

Report

Cabinet



Part 1

Date: 12 December 2018

Item No: 7

Subject 2019/20 Budget and Medium Term Financial Projections (MTFP)

Purpose To highlight key issues affecting the development of the 2019/20 budget and MTFP, and present the draft proposals for the 2019/20 budget. Cabinet are asked to agree the draft proposals to start the budget consultation process for this year. Consultation results will be reported back to Cabinet in February 2019, when Cabinet will recommend a final budget and council tax level to full Council.

Author Head of Finance

Ward All

Summary The 2019/20 budget and medium term projections have been developed within a challenging financial environment. Cost pressures affecting the Council finances come from both (i) pay related / other price increases and (ii) increasing demand and associated costs for services. Between both issues, cost pressures are very significant; £12,198k in 2019/20 alone. On the funding side, the Council's draft 'Revenue Support Grant', which funds over 75% of its revenue budget, has, in the draft settlement, increased by only £336k. Therefore, both savings and an increase in local council tax are required to produce a balanced budget for 2019/20 which both modernises and maintains key services as best as possible for the most vulnerable in our communities and implements other key priorities for the Council in its corporate plan ambition to 'Improve People's Lives'.

The draft grant settlement announced a number of specific grants which are significant in value. This is in addition to £550 million 'new' funding for the Welsh Government budget announced in the UK budget in November. Both of these issues will affect the final 'Revenue Support Grant', which will be known on 19 December 2018 as well as bring forward new specific grants for services. These are not included in the proposals of this report and the Head of Finance will update any known details on these at the Cabinet meeting on 12 December.

The draft 2019/20 budget proposals are explained and detailed within this report and its appendices.

Section:

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

Appendix:

Appendix 1	Budget investments
Appendix 2	New budget savings for consultation
Appendix 3	New budget savings implemented under delegated authority (Cabinet Member and Head of Service)
Appendix 4	Budget savings previously approved
Appendix 5	Budget savings for consultation – proposals
Appendix 6	Demand models – social care and education
Appendix 7	Fees & charges for consultation
Appendix 8	Financial resilience ‘snapshot’
Appendix 9	Medium term financial projections
Appendix 10	Projected earmarked reserves

Proposal

1. **Cabinet is asked to agree the following draft proposals for public consultation:**
 - i) Budget savings proposals in Appendix 2 (summary table) and Appendix 5 (detailed business cases)
 - ii) Proposed fees and charges in Appendix 7
 - iii) The position regarding the proposed school funding for 2019/20 in paragraphs 5.1– 5.4
2. **Cabinet is asked to note:**
 - i) The position on developing a balanced budget for 2019/20, acknowledging that the position will be subject to ongoing review and updates
 - ii) The medium term financial projections, assumptions contained within and that projections contain investments required to implement the Corporate Plan promises
 - iii) That the Cabinet Member and Head of Service decisions in Appendix 3 will be implemented with immediate effect, after following the usual Council decision making processes
 - iv) That Fairness and Equality Impact Assessments have been completed for all proposals requiring one

Action by Directors / Heads of Service

Timetable Immediate:

1. Cabinet Member and Head of Service decisions in Appendix 3 will be implemented with immediate effect, in line with internal decision making protocols.
2. Cabinet budget savings proposals, fees and charges, and schools funding position to form the basis of the budget consultation process.

This report was prepared after consultation with:

- Directors
- Head of Law and Regulation
- Head of People and Business Change

Signed

1 Our financial challenge

- 1.1 The Council provides over 800 services, for over 151,000 people, living in over 65,000 households. Newport's population is growing, with the largest growth for children under five, and people aged over 65.
- 1.2 The Council faces continuing financial challenges, namely:
- Increasing costs around pay / prices
 - Increasing demand for services and therefore costs
 - Local Government funding and Newport's City Council's own 'Revenue Support Grant (RSG)' which funds over 75% of its net budget
- 1.3 In addition, the Council is rightly ambitious in providing the best services it can and fulfilling its Corporate Plan ambition of 'Improving People's Lives'. The Council's Corporate Plan sets out 20 clear promises and, in some cases, these require financial investments which are included in the 2019/20 budget and medium term financial projections.
- 1.4 Over the last five years, the council has made savings of £45m. To achieve this we have:
- reduced the number of staff we employ by around one quarter
 - sold land, buildings and property we no longer use or need
 - set up a property services joint venture
 - set up a charitable trust for leisure services
 - reviewed our services to become more efficient
 - developed shared services such as IT
 - helped people to live independently

But ongoing public sector austerity, coupled with continuing financial pressures and demands mean that, prior to the acceptance of the proposed savings, even more 'new' savings must still be found – at least £33m by 2023.

2 Setting the budget

- 2.1 There are two main elements to the council's financial planning:
- strategic planning: the MTFP
 - within that, the annual council budget.
- 2.2 The Council is required by law to set a balanced budget every year. At the same time, we review and update our MTFP to help project our savings and investments across the next four years. For a number of years we have faced continued financial pressures together with 'cash flat' funding allocations from central government, so we have had to find savings to meet the funding gap between the income we receive through our grants and council tax collection, and our expenditure on the wide variety of services we provide.
- 2.3 To meet this gap, in putting together the budget proposals each year we review:
- budget commitments (both investments and savings) agreed in the MTFP previously
 - new areas in need of investment and growth
 - new proposals for savings and efficiencies
 - new proposals on our fees and charges
- 2.4 As in previous years, Cabinet will be asked to keep the medium term position in mind, and in February will agree the full package of new medium term savings and investments, to be added to what has already been approved within the MTFP.

National budget position

2.5 The UK Autumn budget was issued in October. Whilst this budget is subject to securing a Brexit deal, the announcement included the following headlines:

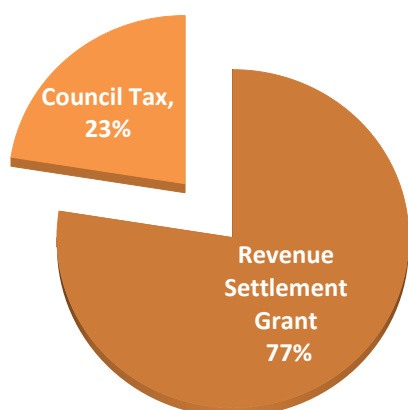
- The Chancellors budget provided over £550m additional funding to the Welsh Government budget through to 2020/21, £486m of which has been allocated as revenue funding.
- Of the £550m, all but £59m has been allocated for the current 2018/19 year - £14m for social care, £3m for Disabled Facilities Grant (DFGs), £23m for schools, £17m for business rates, and £370m for the NHS
- For 19/20 a further £24m has been allocated - £13m in the revenue support grant to provide local government with a cash flat settlement, £1.2m to raise the funding floor so that no local authority faces a reduction of more than 0.5%, a further £7.5m to help authorities meet the cost pressures of implementing teachers' pay award and £2.3m to help prevent children from being taken into care. Whilst this additional money has been allocated, Newport's share remains unknown at this time.
- Whilst there will be a spending review next year – held every three years or so to allocate money to different parts of government - the Chancellor will set out a five year path for additional departmental spending.

Welsh Government funding settlement

2.6 Welsh Government funding accounts for the largest part of the council's overall funding, equating to over three quarters of its total net revenue budget funding. This funding is provided through non-hypothecated grants – the Revenue Support Grant (RSG). In addition to this, other grants provide funding for specific purposes. Less than a quarter of our budget is raised through council tax.

2.7 As the RSG makes up such a large proportion of our budget, what happens to this grant is crucial as any reductions cannot be easily offset by an increase to council tax. For example, it would take a 4% increase in council tax to offset a 1% reduction in the RSG.

Chart 1: Newport Council funding sources – 2018/19



2.8 The council received its provisional [RSG Settlement from Welsh Government](#) (web link) on 9 October 2018. Overall, it confirmed that the council would receive £213,759k for 2019/20. After allowing for net specific grant transfers into the RSG, this is a 'cash increase' of +£336k (+0.16%) from current funding, compared to a Welsh average -0.3% reduction. There remain a number of

uncertainties around specific grants; however, these should be confirmed between this report and the final settlement from WG which is due on 19 December 2018.

2.9 The Councils 'final settlement' will be announced on 19th December. There are 2 issues, not yet reflected in figures contained in this report, that will change the indicative amount above:

- Additional revenue funding of £24m for the 2019/20 RSG across Wales, as a result of the UK autumn budget
- an anticipated reduction in the Council's RSG coming from changes to council's tax-base, i.e. its ability to raise its own council tax income. If a council's tax-base changes by more or less than the Welsh average, their final grant settlement will be increased or decreased accordingly. This 'equalisation' is a key feature of the Local Government grant settlement process, but provides some challenges to those Councils, like Newport, who have significant cost pressures resulting from housing and population growth.

The Head of Finance has set the tax-base for 2019/20 and it will increase by 1.2%, significantly higher than the all Wales average of 0.5%-0.8% over the last few years. This growth has the potential to affect the RSG significantly; however, the Head of Finance will provide an update once the final settlement is known.

Implementing the Corporate Plan

2.10 The Council's business and financial planning is underpinned by four priority outcomes, which provide a focus for decisions about spending and will direct activity across the council.

- Resilient communities
- A thriving city
- Aspirational people
- A modernised council

2.11 These outcomes and themes are integral to the Council's Corporate Plan 2017-22 which sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples Lives'.

2.12 The Council's future plans and its change/ savings programme will need to ensure a strategic approach is taken on the future direction of Council services. The current 'Medium Term Financial Projections' included in Appendix 9 already includes funding for the key priorities and promises set out in the plan. In light of the medium term financial sustainability challenge, further work is required to ensure the budget is balanced over the medium term whilst meeting our duties under the well-being objectives.

3 Financial planning assumptions

Increasing costs and demand

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

- Pay and inflationary cost increases
- Significant increases in demand led services – children's social care, adult's social care and special educational needs
- Cost of new schools

3.2 Unavoidable pay and inflationary cost increases, excluding schools, equate to £5,035k in 2019/20 and £15,224k over the four year period to 2022/23.

3.3 Since 2013 public sector pay has been capped at 1% and the Cabinet will be aware of the intense scrutiny and pressure across the UK public sector which has resulted in this cap being

3.7 During 2018/19 these three areas alone have contributed over £5m to service area forecast overspend. This year, a one off, risk contingency of £2.2m was set aside to manage the anticipated overspending and then to re-focus and invest in these areas in 2019/20. Further investments in addition to this are proposed within 2019/20 to support the level of demand that is being experienced. However, based on current demand there is likely to be a shortfall in budget provision in these areas of approximately £1.3m as the demand has simply exceeded the estimates that were made at the beginning of this process. These unfunded pressures will need to be dealt with and/ or managed once the final settlement has been confirmed.

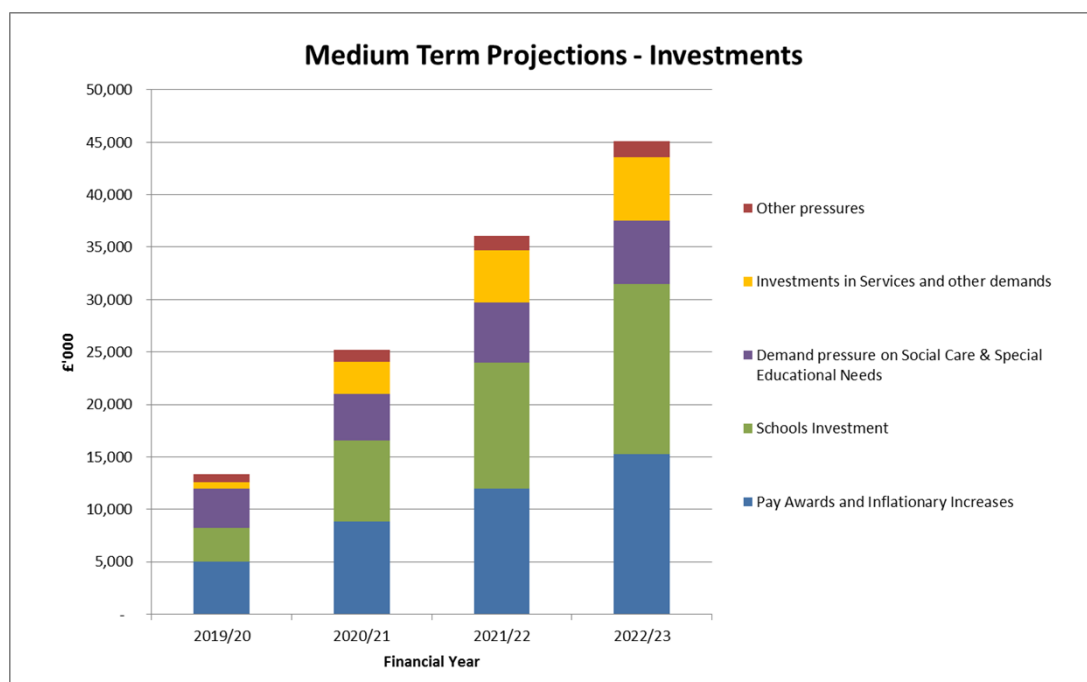
Detailed demand models for social care and education have been included within Appendix 6 and form the basis of the investments that have been put forward for inclusion within the medium term projections.

Investments

3.8 For 2019/20 specifically, the Council is currently planning on investing around £8.5m in the draft budget over and above an allowance for inflation on pay and pricing. More details on proposed investments are included in Appendix 1 and some of the key items include:

- £3,178k investment in school budgets
- £2,625k for increasing demand in social care demand for both children and adult services
- £1,170k due to increasing demand for special education needs provision
- £525k costs associated with increasing pressures placed on City services given the growth and development within the City
- £221k due to transfers into the RSG in respect of free school meals
- £220k investment to deliver the promises set out within the Corporate Plan.

Chart 3: Categorised investments included within medium term projections



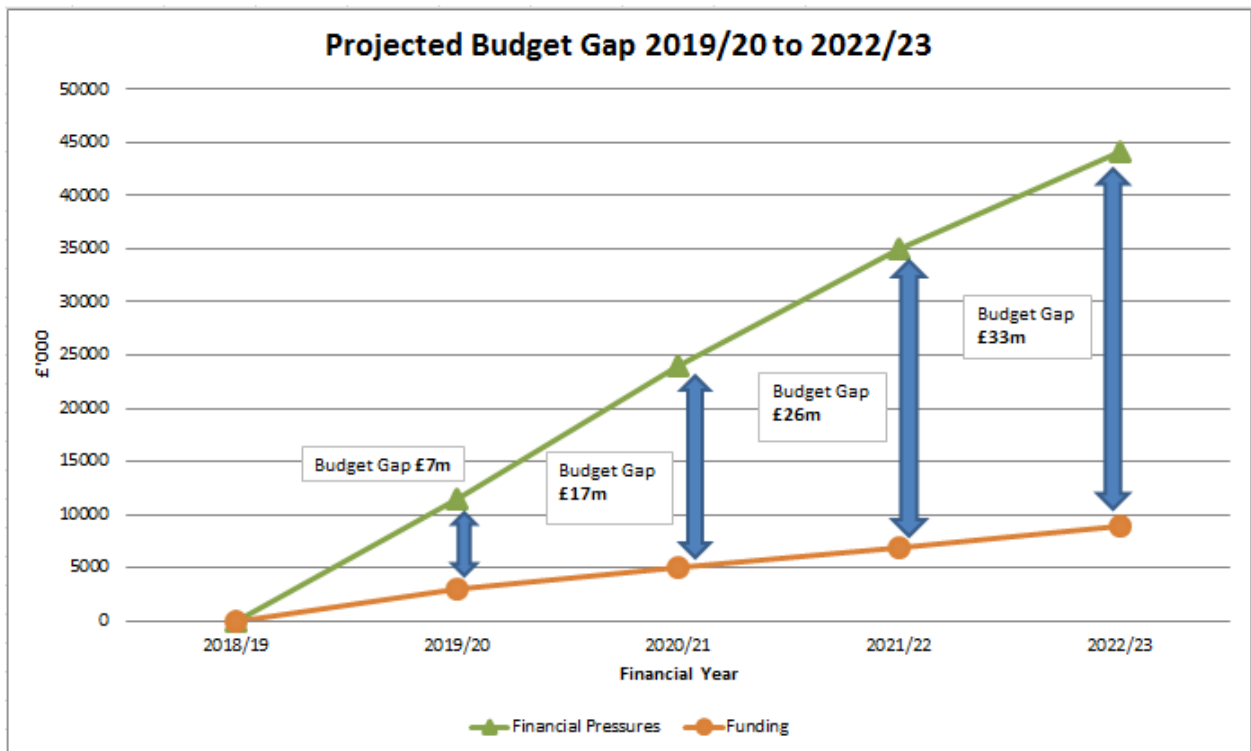
3.9 Although the financial pressures facing the Council continue to increase significantly over the four year period the funding received from Welsh Government (WG) and council tax remains relatively

static. Future year's investments beyond 2019/20 are therefore subject to review and confirmation at that time.

Council tax

- 3.10 It is well documented that Newport's council tax is low compared to others in Wales, generating approximately 23 per cent of our income, compared to around 25 per cent for most Welsh councils. This Council's current year budget is well below its 'standard spending assessment', a relative spending needs assessment between all Welsh councils, at £7.4m which is due to our low level of council tax funding.
- 3.11 A base 4% increase is already included in our MTFP each year. This year, the budget proposals include an additional 2.95% increase to council tax in 2019/20 (Appendix 2 & 5) bringing the proposed increase to 6.95%. This is subject to consultation and a final recommendation to Council on the council tax level and will be confirmed in the Cabinet's February meeting.
- 3.12 In summary, the following chart shows the impact that the cost increases and growth in demand is having on the Council when compared to assumed funding levels and its ability to balance the financial position over the medium term.

Chart 4: Projected budget gap 2019/20 to 2022/23



4 Budget savings

- 4.1 The savings identified for 2019/20 to date total £8,151k. The table below provides a summary of the savings over the 4 year planning horizon.

Table 1: Summary of projected savings

Savings Decision Type	19/20 (£'000)	20/21 (£'000)	21/22 (£'000)	22/23 (£'000)	Staff Impact FTE
Cabinet Budget Savings (Appendix 2 & 6)	1,945	19	27	0	-8.1
Cabinet Member Budget Savings (Appendix 3)	1,157	44	0	0	0.0
Delegated Head of Service Budget Savings (Appendix 3)	3,067	455	8	0	-11.4
New Budget Savings	6,169	518	35	0	-19.5
Previously agreed budget savings (Appendix 4)	1,982	46	0	0	-69.4
TOTAL BUDGET SAVINGS	8,151	564	35	0	-88.9

Staff impact for previously agreed savings refers to the total FTE impact over the life of the project.

- 4.2 Under the constitution and our scheme of delegation, some budget decisions have to be taken by the Cabinet collectively. These proposals, totalling £1,945k for 2019/20 and £1,991k over the life of the MTFP, will form the basis of the public consultation on the budget this year.
- 4.3 Some lower level, more operational and efficiency type budget proposals are delegated to Cabinet Members and Heads of Service for decision and implementation. These proposals, totalling £4,224k for 2019/20 and £4,731k over the life of the MTFP are listed in Appendix 3. These Cabinet Member and Head of Service decisions are listed for reference only and will be implemented separately from the public consultation. Some of these decisions have already been taken and implemented. Regardless of their categorisation, the normal protocols for staff, unions and any other required consultation are being adhered to in respect of all savings.
- 4.4 The savings already agreed last year are either in progress or due to be implemented in 2019/20. No further details are shown for these savings, as they have already been approved.

Fairness and Equality Impact Assessments (FEIAs)

- 4.5 All budget proposals have been reviewed, where needed, to ensure the Council understands and mitigates, where possible, fairness and equality issues. FEIAs seek to identify whether proposals will have a positive or negative impact in relation to the protected characteristics, as defined by the Equalities Act. Within Newport, they also include an assessment against the principles of fairness, as presented by Newport's Fairness Commission. Where required, proposals include mitigating measures needed to ensure we meet our equalities responsibilities. Officers have identified those specific proposals where an FEIA would be required and these have been completed. Compliance with the Equalities Impact Assessment and the Equalities Act 2010 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.

5 Schools funding

- 5.1 The current position provides a cash increase for the overall school budget. It is proposed that schools receive investment of £3,178k in 2019/20. This represents a 3% growth in schools budget but will still require savings to be made, up to a similar amount, given the additional cost of new / growing schools in particular.
- 5.2 This is a challenge for schools. Cabinet are asked to consider the level of funding that will be delegated to schools for 2019/20. Assessed budget pressures for future year's amount to £13.2m and this will need further consideration at those times, given the uncertainty of future funding for the Council.

Table 2: School budget pressures 2019/20 to 2022/23

	2019-2020 £'000	2020-2021 £'000	2021-2022 £'000	2022-2023 £'000
Teachers - Pay award and increments	1,638	1,447	1,276	1,168
Non Teaching school staff - pay award and increments	1,540	628	547	522
Contract & Income Inflation	0	82	83	83
New Schools	0	1,931	1,688	1,446
Secondary School Transitions	0	432	738	1,024
Reduced Class Sizes	0	0	39	28
	3,178	4,520	4,370	4,272
Proposed growth as a % of net budget	3%	5%	5%	5%

- 5.3 Final allocations of grant are yet to be determined across the Education Achievement Service (EAS) region. Within the Welsh Governments draft budget report the Education Improvement Grant (EIG) is set to remain at 2018/2019 levels, although this has yet to be confirmed officially.
- 5.4 Whilst it is recognised that draft assumptions give significant challenge, school funding in overall terms is better than other parts of the Council, and has increased by 10% over the last 5 years. This included specific grants and is shown in table 3 below.

Table 3: School budgets by sector – 2013/14 to 2018/19

Year	Nursery	Primary	Secondary	Special	Total
2013/14	656	50,193	46,152	2,959	99,960
2014/15	585	52,234	47,165	2,894	102,878
2015/16	519	52,924	47,480	3,724	104,647
2016/17	494	54,627	48,619	4,040	107,780
2017/18	512	54,959	47,505	4,247	107,223
2018/19	561	57,250	47,410	4,766	109,986
Increase in funding over 5 year period (incl specific grants)					10.0%
Increase in funding (excl specific grants & delegations)					9.6%

6 Budget process and consultation

- 6.1 This report presents the draft proposals for the 2019/20 budget. The report asks Cabinet to note:
- The position on developing a balanced budget for 2019/20, acknowledging that the position will be subject to ongoing review and updates;
 - and agree that the Cabinet Member and Head of Service decisions in Appendix 3 will be implemented with immediate effect;
 - That Fairness and Equality Impact Assessments have been completed for all proposals requiring one.
- 6.2 The report also asks Cabinet to agree a series of proposals for public consultation. This includes
- The budget savings proposals in Appendix 2 (summary table) and Appendix 5 (detailed saving proposals);
 - The proposed fees and charges in Appendix 7;

- The position regarding the proposed school funding for 2019/20 in section 5.
- 6.3 Seeking to capture and understand the opinions needs and suggestions of the public, specific service users and other stakeholders has been an important part of the Council's budget setting process in recent years. Each year the budget is informed by extensive consultation, which allows our knowledge and understanding to grow over time. Over the last three budget cycles we received more than 11,000 responses from the public with over 5,600 in the last financial year.
- 6.4 In addition to external public consultation, proposals will be reported to Scrutiny Committees, the Fairness Commission, Unions, School Forum and Third sector/Business community throughout December / January. As already noted, further work is required on the Council's Corporate Plan, Change programme and proposals to balance the overall MTFP both in total and over individual years.
- 6.5 A second budget report will be presented to Cabinet on 13 February 2019. This will ask Cabinet to agree its final proposals for the 2019/20 budget and the resulting recommended level of council tax to fund that. The February report to Cabinet will include:
- The results of the public consultation process
 - Details and analysis of the final grant settlement from Welsh Government
 - Any updates from Welsh Government about future grant settlements
 - Any emerging details on specific grants which have financial implications.
- 6.6 Setting the council tax level and resulting total net revenue budget is the responsibility of full Council, so Cabinet's recommendations will be presented to the Council meeting on 26 February for approval and adoption.
- 6.7 Below is this year's timetable for consulting on and approving the 2019/20 budget:

Table 4: Budget consultation timetable 2019/20

Cabinet agrees budget proposals as a basis for consultation	12 December 2018
Consultation period	13 December 2018 to 30 January 2019
Cabinet considers feedback from consultation and agrees final budget proposals for recommendation to Council	13 February 2019
Council approves the 2019/20 budget and council tax level	26 February 2019

7 Risk, financial resilience and performance

- 7.1 A key driver in setting out our budget strategy and MTFP framework is the need to manage the Council's general and financial risks, its financial resilience and performance. This next section looks at these issues and identifies how they are dealt with currently and issues which need to be considered in setting out the Council's 2019/20 and medium term budgets.

Risk

- 7.2 The Council maintains a corporate risk register which is regularly reviewed by the Corporate Leadership Team and Cabinet, as well as the 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. The quarter 2 corporate risk register report will also be presented to Cabinet in December.
- 7.3 Key mitigation issues include the Council's (i) revenue contingency budget (ii) capacity provided by the 'Invest to Save' reserve to support and fund implementation costs of the current and future change programme, and (iii) capacity to develop the strategic and change programmes to meet the corporate plan within financial context.
- 7.4 At this point, the Council's finances and reserves provide the financial capacity to deal with the current risks identified. Appendix 6 also details other risks which have the potential to have financial impact for the Council.

Financial Resilience

- 7.5 A robust view is being 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 8 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council at this time. Key headlines include:
- The council maintains a good level of reserves. The contingency base budget and other risk reserves held by the Council are all taken into consideration when assessing the level of the general reserve, and help to mitigate the risk to the Council. A cautionary note should be made in respect of the decline in school reserves over the last few years. Schools are using reserves to manage spending and this is proving increasingly difficult to maintain. In future, schools will need to ensure that they manage within the approved annual budgets.
 - The Council has identified and continues to monitor budget reductions of £8.6 million in 2018/19. This is alongside delivering outturn within budget over recent years, despite the delivery of c£45m savings over the last 5 years. This needs to be viewed within the context of continued significant pressures within service areas, namely social care, education and schools into 2018/19, which have been highlighted as part of the budget monitoring process.
 - Although the 2018/19 forecast overspending across service areas is significant this has been offset by one off underspending/ better income in non-service budget areas. A forecast underspend of over £3 million allows Cabinet to assess the potential for one off investment to support Corporate plan priorities.
 - In light of the continuing financial pressures and demands placed on the Council further savings of at least £33m need to be found by 2023.
- 7.6 Overall, the Council's financial resilience remains strong and it has financial capacity to develop and change services in response to continuing pressure on funding and increased demand for services.

8 Report review and statutory comments

8.1 Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Planning parameters around	M	M	1 Use of contingency, where required 2 Use of reserves, where appropriate	Head of Finance SLT

inflation are incorrect				
Planning parameters around Welsh Government revenue grant are incorrect over medium term	H	M	<ol style="list-style-type: none"> 1. Use of contingency, where required 2. Keep the assumptions under constant review 3. Use of conservative assumptions 	Head of Finance
Increasing budget pressures over medium term	M	M	<ol style="list-style-type: none"> 1. Manage demand, where possible 2. Keep MTFP under constant review 3. SLT review of all budget pressures within MTFP 	SLT

* Taking account of proposed mitigation measures

8.2 Links to Council Policies and Priorities

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

8.3 Options Available and considered

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

8.4 Preferred Option and Why

To consult on the new medium term package to ensure that savings are deliverable from the earliest opportunity.

8.5 Comments of Chief Financial Officer

The main financial issues are contained within the body of the report. The proposals here invest significantly in current areas experiencing growing demand and costs on services plus schools and will contribute towards a robust budget for 2019/20. The Council has good financial resilience, including financial capacity to develop and change services in response to pressure on future funding.

Of particular importance is the need for the Council to develop a strategic approach to change the way services are delivered, within the context of a new, updated Corporate Plan. The on-going financial challenges will require significant changes in how services are delivered. In the meantime, the significant budget pressures in Social Care and SEN education will need to be managed before plans are brought forward to mitigate and stabilise.

8.6 Comments of Monitoring Officer

There are no specific legal issues arising from the Report at this stage. Cabinet is being asked to approve the draft savings proposals set out in the Report in order to deliver a balanced budget for 19/20 and as the basis for public consultation, 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 will then 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 19/20. The implementation of all these business cases are executive matters, with the exception of any consequential staffing proposals which are non-executive matters delegated to Heads of Service. However, whichever decision-making process applies, all of the business cases 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 require more focussed consultation with staff and key stakeholders, this will be carried out prior to the implementation of any proposed changes. The setting of the overall base budget and council tax rate for 19/20 is a matter for full Council as these are non-executive reserved matters under the Constitution.

8.7 Comments of Head of People and Business Change

The report outlines the proposals for Cabinet consideration in order to set a balanced budget for 2019/20 with consideration to the medium term financial plan. Proposals which have an impact on staff will be subject to the required consultation and consultation with trade unions will also take place on a more broad basis. As is the case each year when setting the budget, there is a conscious effort to minimise impacts on staff, whilst focusing on priority services and setting a robust and balanced budget. With the continued constriction of governmental funding and the increase in cost pressures, this becomes more and more difficult each year. Due to this the decisions presented for consideration and public consultation are often a series of 'trade-offs' between service priorities.

The business case development has further embedded the five ways of working expressed within the Well-being of Future Generations Act and the organisation has moved to the development of a broader equality impact process, which also includes these five ways of working, alongside protected characteristics and concepts of fairness (developed with the Newport Fairness Commission).

Public consultation on the proposals seeking Cabinet agreement will commence on December 13th and continue until January 30th. Alongside the traditional paper based consultation process and on-line questionnaires, public and bus WiFi will be used extensively and there will also be face to face consultation activity during this period. As usual the Fairness Commission will be asked to provide a response.

8.8 Comments of Cabinet Member

The Chair of Cabinet has approved the report for consideration by Cabinet.

8.9 Scrutiny Committees

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

8.10 Equalities Impact Assessment and the Equalities Act 2010

This is referenced in paragraph 4.6 of the report.

8.11 Children and Families (Wales) Measure

All proposals will be consulted on widely, as required.

8.12 Wellbeing of Future Generations (Wales) Act 2015

The Act is referenced in the report.

8.13 Crime and Disorder Act 1998

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

Dated: 12 December 2018