped at £100 per week			0%
Legal and Administration Charges				
Deferred Payment Administration Charge (DPA)	150	158 each		5.0%
Legal charge	200	210 each		5.0%
Interest Charges	Variable - Could be applied to property sales			
Residential care - provided by external providers				
<i>Applicable to those who have capital in excess of £50k (capital threshold level set by the WG) or sufficient disposable income.</i>				
Residents charge will be dependent on weekly charge from external provider				
Non-residential care - provided by external providers				
Direct payments				
<i>Where services are provided by external providers the charges made are based on actual costs paid to providers (after income assessment has been made)</i>				
Charged under non-residential charging policy and capped at £100 per week				
Telecare				
Telecare package	Dependent on external provider charge			
Pendant Alarm monitoring basic package	4.00	5.00	per alarm per week	25.0%
Appointeeships				
Residential/Nursing	31.62	32.88	per month	4.0%
Supported Living/Community based/Complex	58.00	60.32	per month	4.0%
Management of Funerals				
		25.00	per hour	
Management of Mobility Cars				
		250.00	per annum	
Deputyships				
Dependent on external provider charge				
Animal welfare/property clearances				
Dependent on external provider charge				
Protection of property				
Dependent on company charge				

SERVICE AREA: Regeneration & Economic Development

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Building Control Fees						
Single Storey Extensions						
Single storey extension, floor area not exceeding 10m ²						
Full plans charge	325.00	325.00	487.50	487.50	each	0%
Single storey extension, floor area exceeding 10m ² but not exceeding 40m ²						
Full plans charge	404.17	404.17	606.26	606.26	each	0%
Single storey extension, floor area exceeding 40m ² but not exceeding 100m ²						
Full plans charge	570.83	570.83	856.25	856.25	each	0%
Two Storey Extensions						
Two storey extension not exceeding 40m ²						
Building notice charge	466.67	466.67	700.00	700.00	each	0%
Two storey extension, floor area exceeding 40m ² but not exceeding 100m ²						
Full plans charge	570.83	570.83	856.25	856.25	each	0%
Loft Conversions						
Loft conversion that does not include the construction of a dormer	420.83	420.83	631.25	631.25	each	0%
Loft conversion that does include the construction of a dormer	466.67	466.67	700.00	700.00	each	0%
Garages and Carports						
Erection of extension of a non exempt detached domestic garage or carport up to 100m ²	245.83	245.83	368.75	368.75	each	0%
Erection of a non exempt attached single storey extension of a domestic garage or carport up to 100m ²	245.83	245.83	368.75	368.75	each	0%
Other						
Conversion of a garage to a habitable room(s)	245.83	245.83	368.75	368.75	each	0%
Alterations to extend or create a basement up to 100m ²	466.67	466.67	700.00	700.00	each	0%
Underpinning	229.17	229.17	343.76	343.76	each	0%
Renovation of a thermal element to a single dwelling	87.50	87.50	131.25	131.25	each	0%
Creation of New Dwelling						
i) Plan charge	203.13	203.13			each	0%
ii) Inspection charge	406.87	406.87			each	0%
iii) Building notice charge	610.00	610.00	915.00	915.00	each	0%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Internal Alterations						
i) cost of works <£2,000	125.00	125.00	187.50	187.50	each	0%
ii) cost of works £2,001 to £5,000	204.17	204.17	306.26	306.26	each	0%
iii) cost of works £5,001 to £15,000	245.83	245.83	368.00	368.00	each	0%
iv) cost of works £15,001 to £25,000	345.83	345.83	368.75	368.75	each	0%
v) cost of works £25,001 to £40,000	441.67	441.67	662.50	662.50	each	0%
vi) cost of works £40,001 to £60,000	537.50	537.50	806.35	806.35	each	0%
Window Replacement						
Window replacement (non competent persons scheme) - 1 to 3 windows	83.33	83.33	125.00	125.00	each	0%
Window replacement (non competent persons scheme) - 4 to 20 windows	125.00	125.00	187.50	187.50	each	0%
Window replacement (non competent persons scheme) - 20+ windows	208.33	208.33	312.50	312.50	each	0%
Electrical Work						
Electrical work (not competent persons scheme) carried out by a qualified electrician in accordance with BS7671	133.33	133.33	200.00	200.00	each	0%
Electrical work carried out by others	279.17	279.17	418.76	418.76	each	0%
Installation of Heat Producing Appliance						
Installation of solid fuel heat producing appliance where the installer is not a member of a competent persons scheme	125.00	125.00	187.50	187.50	each	0%
Non Domestic Work						
Commercial Building - Floor Area not exceeding 40m ²	533.00	533.00	799.50	799.50	each	0%
Commercial Building - Floor Area exceeding 40m ² but not exceeding 100m ²	612.50	612.50	918.75	918.75	each	0%
Commercial Building - Floor Area exceeding 100m ² but not exceeding 200m ²	891.67	891.67	1,337.51	1,337.51	each	0%
Underpinning - Est. cost up to £50,000	341.67	341.67	512.51	512.51	each	0%
Underpinning - Est. cost exceeding £50,000 and up to £100,000	441.67	441.67	662.51	662.51	each	0%
Underpinning - Est. cost up to £100,000 and up to £250,000	550.00	550.00	825.00	825.00	each	0%
Window Replacement						
Window Replacement - 1 to 20 windows	204.17	204.17	306.63	306.63	each	0%
Window Replacement - 21 to 50 windows	325.00	325.00	487.50	487.50	each	0%
New Shop front(s)						
Window Replacement - 1 to 20 windows	291.67	291.67	437.51	437.51	each	0%
Window Replacement - 21 to 50 windows	370.83	370.83	556.25	556.25	each	0%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Renovation of a thermal element - Est. cost up to £50,000	204.17	204.17	306.63	306.63	each	0%
Renovation of a thermal element - Est. cost exceeding £50,000 and up to £100,000	245.83	245.83	368.75	368.75	each	0%
Renovation of a thermal element - Est. cost exceeding £100,000 and up to £250,000	312.50	312.50	468.75	468.75	each	0%
Alterations not described elsewhere inc. structural alterations and installation of controlled fittings						
Estimated cost up to £5,000	204.17	204.17	306.63	306.63	each	0%
Estimated cost exceeding £5,000 and up to £15,000	262.50	262.50	393.75	393.75	each	0%
Estimated cost exceeding £15,000 and up to £25,000	345.83	345.83	518.75	518.75	each	0%
Estimated cost exceeding £25,000 and up to £50,000	508.33	508.33	762.50	762.50	each	0%
Estimated cost exceeding £50,000 and up to £75,000	675.00	675.00	1,012.50	1,012.50	each	0%
Estimated cost exceeding £75,000 and up to £100,000	795.83	795.83	1,193.75	1,193.75	each	0%
Installation of Mezzanine floor up to 500m ²	587.50	587.50	881.25	881.25	each	0%
Office Fit Out - floor up to 500m ²	570.83	570.83	858.25	858.25	each	0%
Office Fit Out - floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0%
Shop fit out - Floor up to 500m ²	570.83	570.83	856.25	856.25	each	0%
Shop fit out - Floor 500m ² to 2000m ²	733.33	733.33	1,100.00	1,100.00	each	0%
Letter of acceptance to AIs	20.00	20.00	20.00	20.00	each	0%
Preliminary enquiries	50% of plan fee	50% of plan fee	50% of plan fee		each	
Museum and Art Gallery						
Educational Publications UK Rights	20.50	21.50				5%
Educational Publications World Rights	39.50	41.50				5%
Commercial Publications & Websites UK rights	40.50	42.50				5%
Commercial Publications & Websites world rights	84.50	88.50				5%
Publication Jacket, Covers & Homepages UK Rights	96.50	101.50				5%
Publication Jacket, Covers & Homepages World Rights	196.50	205.50				5%
Television Flash Fees UK rights	96.50	101.50				5%
Television Flash Fees world rights	191.50	200.50				5%
Digital Image 300 dpi	7.50	8.00				7%
Loans to UK based institutions (outside of Wales)	0.00	250.00				100%
Loans to Worldwide institutions	0.00	350.00				100%
Commission on artworks	Variable 33% of art work value	Variable 33% of art work value				0%

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Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Current Retrospective Charge (applies to Building Control Charges only)	Proposed Retrospective Charge (applies to Building Control Charges only)	Unit of Charge (per hr / day etc.)	% Increase
Ship Project						
Staff Consultancy and Training services						
Hourly Rate	55.50	80.00			per hour	44%
Staff Consultancy and Training services						
Day Rate	342.50	500.00			per day	46%
Faro Arm Rental	95.50	100.00			per day	5%
Transporter Bridge						
Day Ticket - Adult	4.00	4.00			per ticket	0%
Day Ticket - Child	3.00	3.00			per ticket	0%
Gondola - Adult (one way)	1.50	1.50			per ticket	0%
Gondola - Adult (return)	2.00	2.00			per ticket	0%
Gondola - Child (one way)	1.00	1.00			per ticket	0%
Gondola - Child (return)	1.50	1.50			per ticket	0%
Abseil Fee	260.00	280.00			per event	8%
Private Service	Various depending on length of service	75.00			per event	0%
Filming fee	Variable depending on site	150.00			per hour	0%
Development Management Fees	Various based on scale of development	Statutory fees - no change			per application	0%
Pre-application advice	Various depending on the scale of development	Various depending on the scale of development			per application	0%
Dangerous Structures - Building Control	0.00	0.00			per application	0%
Demolition Notice	0.00	0.00			per application	0%
Scaffolding permits (up to 6 months)	150.00	180.00			per 3 month permit	20%
Additional fee for scaffolding permits erected more than 6 months	60.00	90.00			per 3 month permit	50%
Additional fee for scaffolding permits erected more than 12 months	0.00	180.00			per 3 month permit	100%

SERVICE AREA: Infrastructure

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Transport and Highways				
Streetworks				
Skip License (28 days)	46.80	51.50	each	10%
Unauthorised skips	179.00	197.00	each	10%
Private works: new apparatus Sec 50	600.00	624.00	per metre	4%
Sec 50 – Licence for repair or replace	600.00	660.00	per metre	10%
S171 Highway Excavation	233.00	256.30	each	10%
Tower Crane Over sailing the Highway Licence: 10 working days notice required.	624.00	686.40	each	10%
Road space booking	208.00	228.80	each	10%
Filming on the highway (small scale)	200.00	220.00	each	10%
Filming on the highway (large scale)	600.00	660.00	each	10%
Temporary Traffic Orders	2,000.00	2,420.00	each	21%
Emergency Temporary Traffic Orders	2,000.00	2,420.00	each	21%
Bus service departure Fees (Market Square)	0.75	0.75	each	0%
SAB Pre Applications - area is <0.4 ha	275.00	302.50	each	10%
SAB Pre Applications - area is 0.5-0.99 ha	650.00	715.00	each	10%
SAB Pre Applications - area is >0.99 ha	1,085.00	1,193.50	each	10%
Pre Application Meeting - area is <0.49 hectares	130.00	143.00	each	10%
Pre Application Meeting - area 0.5-0.99 hectares	312.00	343.20	each	10%
Pre Application Meeting - area is > 0.99 hectares	520.00	572.00	each	10%
Additional SAB services	52.00	54.00	each	4%
SAB Full Applications - fees set by WG	£420 to maximum £7,500 (depending on size of site)	£420 to maximum £7,500 (depending on size of site)	each	
Section 38 application fees	1,560.00	1,716.00	application	10%
Section 278/111	1,560.00	1,716.00	application	10%
Vehicle crossing service - installation and inspection	£1,500 - £2,500 depending on size	£1,500 - £2,500 depending on size	each	0%
APM Access protection markings	260.00	286.00	each	10%
Temporary Sign Application	86.50	95.15	each	10%
Permanent/Tourism Sign applications	169.00	185.90	each	10%
E/O per sign	11.00	12.00	each	9%
Switch off existing signal installation and reinstate within office hours	440.00	484.00	each	10%
Switch off existing signal installation and reinstate outside office hours	520.00	572.00	each	10%
Cesspit emptying:				
1,000 gallons	174.72	174.72	per 1,000 gallons	0%
2,000 gallons	220.48	220.48	per 2,000 gallons	0%
Parking				
Residents parking permits	35.00	36.50	each	4%
Visitor parking permits (Book of 10)	13.50	14.00	per book of 10	4%
Business Parking	1,082.00	1,125.00	per annum	4%
Car Park Charges (exc Maindee)				
Up to 3 hours	2.50	2.60		4%
Up to 5 hours	4.50	4.70		4%
Over 5 hours	6.00	6.20		3%
City Centre Kingsway - up to 1 hour	1.00	1.10		10%
Maindee Car Park				
Up to 2 hours	1.00	1.10		10%
Up to 5 hours	2.50	2.60		4%
Over 5 hours	3.00	3.20		7%

SERVICE AREA: Environment & Public protection

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Cemeteries				
Exclusive right of burial and issue deed and marker	1,205.00	1,205.00	per plot	0%
Standard grave space not exceeding 2.15m x 0.76m (30") including headstone permit	1,205.00	1,325.50	per plot	10%
Grave space exceeding 0.92m (36") width (double plot required) including headstone	Removed	Removed	per plot	
Large or special external coffin size over 30" including the extended size of coffin handles £60.00 per inch.	62.50	68.75	per inch	10%
Green burial in green burial area - excluding headstone permit	806.00	886.60	per plot	10%
Cremated remains in Garden of Rest – grave space not exceeding 0.23m x 0.92m	576.00	633.60	per plot	10%
Interments – including use of grass mats as necessary				
Stillborn child or child not exceeding one month	no charge	no charge	per plot	
Child one month to eighteen years	no charge	no charge	per plot	
Persons exceeding eighteen years	1,310.00	1,441.00	per plot	10%
Interment of second person in grave space on same day	208.50	229.35	per plot	10%
Cremated remains in full grave space	290.50	319.55	per plot	10%
Cremated remains in garden of rest	290.50	319.55	per plot	10%
Interment of second person cremated remains in same space on same day	290.50	319.55	per plot	10%
Scattering of ashes	158.00	173.80	each	10%
Scattering of ashes of second person at same time	124.50	136.95	each	10%
Headstones and Tablets – including all inscriptions				
Columbaria Sanctum 2000 Units – above ground	2,235.50	2,682.60	each	20%
second and subsequent Interment Sanctum 2000 units	68.00	74.80	each	10%
Memorial plaque - NCC owned and maintained bench	416.00	457.60	each	10%
Other Services and Items				
Administrative research of burial records (per 30 minute period)	35.50	39.05	per 30 minutes	10%
Provision of fibreglass burial cube	923.50	1,015.85	each	10%
Provision of BROXAP bench and concrete plinth	1,318.00	1,581.60	each	20%
Exhumation of Ashes	290.50	319.55	each	10%
Exhumation Full - Facilitation undertaken in house	2,380.00	2,856.00	each	20%
Exhumation of a child under the age of 3 years	546.00	655.20	each	20%
Exhumation of a child aged 3 - 8 years	754.00	904.80	each	20%
Exhumation of a child aged 8 - 14 years	962.00	1,154.40	each	20%
Exhumation of a child aged 14 -18 years	1,190.00	1,428.00	each	20%
Statutory Declaration	56.50	62.15	each	10%
Incorrect or missing details off forms. Interment forms not complete and where required, return to funeral directors to complete forms.	15.50	17.05	each	10%
Change in Circumstances (Grant name, marriage etc)	34.50	37.95	each	10%
Cancellation of Funeral (48hrs)	337.50	371.25	each	10%
Change in Funeral Times	34.50	37.95	each	10%
Copy of Exclusive Right of Burial (LOST/MISPLACED)	169.00	185.90	each	10%
Grant of Exclusive Right - 50 YEARS	945.00	1,039.50	each	10%
Grant of Exclusive Right - 25 YEARS	472.50	519.75	each	10%
Fee for plot for Non Newport resident	2,317.50	2,549.25	each	10%
Additional Tablet on Existing plot with Headstone	207.00	227.70	each	10%
Fee for new ashes plot Non Newport resident	1,442.00	1,586.20	each	10%
Headstone fee - Before April 2011	399.00	438.90	each	10%
Tablet Fee - Before April 2011	207.00	227.70	each	10%
Additional inscription	65.00	71.50	each	10%
Weekend Burial Services (Standard Burial Charges also apply)	541.00	595.10	each	10%
Memorial tree (no plinth)	514.00	565.40	each	10%
Traditional Graves (allowing the installation of full kerb sets). Additional cost on top of the purchasing of a grant of exclusive right.	416.00	457.60	each	10%
Double Depth Grave	208.00	228.80	each	10%
Triple Depth Grave	312.00	343.20	each	10%
Test Dig of a Grave	146.00	160.60	each	10%
Bricking up a Single Grave	676.00	743.60	each	10%
Bricking up a Double Grave	1,352.00	1,487.20	each	10%
Poly urn for sanctums	290.50	290.50	each	0%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Allotment Rents - admin charge per plot	30.00	36.00	per plot	20%
Allotment Perch Fee (Plots can be made up of multiple perches - each perch represents approx 25m2)	3.70	4.07	per perch	10%
Public Rights of Way				
Public rights of way temporary order (minimum cost of officer time only)	1,664.00	1830.40	each	10%
Public rights of way permanent order (minimum cost officer time only)	1,664.00	2163.20	each	30%
Car Parking in City Parks				
Up to 2 hours	1.00	1.00		0%
Up to 5 hours	3.00	3.00		0%
Over 5 hours	5.00	5.00		0%
Car parking Fourteen Locks Canal Centre				
Up to 4 hours	1.00	1.00		0%
Up to 5 hours	2.50	2.50		0%
Over 5 hours	3.00	3.00		0%
Waste Collection				
Trade waste collection:-				
Trade blue sacks	31.00	32.24	per roll of 13	4%
Trade blue labels	62.00	64.48	per pack of 26	4%
Recycling sacks	14.50	15.08	per roll of 13	4%
Cardboard labels	11.50	11.96	per pack of 10	4%
240 Litre bin	6.50	6.76	each	4%
360 Litre bin	8.50	8.84	each	4%
660 Litre bin	15.00	15.60	each	4%
1100 Litre bin	25.00	26.00	each	4%
Residual bin replacement	21.50	22.36	each	4%
New Developments - set of new bins	54.00	56.16	each	4%
Bulky/Special Collection	22.00	22.00	up to 3 items	0%
	6.00	6.00	additional items above £21	0%
Waste Disposal Charges				
Active Waste Disposal Charge (set gate fee but variables for asbestos and commercial waste contracts)	59.00	64.90	per tonne	10%
Inactive Waste Disposal Charge	17.50	19.25		10%
Hazardous Waste Disposal Charge	Removed	Removed		
Hazardous Waste Note	Removed	Removed		
Parks And Open Spaces				
Belle Vue Park				
Wedding Photography - Annual Permit	89.00	97.90	annually	10%
Caerleon Pavilion				
Commercial hire per hour	18.00	19.80	per hour	10%
Education hire per hour	14.50	15.95	per hour	10%
Children's Parties per hour	14.50	15.95	per hour	10%
Community Groups hire per hour	11.50	12.65	per hour	10%
Parks General				
Provision of BROXAP bench and concrete plinth	1,318.00	1,581.60	per item	20%
Tredegar Park Bike Scheme				
Newport Resident under 18	0.00	0.00		0%
Newport Resident over 18	0.00	0.00		0%
Non Newport Resident under 18	3.00	3.30		10%
Non Newport Resident over 18	5.00	5.50		10%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Sport and Leisure Pitch Hire				
Football				
Pitch only (adult) (per match/pitch) summer and winter	42.83	42.83	each	0%
Pitch and 1 x changing (adult) (per all sports summer and winter)	54.72	60.19	each	10%
Changing room (per U16 age group)	23.10	25.41	each	10%
Seasonal football charge exclusive use – football pitch only	1,283.76	1,283.76	each	0%
Seasonal football charge exclusive use - football pitch and changing room	1,343.24	1,477.56	each	10%
Seasonal football charge priority - pitch only	673.40	673.40	each	0%
Seasonal football charge priority - pitch & changing room	824.50	906.95	each	10%
Seasonal football charge standard - pitch only	487.80	487.80	each	0%
Seasonal football charge standard - pitch and changing room	698.67	768.54	each	10%
Seasonal football charge general use - Sunday sides - pitch only	375.23	375.23	each	0%
Seasonal football charge general use - Sunday sides - pitch and changing room	472.47	519.72	each	10%
Football pitch hire aged 11-12 years	10.30	10.30	each	0%
Football pitch hire and changing rooms aged 11-12 years	15.50	17.05	each	10%
Football pitch hire aged 13-16 years	20.89	20.89	each	0%
Football pitch hire and changing rooms aged 13-16 years	26.31	28.94	each	10%
Rugby				
Pitch only (adult) (per match/pitch) summer and winter	42.83	42.83	each	0%
Pitch and 1 x changing (adult) (per all sports summer and winter)	54.72	60.19	each	10%
Changing room (per U16 age group)	23.10	23.10	each	0%
Rugby - exclusive use pitch and changing	1,343.06	1,477.37	each	10%
Rugby - exclusive pitch only	1,283.57	1,283.57	each	0%
Rugby - standard pitch	487.92	487.92	each	0%
Rugby - standard pitch and changing	658.94	724.83	each	10%
Rugby pitch hire aged 12-14 years	10.30	10.30	each	0%
Rugby pitch hire and changing rooms aged 13-14 years	15.50	17.05	each	10%
Rugby pitch hire aged 15-16 years	20.89	20.89	each	0%
Rugby pitch hire and changing rooms aged 15-16 years	26.31	28.94	each	10%
Glan Usk				
Glan Usk Astro Juniors	27.74	27.74	each	0%
Glan Usk Astro Seniors	57.20	57.20	each	0%
Events				
Major Charitable Events - Price upon application Charity Events land hire (per day discretionary)	234.00	257.40	each	10%
Setup and Derig	334.50	367.95	each	10%
Fun fair 1-3 rides	334.50	367.95	each	10%
Fun fair 3 plus ride	557.00	612.70	each	10%
Outdoor cinema	446.00	490.60	each	10%
Catering/Commercial stall per trader	134.00	147.70	each	10%
Alcohol bar	1,115.00	1,226.50	each	10%
NCC Street Cleaning Service per day	338.00	371.80	each	10%
Major Commercial Events - Price upon application Commercial Events land hire (per day discretionary)	585.00	643.50	each	10%
Setup and Derig	563.00	619.30	each	10%
Fun fair 1-3 rides	450.00	495.00	each	10%
Fun fair 3 plus ride	563.00	619.30	each	10%
Outdoor cinema	563.00	619.30	each	10%
Catering/Commercial stall per trader	169.00	185.90	each	10%
Alcohol bar	2,250.00	2,475.00	each	10%
NCC Street Cleaning Service per day	338.00	371.80	each	10%
Low Key Community Events (no Income Generation (per day))	58.50	64.35	each	10%
Community Events Income Generation (per day)	113.00	124.30	each	10%
Land rental for car boot sales - location Tredegar park when available	292.00	321.20	each	10%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Lodges - Rental Costs				
Grove Park Lodge	599.00	658.90	per month	10%
Shaftesbury Park Lodge	600.00	660.00	per month	10%
Christchurch Cemetery Lodge	541.00	595.10	per month	10%
St.Woolos Cemetery Lodge	669.00	735.90	per month	10%
Belle Vue Park - top lodge	669.00	735.90	per month	10%
Belle Vue Park - Residential Lodge Rent	615.00	676.50	per month	10%
Filming				
Student Filming	0.00	0.00		
Commercial Filming	624.00	686.40	Half day	10%
Commercial Filming	1,248.00	1,372.80	Full day	10%
Displaying of Banners	26.00	28.60	Display period	10%
CCTV for NCC clients			per SLA	
CCTV for non-NCC clients			per contract	
Environmental Health Advice and Training	Variable	Variable	per contract	
Houses in Multiple Occupation Pre-licensing Advice Service				
Property inspection and report with one schedule & fire plan	216.50	238.37	per survey	10%
Property inspection and report with 2 schedules & fire plans	270.50	297.82	per survey	10%
Each additional proposal over 2 proposals above	54.00	59.45	per additional proposal	10%
Property Surveys (Non-Statutory)	209.00	230.11	per survey	10%
Health and Safety - swimming pool/spa pool resamples following unsatisfactory result (plus VAT)	77.00	84.70	per sample	10%
Port Health Ship Sanitation Certificates				
Gross Tonnage				
Up to 1,000	105.00	As per APHA Board decision	per certificate	
1,001 to 3,000	140.40	As per APHA Board decision	per certificate	
3001 to 10,000	211.15	As per APHA Board decision	per certificate	
10,001 to 20,000	275.60	As per APHA Board decision	per certificate	
20,001 to 30,000	350.20	As per APHA Board decision	per certificate	
Over 30,000	412.00	As per APHA Board decision	per certificate	
With exception of vessels with capacity to carry between 50 and 100 persons	400.00	As per APHA Board decision	per certificate	
With exception of vessels with capacity to carry more than 1,000 persons	680.00	As per APHA Board decision	per certificate	
Extensions to Certificates	70.00	As per APHA Board decision	per certificate	
Tables and Chairs (Licence)				
Annual Fee	175.50	175.50	per licence	0%
4 chairs	64.50	64.50	per licence	0%
12 Chairs	99.50	99.50	per licence	0%
24 chairs	175.50	175.50	per licence	0%
24+ chairs	216.50	216.50	per licence	0%
smoking area	58.50	58.50	per licence	0%
change name on licence	29.00	29.00	per licence	0%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Animal Establishment Licensing				
Application Audit Pre Audit Inspection - New service to be offered for inspection prior to application for advice and suitability of premises. The fee will be reviewed during 20/21 to establish if it is appropriate.	50.00	50.00	per hour	0%
Re Audit - In the event a licence is not issued following an audit the fee for an additional visit will be required.	50.00	50.00	per hour	0%
[a] Riding Establishments (Application Audit applies - see above)				
Up to 10 horses	138.00	138.00	per licence	0%
11 to 20 horses	169.00	169.00	per licence	0%
21 to 30 horses	181.00	181.00	per licence	0%
[b] Animal Boarding Establishments (Application Audit applies - see above)				
Pet Sitters	158.00	158.00	per licence	0%
Up to 25 animals	158.00	158.00	per licence	0%
25 to 50 animals	179.00	179.00	per licence	0%
Over 51 animals	210.00	210.00	per licence	0%
[c] Pet Shops (Application Audit applies - see above)				
[d] Dangerous Wild Animals (Application Audit applies - see above)	131.00	131.00	per licence	0%
[e] Dog Breeding Establishments (Application Audit applies - see above)	604.00	604.00	per licence	0%
[f] Zoo Licence (Application Audit applies - see above)	131.00	131.00	per licence	0%
[f] Zoo Licence (Application Audit applies - see above)	1,153.00	1,153.00	per licence	0%
<i>For [a] to [f] above, in addition to the licence fee, the licensee to pay the Council's veterinary fees. The fee is payable on application and is not refundable if a licence is not issued.</i>				
Stray Dogs Reclaiming Fees:				
Dogs reclaimed after one day	104.00	104.00	per dog	0%
Dogs reclaimed after two day	120.00	120.00	per dog	0%
Dogs reclaimed after three day	137.00	137.00	per dog	0%
Dogs reclaimed after four day	151.00	151.00	per dog	0%
Dogs reclaimed after five day	168.00	168.00	per dog	0%
Dogs reclaimed after six overnight stays	183.00	183.00	per dog	0%
Dogs reclaimed after seven overnight stays	199.00	199.00	per dog	0%
Dogs reclaimed and staying with the kennels for an extended period (charge per night)	12.00	12.00	per dog	0%
<i>However there will be discretion given to the Kennels Officer on the level of charging due to unusual circumstances. Further, where the Council has found it necessary to pay for vet treatment, these fees should be passed on to the owner reclaiming the dog.</i>				
Dog re-homing fee	Variable	Variable	per dog	
[a] Ear piercing, acupuncture, electrolysis and Tattooing - Registration				
Premises	112.00	118.72	per registration	6%
Practitioners	112.00	118.72	per registration	6%
Replacement Certificates	28.00	29.68	per certificate	6%
Addition of new Procedure to existing Certificate	56.00	59.36	per certificate	6%
Temporary Premises for Public Event	77.50	82.15	per registration	6%
Temporary Practitioners for Public Event	38.50	40.81	per registration	6%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Voluntary Surrender of Food Certificate	67.00 for first half hour and 67.00 for every additional half hour or part thereof plus VAT	71.02 for first half hour and 71.02 for every additional half hour or part thereof plus VAT	per certificate	6%
Collection and Disposal of Food (with or without agreement)	To be determined by cost of disposal and officer time	To be determined by cost of disposal and officer time	per disposal & hour	
Food Hygiene Rating Scheme - Rescore Fee	180.00	180.00	per certificate/ abortive visit	0%
[c] Export Health Certificates				
Export Health Certificate - Food Safety (per certificate)	131.50	139.39	per certificate	6%
Local land searches/Environmental Information Regulations requests in respect of contaminated land etc. [other than those under the Local Land Charges Act 1975]	66.50 for first hour and 66.50 for each additional hour or part thereof	70.49 for first hour and 70.49 for each additional hour or part thereof	per hour	6%
UK Entrance Clearance - Premises Assessment				
Property inspection	209.00	229.90	per inspection	10%
Re-assessment for additional person (within 6 months)	107.00	117.70	per assessment	10%
Houses In Multiple Occupation Licensing Fees				
(i) Initial Licence	1,096.00	1161.76	per licence	6%
(For larger HMO (6+ units of accommodation/households)	£63.50 extra per additional unit up to a max of 1,704	£67.31 extra per additional unit up to a max of 1,704	per additional accommodation unit	6%
(ii) Renewal of Licence made before expiry of existing licence	866.50	918.49	per renewal	6%
(For larger HMO (6+ units of accommodation/households)	£63.50 extra per additional unit up to a max of 1,499	£67.31 extra per additional unit up to a max of 1,499	per additional accommodation unit	6%
(iii) Renewal of Licence made after expiry of existing licence	1,096.00	1161.76	per renewal	6%
(For larger HMO (6+ units of accommodation/households)	£63.50 extra per additional unit up to a max of 1,704	£67.31 extra per additional unit up to a max of 1,704	per additional accommodation unit	6%
(iv) Licensing following revocation of previous licence (where ownership unchanged)	866.50	918.49	per application	6%
(For larger HMO (6+ units of accommodation/households)	£63.50 extra per additional unit up to a max of 1,499	£67.31 extra per additional unit up to a max of 1,499	per additional accommodation unit	6%
(v) Licence Variations				
Property inspection required	99.00	104.94	per Variation	6%
Licensing inspections - owner/manager etc. cancellations with less than 48 hours' notice/failure to attend to provide access		30.00		100%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Camp Site Licences	759.50	805.07	per site licence	6%
Mobile Homes				
Site Licence fees - small site (3-10 caravans)	759.50	805.07	per site licence	6%
Site Licence fees - medium site (11-49 caravans)	848.00	898.88	per site licence	6%
Site Licence fees - large site (50+ caravans)	1,012.00	1,073.25	per site licence	6%
Site Licence fees - sites of 2 or fewer pitches	0.00	0.00	per site licence	0%
Amendment to site licence conditions - variation	69.00	73.14	per amendment	6%
Amendment to site licence conditions - variation requiring an inspection	179.00	189.74	per amendment	6%
Fee to deposit site rules	57.50	60.94	per fee	6%
Fee for replacement licence	17.00	18.02	per replacement licence	6%
Fixed Penalty Notice charge	95.50	101.23	per FPN charge	6%
Housing Act 2004 Notice Fees	416.00	440.96	per notice	6%
Each additional notice (where schedule is identical) served on another recipient at the same time (charges added and split equally across recipients)	56.00	59.36	per notice	6%
Works in Default - Administration fee				
	Fee charged by the contractor (ex.VAT) plus:	Fee charged by the contractor (ex.VAT) plus:		
	20% for fees up to £1,000	20% for fees up to £1,000		
	10% for fees £1,001+	10% for fees £1,001+		
	*Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances.	*Fee charged by contractor plus "officer time" charge (up to a max. of the above charge) where RS Manager agrees defaulter has special circumstances.		
Port Health – Water Sampling				
(i) Drinking water – Microbiological (First Sample) (Plus VAT)	111.50	122.65	per sample	10%
(ii) Drinking water – Microbiological (each subsequent sample) (plus VAT)	78.50	86.35	per sample	10%
(iii) Legionella water sample (first sample) (plus VAT)	132.50	145.75	per sample	10%
(iv) Legionella water sample (each subsequent sample) (plus VAT)	99.50	109.45	per sample	10%
Port Health – Organic Animal Feed and Food Import Certificate	45.00	45.00	National flat rate charge of £45	0%
Sports Grounds General Safety Certificates				
General Safety Certificates	Cost recovery up to maximum of £500	Cost recovery up to maximum of £500	per certificate	0%
Special Safety Certificates for Sports Grounds	176.00	186.56	per certificate	6%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Camp Site Licences	759.50	805.07	per site licence	6%
Mobile Homes				
Street Trading				
City centre pitch - application fee (monthly)	63.00	64.89	per licence	3%
City centre pitch - application fee (quarterly/full year)	189.00	196.56	per licence	4%
License fee (daily) - static trader	57.00	59.28	per licence	4%
License fee (weekly) - static trader	114.00	118.56	per licence	4%
License fee (monthly) - static trader	316.00	328.64	per licence	4%
License fee (quarterly) - static trader	443.00	460.72	per licence	4%
License fee (full year) - static trader	1,012.00	1,052.48	per licence	4%
City centre pitch - license fee (full year) - static trader	3,163.00	3,289.52	per licence	4%
License fee (daily) - mobile trader	57.00	59.28	per licence	4%
License fee (weekly) - mobile trader	114.00	118.56	per licence	4%
License fee (monthly) - mobile trader	151.00	155.56	per licence	3%
License fee (quarterly) - mobile trader	189.00	196.56	per licence	4%
License fee (full year) - mobile trader	379.00	394.16	per licence	4%
Taxi Licensing Fees				
Vehicles - less than 5 years	83.00	83.00	per licence	0%
Vehicles – more than 5 years, less than 10	114.00	114.00	per licence	0%
Vehicles – over 10 Years	166.00	166.00	per licence	0%
Drivers 3 year	249.00	249.00	per licence	0%
Driver instalments	83.00	83.00	per licence	0%
Operators 1-9 vehicles	1,000.00	1,000.00	per licence	0%
Operators 10-19 vehicles	1,500.00	1,500.00	per licence	0%
Operators 19-35 vehicles	2,000.00	2,000.00	per licence	0%
Operators 35+ vehicles	2,500.00	2,500.00	per licence	0%
Replacement rear plate	19.00	19.00	per item	0%
Replacement internal plate	12.00	12.00	per item	0%
Replacement licence	6.00	6.00	per licence	0%
Replacement bracket	13.00	13.00	per item	0%
Replacement Badge	19.00	19.00	per item	0%
Transfer Plate	65.00	65.00	per item	0%
Change of vehicle	115.00	115.00	per licence	0%
Knowledge test	65.00	75.00	per test	15%
Scrap Metal				
Site Licence	504.00	524.16	per licence	4%
Variation of licence	57.00	59.28	per licence	4%
Collectors licence	328.00	341.12	per licence	4%
Private Water Supplies				
Risk Assessment (each assessment) - Up to 3 hours	£189.00 for up to 3 hours plus £63.00 for each additional hour or part thereof, up to a maximum of £500*	£189.00 for up to 3 hours plus £63.00 for each additional hour or part thereof, up to a maximum of £500*	per assessment	0%
Sampling (each visit)	£100*	£100*	per sample	0%
Investigation (each investigation)	£100* plus the analysis cost	£100* plus the analysis cost	per investigation	0%
Grant of an authorisation (each authorisation)	£100*	£100*	per authorisation	0%
Analysis (taken under regulation 10)	£25*	£25*	per analysis	0%
Analysis (taken during check monitoring)	Analysis cost up to £100*	Analysis cost up to £100*	per analysis	0%
Analysis (taken during audit monitoring))	Analysis cost up to £500*	Analysis cost up to £500*	per analysis	0%
<i>* Maximum permitted by regulation</i>				
Fireworks - all year sales licence (set at statutory maximum)	500.00	500.00	per licence	0%

SERVICE AREA: Housing & Communities

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc.)	% Increase
Community Centres Room Hire				
Caerleon Town Hall				
Non Profit Making/ Voluntary Organisations				
Town Hall (Monday to Friday)	10.50	11.00	per hour	5%
Town Hall (Weekend)	15.00	15.75	per hour	5%
Memorial Hall (Monday to Friday)	8.00	8.50	per hour	6%
Memorial Hall (Weekend)	13.00	13.75	per hour	6%
Hire of Kitchen	6.00	6.25	per hour	4%
Small Group Organisations				
Town Hall (Monday to Friday)	13.00	13.75	per hour	6%
Town Hall (Weekend)	18.00	19.00	per hour	6%
Memorial Hall (Monday to Friday)	10.00	10.50	per hour	5%
Memorial Hall (Weekend)	15.00	15.75	per hour	5%
Hire of Kitchen	7.00	7.50	per hour	7%
Commercial/ Business (per hour)				
Town Hall (Monday to Friday)	16.00	17.00	per hour	6%
Town Hall (Weekend)	21.00	22.00	per hour	5%
Memorial Hall (Monday to Friday)	13.00	13.75	per hour	6%
Memorial Hall (Weekend)	18.00	19.00	per hour	6%
Hire of Kitchen	8.50	9.00	per hour	6%
Ringland Community Centre				
Non Profit Making/ Voluntary Organisations (per hour)				
Main Hall	16.00	16.75	per hour	5%
Meeting Rooms	16.00	16.75	per hour	5%
Membership Fee	1,250.00	1,250.00	per annum	0%
Small Group Organisations - Member Rates				
Meeting Rooms	21.00	22.00	per hour	5%
Main Hall - Half Day	62.50	65.75	Half Day	5%
Main Hall - Full Day	125.00	131.50	Half Day	5%
Small Group Organisations - Non Member Rates				
Meeting Rooms	28.00	29.50	per hour	5%
Main Hall - Half Day	94.00	99.00	Half Day	5%
Main Hall - Full Day	0.00	0.00	Full Day	0%
Always Community Centre				
Non Profit Making/ Voluntary Organisations (per hour)				
Main Hall (Monday to Friday)	8.00	8.50	per hour	6%
Main Hall (Weekend)	18.50	19.50	per hour	5%
Meeting Rooms (Monday to Friday)	7.00	7.50	per hour	7%
Meeting Rooms (Weekend)	12.00	12.50	per hour	4%
Hire of Kitchen	5.50	5.75	per hour	5%
Small Group Organisations (per hour)				
Main Hall (Monday to Friday)	11.00	11.50	per hour	5%
Main Hall (Weekend)	22.50	23.50	per hour	4%
Meeting Rooms (Monday to Friday)	9.00	9.50	per hour	6%
Meeting Rooms (Weekend)	14.00	14.75	per hour	5%
Hire of Kitchen	5.50	5.75	per hour	5%
Commercial/ Business (per hour)				
Main Hall (Monday to Friday)	13.50	14.25	per hour	6%
Main Hall (Weekend)	28.00	29.50	per hour	5%
Meeting Rooms (Monday to Friday)	14.00	14.75	per hour	5%
Meeting Rooms (Weekend)	16.00	16.75	per hour	5%
Hire of Kitchen	5.50	5.75	per hour	5%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc.)	% Increase
Rivermead Community Centre				
Non Profit Making/ Voluntary Organisations (per hour)				
Both Halls (Monday to Friday)	20.50	21.50	per hour	5%
Both Halls (Weekend)	29.00	30.50	per hour	5%
Main Hall (Monday to Friday)	10.00	10.50	per hour	5%
Main Hall (Weekend)	19.00	20.00	per hour	5%
Meeting Rooms (Monday to Friday)	10.00	10.50	per hour	5%
Meeting Rooms (Weekend)	18.50	19.50	per hour	5%
Small Group Organisations (per hour)				
Both Halls (Monday to Friday)	23.50	24.75	per hour	5%
Both Halls (Weekend)	32.50	34.00	per hour	5%
Main Hall (Monday to Friday)	12.00	12.50	per hour	4%
Main Hall (Weekend)	20.50	21.50	per hour	5%
Meeting Rooms (Monday to Friday)	11.50	12.00	per hour	4%
Meeting Rooms (Weekend)	20.00	21.00	per hour	5%
Commercial/ Business (per hour)				
Both Halls (Monday to Friday)	29.00	30.50	per hour	5%
Both Halls (Weekend)	38.00	40.00	per hour	5%
Main Hall (Monday to Friday)	14.50	15.00	per hour	3%
Main Hall (Weekend)	23.50	24.75	per hour	5%
Meeting Rooms (Monday to Friday)	14.00	14.75	per hour	5%
Meeting Rooms (Weekend)	23.00	24.00	per hour	4%
Bettws Day Centre				
Non Profit Making/ Voluntary Organisations (per hour)				
Main Hall (Monday to Friday)	10.50	11.00	per hour	5%
Main Hall (Weekend)	15.00	15.75	per hour	5%
Day Club (Monday to Friday)	8.00	8.50	per hour	6%
Day Club (Weekend)	13.00	13.75	per hour	6%
Hire of Kitchen	6.00	6.25	per hour	4%
Small Group Organisations (per hour)				
Main Hall (Monday to Friday)	12.00	12.50	per hour	4%
Main Hall (Weekend)	18.00	19.00	per hour	6%
Day Club (Monday to Friday)	10.00	10.50	per hour	5%
Day Club (Weekend)	15.00	15.75	per hour	5%
Hire of Kitchen	7.00	7.50	per hour	7%
Commercial/ Business (per hour)				
Main Hall (Monday to Friday)	16.00	16.75	per hour	5%
Main Hall (Weekend)	21.00	22.00	per hour	5%
Day Club (Monday to Friday)	13.00	13.75	per hour	6%
Day Club (Weekend)	18.00	19.00	per hour	6%
Hire of Kitchen	8.50	9.00	per hour	6%
Cefn Wood Centre				
Small Group Organisations (per hour)				
Leased to Education - SLA		As per SLA		
Maesglas Community Centre				
Main Hall (Monday to Friday before 6pm)	10.50	11.00	per hour	5%
Main Hall (Monday to Friday after 6pm)	21.00	22.00	per hour	5%
Main Hall (Weekend)	21.00	22.00	per hour	5%
Committee Room (Monday to Friday before 6pm)	10.50	11.00	per hour	5%
Committee Room (Monday to Friday after 6pm)	21.00	22.00	per hour	5%
Committee Room (Weekend)	21.00	22.00	per hour	5%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc.)	% Increase
Community Centres - Equipment Hire				
Flip Charts	6.00	6.50	per pad	8%
Digital Projector	5.00	5.50	per day	10%
Interactive Screen	5.00	5.50	per day	10%
Malpas Court				
The Library Room	35.00	36.75	per half day	5%
The Drawing Room	55.00	57.75	per half day	5%
Library and Drawing Room combined	70.00	73.50	per half day	5%
Room 14	50.00	52.50	per half day	5%
The Library Room	60.00	63.00	per full day	5%
The Drawing Room	100.00	105.00	per full day	5%
Library and Drawing Room combined	140.00	147.00	per full day	5%
Room 14	90.00	94.50	per full day	5%
Library and Drawing Room combined	20.00	21.00	per hour	5%
Room 14	15.00	15.75	per hour	5%
Eveswell Community Centre				
Voluntary Groups				
Main Hall (Monday to Friday)	8.00	8.50	per hour	6%
Main Hall (Weekend)	18.50	19.50	per hour	5%
Meeting Rooms (Monday to Friday)	7.00	7.25	per hour	4%
Meeting Rooms (Weekend)	12.00	12.50	per hour	4%
Hire of Kitchen (flat charge per booking)	5.50	5.75	per hour	5%
Chargeable Sessions				
Main Hall (Monday to Friday)	11.00	11.50	per hour	5%
Main Hall (Weekend)	22.50	23.75	per hour	6%
Meeting Rooms (Monday to Friday)	9.00	9.50	per hour	6%
Meeting Rooms (Weekend)	14.00	14.75	per hour	5%
Hire of Kitchen (flat charge per booking)	5.50	5.75	per hour	5%
Commercial Rate				
Main Hall (Monday to Friday)	13.50	14.25	per hour	6%
Main Hall (Weekend)	28.00	29.50	per hour	5%
Meeting Rooms (Monday to Friday)	14.00	14.75	per hour	5%
Meeting Rooms (Weekend)	16.00	16.75	per hour	5%
Hire of Kitchen (flat charge per booking)	5.50	5.75	per hour	5%
Gaer Community Centre				
Non Profit Making/ Voluntary Organisations (per hour)				
Hall	14.00	14.75	per hour	5%
Playgroup Room	12.00	12.75	per hour	6%
Café Room	12.00	12.50	per hour	4%
Training Room	14.00	14.75	per hour	5%
121 Room	12.00	12.50	per hour	4%
Small Group Organisations				
Hall	14.00	14.75	per hour	5%
Playgroup Room	12.00	12.50	per hour	4%
Café Room	12.00	12.50	per hour	4%
Training Room	14.00	14.75	per hour	5%
121 Room	12.00	12.50	per hour	4%
Commercial/Business				
Hall	14.00	14.75	per hour	5%
Playgroup Room	12.00	12.50	per hour	4%
Café Room	12.00	12.50	per hour	4%
Training Room	14.00	14.75	per hour	5%
121 Room	12.00	12.50	per hour	4%

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc.)	% Increase
Libraries				
Fines (per day)	0.20	0.20	per day	0%
Overdue Administration Adult	0.30	0.30	per letter	0%
Replacement Library Card	4.00	4.00	each	0%
Lost Books and other items	Sliding scale linked to Book Price	Sliding scale linked to Book Price	each	
Photocopying B&W A4	0.20	0.20	per copy	0%
Photocopying B&W A3	0.30	0.30	per copy	0%
Photocopying Colour A4	1.10	1.10	per copy	0%
Photocopying Colour A3	1.60	1.60	per copy	0%
Computer Printout A4	0.20	0.20	per copy	0%
Computer Printout A3	0.30	0.30	per copy	0%
Hire of Talking Books	1.40	1.40	each	0%
Charge for late return of Talking Books	0.20	0.20	per day	0%
Family History Research	28.00	30.00	per hour	7%
Hire of Rooms	15.00	16.00	per hour	0%

SERVICE AREA: People, Policy & Transformation

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc.)	% Increase
Civic Centre Room Hire				
<i>The charges for the Civic Centre below are subject to charging under the following criteria:</i>				
<ul style="list-style-type: none"> - Full Charge: Industrial or Business Organisations; Organisations whose members are engaged in trade, business or professional practice (other than student associations); Statutory official or Government Bodies including Local Government except where reciprocal arrangements apply. - Half Price: Political, Social or Trade Union Groups not included under full price or free - Free (this applies to evening sessions only): Organisations devoted exclusively to charitable causes; Societies for the handicapped; Organisations for promotion of recreational activities for young people; Trade Union Branches whose members are employed by Newport City Council; Any political group meetings of Councillors and invited guests are free of charge (provided that not more than 25 % of the people attending the political group meetings are non Councillors). NB Any registered charities chaired by the Mayor of Newport can use the meeting rooms free of charge at any time 				
Council Chamber	80.00	85.00	per session	6%
	250.00	260.00	per day	4%
Committee Room 1	43.00	45.00	per session	5%
	127.00	130.00	per day	2%
Committee Room 2	30.00	30.00	per session	0%
	92.50	95.00	per day	3%
Committee Room 3	30.00	30.00	per session	0%
	92.50	95.00	per day	3%
Committee Room 4	30.00	30.00	per session	0%
	92.50	95.00	per day	3%
Committee Room 5	25.00	25.00	per session	0%
	72.50	75.00	per day	3%
Committee Room 7	72.50	75.00	per session	3%
	220.50	230.00	per day	4%
Equipment Hire				
Full facilities in Committee Room 7 including staff assistance	64.50	64.50	per meeting	0%
Council Chamber Microphones	32.00	32.00	per meeting	0%
Council Chamber 1 Microphone	14.50	14.50	per meeting	0%
Beechwood House				
Meeting room - G1	67.50	67.50	half day	0%
Meeting room - G1	130.00	130.00	full day	0%
Meeting room - G5	67.50	67.50	half day	0%
Meeting room - G5	130.00	130.00	full day	0%
Meeting room - G6	52.00	52.00	full day	0%
Reception Room	52.00	52.00	full day	0%
Street Naming				
Property naming/renaming (does not cover newly built properties)	46.50	48.50	per property	4%
Single Plot Development	129.00	134.00	per plot	4%
Development 2+ Plots	129.00 + 46.50 per additional plot	134.00 + 48.50 per additional plot	per site/plot	4%
Changes to Development Layout after Notification	46.50 per plot affected	48.50 per plot affected	per plot	4%
Street Renaming at Residents Request	129.00 + 46.50 per property	134.00 + 48.50 per additional plot	per street/property	4%
Confirmation of Address to Conveyancers etc	46.50	48.50	per property	4%

SERVICE AREA: Law & Standards

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Legal Services				
Local Land Charges Official Search (LLC1 and Con 29 R)	120.00	124.80	per search	4%
Optional questions	14 (for 20 out of 22 questions) 17 (2 out of the 22 questions)	14 (for 20 out of 22 questions) 17 (2 out of the 22 questions)	per search	
Solicitors own questions	27.00	28.08	per search	4%
Additional parcel fee (Con29 R)	27.04	28.12	per search	4%
Additional parcel fee (total)	27.00	28.08	per search	4%
Query re: personal search (dealing with errors etc)	27.00	28.08	per search	4%
Ceremony Charges for Naming and Vow Renewal Ceremonies				
Booking fee	70.00	70.00		0%
Mansion House - Monday to Thursday	325.00	340.00	per event	5%
Mansion House - Friday	380.00	399.00	per event	5%
Mansion House - Saturday (includes Premier Package)	415.00	435.00	per event	5%
Garden Room Wednesday	149.00	160.00		7%
Approved Venue - Monday to Thursday	440.00	460.00	per event	5%
Approved Venue - Friday	495.00	520.00	per event	5%
Approved Venue - Saturday, Sunday	530.00	555.00	per event	5%
Approved Venue - Bank holidays	600.00	600.00	per event	0%
Commemorative certificate packs	11.00	11.00	per pack	0%
Save the Date Fee	30.00	35.00	per request	17%
Approved Premise Licensing	1,800.00	1,800.00	per licence	0%
Citizenship Ceremony (individual)	100.00	105.00	per event	5%
Citizenship ceremony (additional relative)	50.00	50.00	per person	0%
Certificate Fees				
Certificate Search Fees				
Search 1 year either side of date				
Search a further 5 years	10.00	10.00	per request	0%
Search a further 10 years	18.00	20.00	per request	11%
Same Day Service				
Standard Certificate - premium for issuing certificate on same day	10.00	Delete - no longer in use	per certificate	
Short Certificate - premium for issuing certificate on same day	10.00	Delete - no longer in use	per certificate	
Certificate Postage Costs - "signed for" delivery				
Administration Charge - Registrar Certificate	2.00	2.00	per envelope	0%
Administration Charge - Superintendent Certificate	2.00	2.00	per envelope	0%
Same day service certificates *	37.00	37.00		0%
Regular service applications *	13.00	13.00		0%
<i>* These total charges are made up of 2 elements - the certificate (statutory fee for Priority or Regular service) plus postage - see sections above</i>				

Income Source	22-23 Charge (exc VAT) £	Proposed 23-24 Charge (exc VAT) £	Unit of Charge (per hr / day etc)	% Increase
Ceremony Charges for Marriage and Civil Partnership				
Mansion House - Monday to Thursday	300.00	325.00	per event	8%
Mansion House - Friday	355.00	380.00	per event	7%
Mansion House - Saturday (includes Premier Package)	390.00	415.00	per event	6%
Garden Room Wednesday	0.00	149.00	per event	n/a
Approved Venue - Monday to Thursday	415.00	415.00	per event	0%
Approved Venue - Friday	470.00	470.00	per event	0%
Approved Venue - Saturday, Sunday	505.00	505.00	per event	0%
Approved Venue - Bank holidays	575.00	575.00	per event	0%
Register Office (simple ceremony)	46.00	46.00	per event	0%
Church/Chapel ceremony attendance	86.00	86.00	per event	0%
Legal notice of marriage or civil partnership	35.00	35.00	per notice	0%
Designated Office Notice	0.00	47.00	per notice	n/a
Certificate (issued at time of registration)	11.00	11.00	per certificate	0%
Certificate (issued within 28 days)	11.00	11.00	per certificate	0%
Citizenship Ceremonies	95.00	0.00	per event	-100%
Single Adult	35.00	0.00	per event	-100%
Same Day Service				
Certificate (from archive)	35.00	35.00	per certificate	0%
Regular Service				
Standard Certificate (from archive)	11.00	11.00	per certificate	0%
Short Certificate (from archive)	11.00	11.00	per certificate	0%
Legal Services				
Local Land Charges (LLC1 only)	6.00	6.00	per search	0%
Local Land Charges (Nlis LLC1))	4.00	4.00	per search	0%
Additional parcel fee (LLC1)	1.00	1.00	per search	0%

Mae'r dudalen hon yn wag yn



Report

Cabinet

Part 1

Date: 15 February 2023

Subject Newport City Council response to external pressures impacting Council services

Purpose To present an update to Cabinet on Newport City Council's response to external factors impacting on delivery of Council services.

Author Policy and Partnership Manager

Ward All

Summary This report provides an update on the external pressures faced by the council and our communities. As with previous reports, the cost-of-living crisis continues to significantly impact on our residents and businesses. The council itself is facing increased financial costs and increased demand on services leading to budgetary pressures.

Across Newport, work continues with partners and communities to identify, share, and provide advice and guidance on the help and support available and how this can be accessed.

Examples are provided within this report of the nature of support being provided including the opening of warm spaces, advice and guidance, and support through schools.

Proposal Cabinet to consider the contents of the report on the Council's activity to respond to the external factors on Newport's communities, businesses, and council services.

Action by Executive Board and Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Executive Board
- Corporate Management Team

Signed

Background

The nature of pressures being faced by the council is multi-faceted and it is important that Cabinet members receive updates on those currently impacting on the Council and our residents and businesses.

With the current cost of living crisis following on from the COVID pandemic, alongside the war in Ukraine and other factors mean that many families are struggling like never before. These pressures are impacting on our residents, our business and our staff and this report aims to highlight how the council is identifying and working in partnership to respond in a way that best meets our communities across the whole city.

Cost of Living in Wales and the UK

Since early 2021, the cost of living has risen sharply in the UK affecting families, businesses, and communities in many ways. The cost-of-living crisis has also been associated with a reduction in wellbeing, including increased anxiety and worsening mental health. High food and energy prices will affect the more vulnerable in society the most, with many families having to make stark choices in order to manage. Figures show that many people are now accessing food banks for the first time, with national charities such as the Trussell Trust reporting in the media seeing a 31-35% increase on demands for food bank services as a direct result of the cost-of-living crisis.

NCC continues to focus on ensuring communities are able to access support to manage the current crisis. We have aligned available information and support with the 'warm spaces' across the city and seek to increase the number of warm spaces with the assistance of a grant from WG. Information is also readily available on NCC's website with a dedicated Support and Advice page. The NCC officer Cost-of-Living group have been meeting since late 2022. This is a positive forum for information sharing and to develop ideas on what can be improved to assist residents of Newport.

Since September 2022 Childrens' Services saw an increase in referrals before slightly declining from November. Adults' services referrals rose in August 2022 and have remained largely consistent since. It is noted the referrals are showing increases of people experiencing a lack of basic utilities including gas and electric, access to food and social housing. Also noted is the increase in Public Protection Notices (PPNs) being submitted by the police in relation to people experiencing a mental health crisis.

The wider impact on maintaining tenancies and homes appears to also be increasing, with families reported as having to sell their own homes as they can no longer maintain the costs of running them. Non-essential spend for many will decrease significantly, with their mortgage repayments increasing by as much as 100-150%. The Housing Team expect to see an increase in the number of people approaching for advice due to affordability issues. There are currently 456 people on the common housing register who have reported financial issues as a reason for registering.

The effects of the cost-of-living crisis continue to impact on all areas of Revenues and Benefits work. The team has seen a higher-than-expected number of direct debits being cancelled in November and December, which may indicate that households are juggling payments to enable them to pay their bills. As well as the implications for collection, the cancellation of large numbers of direct debit plans requires new bills to be issued adding to the workload.

Council tax and NNDR (non-domestic rates) collection rates at the end of December 2022 were again below the collection rates for the same time last year. The collection rates are being closely monitored and the Council Tax team is supporting households with extended payment plans where appropriate to avoid arrears building up, however the increase in correspondence and enquiries regarding financial issues is adding to the team's workload. Summonses for non-payment are being issued during January 2023 and numbers of non-payers are higher than for the same time in previous years, this is expected to add to the number of queries and correspondence directed to the team.

The Benefits Team continues to see a higher than usual number of new applications for council tax reduction, many of those applying do not qualify however the assessment process for these unsuccessful cases is adding to the team's workload as is the increase in enquiries from households regarding eligibility for assistance. There has also been an increase in housing benefit claims for the homeless living in temporary accommodation, these cases are not covered by Universal Credit and are complex in nature requiring significant staff time to process.

Winter fuel payments continue to be processed, all those receiving housing benefit and council tax relief have been paid their entitlement by way of a Post Office voucher, however following the expanded criteria for the scheme this year there is a steady flow of applications that are being processed within the team. The scheme is due to close on 28 February 2023 so it is expected that this work should start to decline after that.

The team will shortly be involved in the roll out of the Energy Bills Support Scheme Alternative Funding, which is a UK Government initiative that will see eligible households/individuals receive a £400 payment. The full details of the scheme have not been received but it is expected that it will commence at the end of February 2023 although this is unconfirmed at present. Once full details of the scheme have been received an assessment on the impact it is likely to have will be made.

Welsh Government, Newport City Council and Partners Response

As mentioned, NCC's Cost of Living Task and Finish group continues to meet monthly. This is a shared forum of practitioners and partners to share information, concerns, and experiences with agreed outcomes on how we can support communities throughout the cost-of-living crisis. The focus is on supporting and enabling communities and wider partners to provide support, the role of Newport City Council (NCC) is facilitating this.

Council run warm spaces have been operating for just over a month and the grants programme, administered by GAVO, is live. Performance and utilisation data will be collated at the end of January and a summary provided in the next report. Information on the location and opening hours of warm spaces in Newport can be found on the council website: [Warm welcome sessions | Newport City Council](#)

The council is working in partnership with GAVO to provide capital funding (up to £3000) to support community groups and third sector organisations who are responding to food insecurity in Newport and who are working towards making the city more sustainable in terms of food and access to food. NCC and GAVO have also successfully tendered for funding to develop a sustainable food partnership in Newport.

An overview of support provided by schools across Newport to address the impact on our children and young people within education include the following

- Roll out of Universal Free School Meals (FSM) to Reception, Years 1 and 2
- Year 7 Free School Meals Breakfast Club
- Transitional Protected Students captured
- Developed a 'Tackling All Aspects of Poverty in Education' (TAPE) Approach
- Developing a Tiered Approach to provision with schools
- Free Schools Meals visit with all secondary schools
- Listening to learners (FSM Focus)
- Working with Child Poverty Action Group (CPAG)
- LA Appliance Allocation Project in partnership with social care.
- Developing Community Focused Schools and enhancing the role of the Family Engagement Officer.
- Linked with Bank of England – Finance resources available to primary and secondary schools
- Promote Financial Ambassador programme across the city.
- Expand pilot project – One Million Mentors

With our officers and their families in mind a Cost-of-Living Advice and Support booklet has been developed and shared with all staff members providing information and links to sources of help from Newport City Council, our partners, and external organisations.

Asylum Dispersal

Newport has a long history of welcoming people seeking sanctuary and will continue to offer a place of safety for those fleeing conflict and persecution.

The Home Office is responsible for the procurement and management of all accommodation provided to asylum seekers which includes hotel accommodation in Wales. The council works with all the agencies involved to ensure the most appropriate assistance is available and that both our communities and those arriving in our city are supported and safe.

Ukrainian Refugee Support

Homes for Ukraine (sponsorship scheme)

NCC are currently supporting 108 individuals, with 53 active hosting arrangements in place for the families and individuals, currently one completed move into the Public Rented Section (PRS) and 5 occasions where emergency accommodation has been needed due to the break down or ending of a placement. The next quarter is a time of a significant risk as the initial 6-month placements come to an end. NCC is proactively working on plans to mitigate against these risks, including extending and expanding hosting arrangements and supporting people to move into the private rented sector.

Welsh government super sponsor scheme - hotels

Currently 59 people (43 households) are placed in hotel accommodation in Newport under the Welsh government super sponsor scheme. These hotels are currently leased until the end of the financial year. The Connected Communities Team is working proactively to confirm Welsh Government (WG) plans for the hotels and on contingencies should decants be required imminently.

Family Scheme

Additionally, support is given through the externally funded Vulnerable People Resettlement Scheme for 16 individuals who have arrived in Newport under the Family Scheme, this support is 'lighter touch' than the Super Sponsor and Homes for Ukraine arrivals.

Risks

Newport Council will be reviewing the Council's Corporate and service area risks as part of the new Corporate Plan.

Risk Title / Description	Risk Impact score of Risk if it occurs* (1-5)	Risk Probability of risk occurring (1-5)	Risk Mitigation Action(s) What is the Council doing or what has it done to avoid the risk or reduce its effect?	Risk Owner Officer(s) responsible for dealing with the risk?
Cost of Living impact on Council services	4	4	See this report on the Council's response to the cost-of-living crisis.	Corporate Management Team
Supporting refugees to settle in Newport.	4	2	See this Report on the Council's response to re-settlement programmes.	Corporate Management Team, Head of Housing and Communities, Director of Social Services

Balancing the Council's Budget	5	4	See Cabinet reports on how the council is monitoring and adjusting spending and budgets to maintain a balanced budget within an environment of increased demand and costs	Corporate Management Team / Finance
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* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan
Strategic Equalities Plan

Options Available and considered

1. To consider and note the contents of the report on the Council's response.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider and note the contents of the report on the Council's response.

Comments of Chief Financial Officer

The report highlights the various factors which are putting pressure on Council services to help and respond, with the report highlighting the support which is available. Whilst a significant amount of this specific support is funded from UK Government and Welsh Government, certain factors are having an impact on the Council's in-year financial position and affecting the medium-term financial outlook.

There are some specific financial risks highlighted, such as the potential that the pressure on the Housing service will increase and result in increased demand for temporary or emergency accommodation. This is an area that is already significantly overspent but is proposed to be addressed with investment in the 23/24 budget. Another example is the challenge being experienced in terms of collecting debt and the potential for an increase in demand for Council Tax reduction, which could manifest itself in lost income or overspending against the CTRS budget.

Issues and risks such as those highlighted above, have the potential to impact the Council's financial position over the medium term, especially in the context of an extremely challenging medium-term horizon. Budget managers and Heads of Service will be expected to continue to monitor the impact of the external factors included in this report, especially in areas where grant funding ends, and work with Finance colleagues to escalate any material financial implications and report them where relevant. This will need to also include plans to mitigate any issues, as far as is possible.

Comments of Monitoring Officer

There are no legal issues arising from the report. Any specific legal implications will be addressed as part of the Council's operational responses to the key issues identified in the report.

Comments of Head of People, Policy and Transformation

The report details the significant impact current pressures faced by the council, our staff, and our residents. Although this has a detrimental effect on many of our residents and communities, we know this will have an inequitable impact on our most disadvantaged and vulnerable residents. The support being provided via all areas of the council and our partners is hoped to mitigate this as much as possible.

The impact on our residents and our officers during a time of increased demand at a time of budgetary pressures is of particular concern. The council is considering HR implications and working with all service areas closely during this period.

Scrutiny Committees

Not applicable as this an information only report and no decision is required from the Council.

Fairness and Equality Impact Assessment:

Not applicable as this is an information only report and no decision is required from the Council.

Wellbeing of Future Generations

Long Term – The short term actions the Council is taking now is considering the longer-term impacts which the cost of living is having on communities and businesses in Newport. Newport Council alongside partners are providing financial and non-financial support to help households and businesses.

Collaborative – Newport Council is working collaboratively across the organisation and also our external partners from Aneurin Bevan University Health Board, schools, Welsh Government and other local partners to support cost of living support.

Integration – The actions that the Council and is taking supports the Council's organisational priorities for community cohesion, early intervention, and prevention. This also supports the Welsh Government's priority for Wales being a nation of sanctuary.

Involvement – We are involving communities and residents who are providing vital front-line support and helping vulnerable / disadvantage households, and refugees. The Council is also providing regular updates and communications to those impacted by the cost-of-living crisis.

Prevention - The short term actions the Council is taking now is considering the longer-term impacts which the cost of living is having on communities and businesses in Newport. Newport Council alongside partners are providing financial and non-financial support to help households and businesses.

Consultation

Not Applicable

Background Papers

Monthly reports to Cabinet.

Dated: 9 February 2023

Report

Cabinet

Part 1

Date: 15 February 2023

Subject Cabinet Work Programme

Purpose To report and agree the details of the Cabinet's Work Programme.

Author Governance Team Leader

Ward All Wards

Summary The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The current work programme runs to May 2023, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Proposal To agree the updated work programme for 2022/23

Action by Governance Team Leader

Timetable Immediate

This report was prepared after consultation with:

- Chief Officers
- Monitoring Officer
- Head of Finance
- Head of People and Business Change

Background

The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The Wales Audit Office's Corporate Assessment of Newport City Council, published in September 2013, highlighted the need to "strengthen committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up". Since that report was published, these monthly reports have been introduced to provide Cabinet with regular updates on its work programme, and the opportunity to comment upon and shape its priorities as an executive group. The Democratic Services team have also been working to improve the links between this and other work programmes under its management (eg Council, Scrutiny, Audit) to ensure the various programmes are properly coordinated.

The current work programme runs to May 2023, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Financial Summary

There is no direct cost to adopting a programme of work.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
No action taken	M	L	Work programming arrangements are in place to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.	Head of Democratic Services
The process is not embraced by report authors and members	M	M	If there is proliferation of unplanned or late items, the opportunity to ensure work programming is timely, meaningful, informative, and transparent, balanced, monitored, and joined up will diminish	Head of Democratic Services

Links to Council Policies and Priorities

These proposals will help the Council provide the best possible service to members and will provide information to the public and elected members.

Options Available and considered

- To adopt the process and adopt or amend the work programme
- To consider any alternative proposals raised by Cabinet members
- To take no action

Preferred Option and Why

To adopt the proposals which should help to ensure work programming arrangements are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

Comments of Chief Financial Officer

There are no financial implications in adopting a programme of work.

Comments of Monitoring Officer

There are no legal implications in adopting a programme of work.

Staffing Implications: Comments of Head of People and Business Change

There are no specific staffing implications in adopting a programme of work.

Comments of Cabinet Member

The Chair has approved the report for consideration by cabinet.

Local issues

There are no local issues as this report relates to the Council's processes

Scrutiny Committees

Monthly update reports allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny team and Members are currently developing new ways of working through the new Committees, and continually reviewing the work programmes to focus more on risk and ensure all scrutiny activity has a defined purpose and constructive outcome.

Equalities Impact Assessment and the Equalities Act 2010

This does not apply to this procedural report.

Children and Families (Wales) Measure

This procedural report does not impact on Children and Young People although certain reports contained in the programme may do and will need appropriate consultation and comment when they are presented to cabinet.

Wellbeing of Future Generations (Wales) Act 2015

This is a procedural report but reports contained within the programme will need to show how consideration has been given to the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act.

Crime and Disorder Act 1998

This does not apply to this procedural report

Consultation

As set out above

Background Papers

Dated: 8 February 2023

Mae'r dudalen hon yn wag yn

Cabinet

Work Programme: June 2022 to May 2023

Meeting	Agenda Items	Lead Officer
Cabinet 15/06/22	<ul style="list-style-type: none"> ▪ Corporate Risk Register Update (Q4) ▪ Local Area Energy Plan ▪ Information Station Project ▪ Levelling Up Fund ▪ 2021/22 Treasury Management Year End Report ▪ Covid Recovery ▪ NCC External Pressures - Cost of Living - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HPP&T ▪ HPP&T ▪ HR&ED ▪ HR&ED ▪ HoF ▪ CX/HPP&T ▪ CX/PP&T ▪ GTL
Cabinet 13/07/22	<ul style="list-style-type: none"> ▪ 2021/22 Revenue Budget Outturn ▪ 2021/22 Capital Outturn and Additions ▪ Shared Prosperity Fund ▪ RDLP – Vision, Issues and Objectives ▪ Welsh Language Annual Report ▪ Welsh Government Consultation, One Network, One Timetable, One Ticket: Planning buses as a public service for Wales – NCC Response ▪ NCC External Pressures - Cost of Living - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HPP&T ▪ HR&ED ▪ HPP&T ▪ HPP&T ▪ HCS ▪ CX/HPP&T ▪ GTL
Council 13/07/22	<ul style="list-style-type: none"> ▪ Council Appointments ▪ 2021/22 Treasury Management Year End Report ▪ Welsh Language Annual Report ▪ PSPO: Dog Control 	<ul style="list-style-type: none"> ▪ GTL ▪ HoF ▪ HPP&T ▪ SD: ES
Cabinet 14/09/22 CANCELLED	Agenda items moved to October Cabinet.	
Council 27/09/22	<ul style="list-style-type: none"> ▪ Council Appointments 	<ul style="list-style-type: none"> ▪ GTL
Cabinet 12/10/22	<ul style="list-style-type: none"> ▪ Revenue Budget Monitor ▪ Capital Budget Monitor ▪ Corporate Risk Register Update (Quarter 1) ▪ Corporate Plan ▪ Strategic Equality Plan Annual Report ▪ Climate Change Plan Annual Report ▪ RPB Market Stability Report ▪ NCC External Pressures - Cost of Living ▪ One Newport Summary of Business 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ CD: SS ▪ CX/HPP&T ▪ HPP&T

	<ul style="list-style-type: none"> ▪ Work Programme 	<ul style="list-style-type: none"> ▪ GTL
Cabinet 16/11/22	<ul style="list-style-type: none"> ▪ NCC External Pressures - Cost of Living ▪ Annual Compliments, Comments and Complaints ▪ Annual Safeguarding Report ▪ Corporate Plan Annual Report 2021/22 ▪ Corporate Plan Final Report 2022/27 ▪ Cost Sharing Agreement with Coleg Gwent ▪ Work Programme 	<ul style="list-style-type: none"> ▪ CX/HPP&T ▪ Customer Services Manager ▪ CD: SS ▪ HPP&T ▪ HPP&T ▪ HRED ▪ GTL
Council 22/11/22	<ul style="list-style-type: none"> ▪ Council Appointments ▪ Corporate Plan 2022/27 ▪ Strategic Equality Plan Annual Report ▪ Climate Change Plan Annual Report ▪ RPB Market Stability Report ▪ Democratic Services Annual Report ▪ Standards Committee Annual Report 	<ul style="list-style-type: none"> ▪ GTL ▪ HPP&T ▪ HPP&T ▪ SD: E&S/HE&PP ▪ SD: SS ▪ HL&S ▪ HL&S
Cabinet 14/12/22	<ul style="list-style-type: none"> ▪ Revenue Budget Monitor ▪ 2023/24 Revenue Draft Budget and MTFP: Final Proposals ▪ Capital Budget Monitor and Additions ▪ Treasury Management Report ▪ Corporate Risk Register Update (Quarter 2) ▪ Gwent Wellbeing Plan ▪ Norse Joint Venture ▪ Regional Integration Fund Financial Plan ▪ Director of Social Services Annual Report ▪ NCC External Pressures - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ HoF ▪ HoF ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ SD: SS ▪ SD: SS ▪ CX/HPP&T ▪ GTL
Cabinet 11/01/23	<ul style="list-style-type: none"> ▪ Replacement Local Development Plan ▪ Western Gateway ▪ NCC External Pressures - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HR&ED ▪ HR&ED ▪ CX/HPP&T ▪ GTL
Council 24/01/23	<ul style="list-style-type: none"> ▪ Council Appointments ▪ 2022/23 Treasury Management 6 monthly report ▪ Council Tax Reduction Scheme ▪ Director of Social Services Annual Report ▪ Annual Safeguarding Report ▪ Schedule of Meetings 2023/24 ▪ Mayoral Nomination 2023/24 	<ul style="list-style-type: none"> ▪ GTL ▪ HoF ▪ HoF ▪ CD: SS ▪ CD: SS ▪ GTL ▪ GTL
Cabinet 15/02/23	<ul style="list-style-type: none"> ▪ 2023/24 Capital Strategy and Treasury Management Strategy ▪ Revenue Budget Monitor ▪ Capital Budget Monitor ▪ 2023/24 Revenue Final Budget and MTFP: Final Proposals ▪ NCC External Pressures - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HoF ▪ HoF ▪ HoF ▪ HoF ▪ CX/HPP&T ▪ GTL

Council 28/02/23	<u>Budget:</u> <ul style="list-style-type: none"> ▪ Council Appointments ▪ 2023/24 Council Tax and Budget ▪ 2023/24 Capital Strategy and Treasury Management Strategy ▪ National Non-Domestic Rates: Discretionary Relief: High Street Relief Scheme 2023/24 ▪ Gwent Wellbeing Plan 	<ul style="list-style-type: none"> ▪ GTL ▪ HoF ▪ HoF ▪ HoF ▪ HPP&T
Cabinet 15/03/23	<ul style="list-style-type: none"> ▪ Corporate Risk Register Update (Quarter 3) ▪ Pay and Reward Statement 2023/24 ▪ Digital Strategy ▪ Complaints Policy ▪ NCC External Pressures - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ HPP&T ▪ CX/HPP&T GTL
Cabinet 12/04/23	<ul style="list-style-type: none"> ▪ Annual Corporate Safeguarding Report ▪ NCC External Pressures - Cost of Living ▪ One Newport Summary Document (for information/ awareness) ▪ Work Programme 	<ul style="list-style-type: none"> ▪ HC&YPS ▪ CX/HPP&T ▪ HPP&T ▪ GTL
Council 25/04/23	<ul style="list-style-type: none"> ▪ Council Appointments ▪ Pay and Reward Statement 	<ul style="list-style-type: none"> ▪ GTL ▪ HPP&T
Cabinet 10/05/23	<ul style="list-style-type: none"> ▪ NCC External Pressures - Cost of Living ▪ Work Programme 	<ul style="list-style-type: none"> ▪ CX/HPP&T ▪ GTL
Council 16/05/23	<u>AGM:</u> <ul style="list-style-type: none"> ▪ Council Appointments 	<ul style="list-style-type: none"> ▪ GTL

Mae'r dudalen hon yn wag yn