

# Report

## Council

---



### Part 1

Date: 27 February 2020

### Subject **2020/21 Budget and Medium Term Financial Projections**

**Purpose** To agree the council's council tax increase for 2020/21 and resulting total net revenue budget as recommended by Cabinet on 12 February 2020 in addition to the resulting council tax resolution for 2020/21.

**Author** Head of Finance

**Ward** General

**Summary** Following recommendation by Cabinet, the Council needs to make a decision on the level of council tax and the resulting total net revenue budget for 2020/21.

Cabinet met on the 12 February 2020 and finalised detailed budget recommendations. This report sets out the overall 2020/21 budget, resulting service cash limits, council tax increase and recommendations for the council's general reserve and contingencies. An increase in council tax of 6.95% (to £1,197.88 per annum at Band D) for Newport City Council is recommended. A 6.95% increase on council tax is an increase of £1.16 per week, £1.33 per week and a £1.50 per week increases for Band B, C and D properties respectively.

The Cabinet have built on the medium term financial projections (MTFP) approved last February and approved further savings to meet the financial challenges facing the council. The medium term projections are included within appendix 4.

The Council's financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples lives'. The medium term financial projections include the funding required to deliver the ambitious plan and aspirations within that. In light of the medium term financial sustainability challenge, further work is required to ensure the budget is balanced.

#### **Section:**

- 1 Background
- 2 Setting the budget
- 3 Welsh Government funding and council tax base
- 4 2020/21 budget requirement
- 5 Medium term financial projections (MTFP)
- 6 Budget consultation
- 7 Risk, reserves, financial resilience and performance
- 8 2020/21 proposed council tax

#### **Appendix:**

- Appendix 1 Service area budgets
- Appendix 2 Precepts and council tax
- Appendix 3 Council tax resolution

- Appendix 4 Medium term financial projections (MTFP)
- Appendix 5 Financial resilience snapshot
- Appendix 5a Projected earmarked reserves

**Proposal** Council is asked:

**Revenue budget and council tax 20/21** (section 2-8)

- 1 To note that an extensive consultation exercise has been completed on the savings over the medium term, including the 2020/21 budget proposals. Cabinet have taken these into account in recommending final details of their budget
- 2 To note the Head of Finance's recommendations that minimum general reserve balances be maintained at £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, subject to the key issues highlighted in section 7, and the adequacy of the general reserves in the context of other earmarked reserves and a general revenue budget contingency of c£1.5million
- 3 To consider and approve a council tax increase for Newport City Council of 6.95%, a Band D tax of £1,197.88; and resulting overall revenue budget shown in appendix 1
- 4 To approve the formal council tax resolution, included in appendix 3 which incorporates The Police and Crime Commissioner for Gwent and Community Council precepts

**Medium term financial projections** (section 5)

- 5 To note the MTFP and the financial uncertainty facing Local Government over the medium term
- 6 To note Cabinets approval of the implementation of the three-year plan, including all budget investments and saving options, as summarised within the medium term financial projections (appendix 4). In light of point 5 above it should be noted that financial projections are subject to on-going review and updating

**Action by** Head of Finance – 2020/21 council tax billing and detailed budgets to be prepared in line with recommendation.

**Timetable** Immediate

This report was prepared after consultation with:

- Interim Chief Executive
- Strategic Director
- Head of Law and Regulation
- Head of People & Business Change

**Signed**

## 1 Background

- 1.1 The draft budget proposals for 2020/21, agreed in the December Cabinet meeting, have been subject to public consultation. The proposals have been consulted on through a range of stakeholder groups as set out in paragraph 6.1.
- 1.2 Following a better than anticipated draft settlement from Welsh Government (WG), the funding position for 2020/21 improved by £7.3m (after funding specific grant transfers and costs included in the draft settlement), as highlighted in the February Cabinet report. Ordinarily, the Council would have received the final settlement from WG by this stage of the year, however given delays in publishing the draft; the final settlement will be announced on the 25 February. Although no changes are anticipated in the final funding allocated to Newport, the timing of this confirmation does introduce a potential risk to the final budget and any change will need to be verbally updated at the Council meeting itself on 27 February.
- 1.3 Given the better than anticipated draft settlement, Cabinet were given some financial flexibility to review and respond to the results of the public consultation and to invest in Council priorities by allocating £3.9m 'cash in hand' balance at the February Cabinet meeting. The details of this allocation have been set out in paragraph 4.1. It was at this stage that the overall net budget and resulting council tax was agreed for recommendation to Full Council.

## 2 Setting the budget

- 2.1 There are two main elements to the council's financial planning:
  - strategic planning: medium term financial projections (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, the MTFP is reviewed and updated to help plan savings and investments across the next three years. A key part of the review is to ensure that key priorities are included, including those contained in the Corporate Plan.
- 2.3 The budget has been developed over a number of months starting with a review of existing investments and savings previously agreed, delivery of savings and consideration given to the need for new investment and growth. The priorities of the Corporate Plan and other commitments featured in this review are contained in the MTFP. The budget proposals that have been incorporated into service area cash limits were reviewed in detail with Cabinet.
- 2.4 Whilst Cabinet are responsible for the detailed spending plans, the council tax level underpinning the overall budget is approved by Council. The proposed budget is included within appendix 1 and is based on detailed proposals approved by Cabinet on 12 February 2020. Members have also been sighted on the draft proposals previously via the councils Scrutiny Committees in January 2020. The detailed proposals can be found appended to the Cabinet agenda [Budget investments](#) (weblink) and [Budget savings](#) (weblink).
- 2.5 Council should note that Cabinet continues to take a strategic and medium term view and approved the implementation of the council's three-year savings programme, including all budget investments and saving options as summarised within the MTFP.
- 2.6 A key part in considering and agreeing the annual budget and MTFP are the financial resilience issues and how the budget deals with improvement plans and risks. These were considered in detail by Cabinet on 12 February and are outlined below in this report for Council.

### 3 Welsh Government funding and council tax base

- 3.1 Given the decision to defer the publication of the WG settlement until after the UK general election, the Council received its [provisional settlement](#) (weblink) on the 16 December 2019. Overall, it confirmed that the Council would receive £228,077k for 2020/21. After allowing for specific grant transfers and costs into the RSG this is a net cash increase of £7,265k from the current years funding. The final settlement will be announced on the 25 February, therefore Cabinet finalised their 2020/21 budget based on the draft RSG (not expected to change), the confirmed increase in tax base and a requirement for a 6.95% increase in the council tax rate, now recommended to this Council meeting.
- 3.2 It is important to note that whilst the settlement from WG was much improved from that anticipated for 2020/21, the medium term outlook is still very uncertain which makes planning for the future extremely challenging. In Newport, the Revenue Support Grant (RSG) received from WG contributes 76% to its net budget, with council tax making up the balance. Given the councils reliance on RSG funding what happens to this grant is critical. The UK Budget that will be announced on the 11 March should provide some clarity in terms of future WG funding, however, for Local Government, much will depend on WG budget decisions thereafter, in particular on NHS funding in Wales. Once the outcome of the Spring Budget is known, it is inevitable that the medium term projections will require review and updating.
- 3.3 Despite this uncertainty, Council should note that the Welsh Local Government Association (WLGA) and others continue to push for medium term settlements or indicative future funding. In the absence of medium term settlements whilst not ideal or helpful, it does not necessarily prohibit medium term planning.
- 3.4 Although councils have until the 11 March each year to set council tax, in practical terms, to delay beyond this meeting date would cause delays to billing and collection of council tax. This would have a significant adverse impact on the council's cash flow.

### 4 2020/21 budget requirement

- 4.1 Funding levels for service areas, based on the final proposals, are shown in appendix 1 with the detailed budget investments / pressures and savings shown in the [February Cabinet report](#) (weblink). These funding levels include investment decisions that were taken at the February Cabinet meeting itself, details of which are set out below:

#### Investments:

- £1,400k further investment in schools
- £292k investment into foster care fees to bring us into the upper quartile of fees paid compared to other local councils
- £250k investment in the councils ICT budget to accelerate modern ways of working and digitalisation
- £210k investment in city centre cleansing and safety initiatives across the city
- £193k investment in the benefits service to avoid reductions in the service following grant income decreases from the Department for Work and Pensions (DWP).
- £120k investment into the city's youth services
- £90k investment in the education department to strengthen governance arrangements with our schools
- £80k investment to support bringing empty homes back into use by way of council tax reductions using the councils discretionary powers
- £70k investment in management development training to help prepare the Council for on-going challenges
- £60k investment in discretionary rates relief for community and youth groups across the city

## Removal of savings:

- £475k - reverse use of reserves to make minimum revenue provision (MRP) saving which supports the capital programme headroom (NS2021/04)
- £75k - remove Barnados saving (CFS2021/02)
- £45k – remove post-16 transport saving (CS2021/06)
- £22k – reduce reduction in funding awarded to Third Party Organisations saving (AS2021/07)
- Reduce council tax increase from 7.95% to 6.95%

4.2 As was well documented within the February Cabinet report, Newport received the greatest share of the 4.3% net funding increase for Local Government across Wales. The revised datasets used for the allocation of funding reflects the significantly increasing population numbers and school pupil numbers in Newport. With increasing population comes increasing demand and therefore greater costs, which are to be borne by the council in terms of increasing demand for essential services. Therefore, further savings have been required to meet the gap between the funding received through grants/ council tax collection and expenditure on the wide variety of services provided.

4.3 Proposals for 2020/21 include over £23m of budget investments / pressures (including inflation). The most significant areas of additional expenditure are linked to:

- £10,434k investment in school budgets
- £2,538k for increasing social care demand for both children's and adult services
- £1,038k investment to deliver the promises set out within the Corporate Plan such as the delivery of digital aspirations and a new household waste recycling centre
- £239k due to increasing demand for special education needs provision

4.4 In addition to this base budget investment, significant specific grants are received from WG each year and at this time; we still await the finer details of funding levels for 2020/21. As noted within the December report there were significant increases in respect of education and social care grants and these have the potential to support service areas to fund demand pressures that currently exist. In general terms, it is proposed, in line with the Council's current working policy, that service areas deal with matters such as reducing specific grants with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to resolve them. This may involve reducing/ stopping services that WG specific grants no longer fund.

## 5 Medium term financial projections

5.1 The Council's financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets

out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples lives'. This provides a focus for decisions around spending and will direct activity across the council. The current 'medium term financial projections' (MTFP) included in appendix 4 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.

5.2 The MTFP is the financial articulation of the Council's Corporate Plan, financial challenges and includes the savings identified over the next three years. It includes those savings, which have previously been approved over the life of this plan in February 2019 Cabinet meeting as well as new proposals. Whilst the Council is required to set a balanced budget for 2020/21, this is to the backdrop of sustaining over £41m of savings over the last five years. Future uncertainties such as future WG financial settlements and the impact of Brexit will mean that current projections will inevitably develop and change as assumptions are updated or confirmed for future years.

- 5.3 Despite the favourable draft settlement for 2020/21, there is uncertainty on the continuation of the additional funding allocated to Local Government beyond 2020/21. It was anticipated that the next Comprehensive Spending Review (CSR) 2019 would take place in the summer of 2019 bringing a degree of certainty over the short to medium term on Local Government finances. However, uncertainty around Brexit at that time delayed the next CSR until, at the earliest, summer 2020.
- 5.4 Furthermore, the date for the 2020 Spring Budget has been confirmed and will take place on 11 March 2020. This is the UK Government's annual fiscal statement and will be the first since the December 2019 general election. It will also be the first budget of a new parliament and comes roughly six weeks after the passing of the Brexit deadline on 31 January. All of these factors point towards this budget being particularly important. Although this may provide more certainty on the medium term outlook for Welsh Government funding; for Local Government itself, much will depend on WG budget decisions, in particular on NHS funding in Wales. The projections set out within the MTFP will require updating when the outcome of the Spring Budget is known.

## **6 Budget consultation**

- 6.1 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 9 January 2020
  - With all Scrutiny Committees in their January 2020 meetings where Members discussed the detailed change and efficiency programmes plus the MTFP
  - With the Schools' Forum on 9 January 2020
  - With the public from 20 December 2019 to 31 January 2020
  - Newport Fairness Commission has reviewed the proposals in terms of their parameters of fairness.

The detailed results of the consultation were shared at the February Cabinet meeting. In summary, there was a general acknowledgement of the financial pressures facing the Council reflected in support for the majority of proposals.

### **Fairness and Equality Impact Assessments (FEIAs)**

- 6.2 In delivering its services, the Council has to be mindful to demonstrate due regard to equality considerations in line with the Equality Act 2010.
- 6.3 As part of the budget process, equality implications are considered for all budget proposals and where necessary an EIA is carried out by the relevant service manager, supported by the council's policy team. These were updated, as necessary, following the budget consultation exercise and used by the Cabinet in their final budget decisions in their February meeting.

## **7 Risk, reserves, financial resilience and performance**

### **Financial risks**

- 7.1 The proposed budget incorporates a number of assumptions in terms of levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget, which were described in detail to Cabinet when finalising budget proposals. Key risks include;
- Continuation of demand and resulting cost pressures in the future, including the significant budget challenge for schools
  - Delivery of savings

- Financial risks and issues requiring one-off resources
- Inflationary pressures on the budget

## **Reserves**

- 7.2 In terms of contingencies and reserves, the Head of Finance needs to review these in their totality in conjunction with the base budget and the financial risks associated with delivering the budget in 2020/21. This review should incorporate a medium term view and take into account key developments that may affect the need for and use of one off resource.
- 7.3 Protection against budget risks is provided through earmarked reserves and contingencies. In addition, the Council has a number of earmarked reserves for known, but not always easily quantifiable, financial risks.
- 7.4 A 'rule of thumb' analysis for determining the level of general reserves suggests this is at least 5% of net revenue expenditure (excluding schools' budgets); unless a formal risk assessment justifies a lower level. This implies a level of around £14million for Newport. In the context of the above and the financial risks inherent in the proposed budget, the Head of Finance recommends that the minimum level of general reserves remain at its current level of £6.5m, supported by the base general budget contingency of £1.5m.
- 7.5 A cautionary note should be made on school's reserves which have been decreasing over the last two years and based on current 2019/20 revenue budget projections of £3.5m overspending this would see reserve balances fall below zero at the end of this financial year. A resolution is critical as current spending levels in schools is not sustainable and has the potential to cause a significant adverse impact on the councils overall finances if it continues.
- 7.6 The additional school budgets funding included in the Cabinet's draft budget and the additional funding announced in their February meeting, alongside projected increase in specific grants and school own cost saving plans should, in overall terms, at least stabilise school budgets. It will be necessary to then review options to build up current individual school negative reserves over the longer term. Schools and their Governing bodies will need to ensure they take robust action and implement cost saving plans where required.
- 7.7 The base general budget contingency, alongside the level of recommended general and earmarked reserves reflect the overall potential financial risk associated with delivering the budget in 2019/20. These provide sufficient capacity to cover financial risks. Once schools have taken the necessary action to reduce their cost base, the Head of Finance, as part of his S151 responsibilities, is content that the 2020/21 overall budget as proposed is robust.

## **Financial resilience**

- 7.8 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 5 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. A cautionary note should be made in respect of the decline in school reserves over the last few years and the potential for schools reserves to fall below zero in the current financial year
  - The Council continues to monitor £6.6m of budget reductions in 2019/20. This is alongside delivering outturn within budget over recent years, despite the delivery of around £41m of savings over the last 5 years
  - In light of continuing financial pressures and demands placed on the Council further savings of around £7m - £10m are likely to be needed for 2021/22 and 2022/23, based on current assumptions around the continuation of future grant funding.

7.9 The impact of these challenges are reviewed as part of the financial monitoring process and through the corporate risk register both of which are reported regularly to the Cabinet, Senior Leadership Team and the Council's Audit Committee.

## 8 2020/21 proposed council tax

8.1 Newport continues to have the second lowest council tax in Wales, amongst the lowest in the UK and spends significantly lower than its standard spending assessment (SSA) compared with other Local Authorities. Whilst changes in council tax levels are usually noted in percentage terms, the cash increase this delivers in Newport will be smaller relative to other Local Authorities as our starting position is lower.

8.2 The proposed council tax increase of 6.95% is above the base assumptions of 4% made in future years. This additional 2.95% increase adds around £1.6m to the councils overall funding. This is required as investment within services experiencing increased demands and costs continue on an upwards trajectory and the Council has an obligation to ensure our most vulnerable are protected.

8.3 Cabinet have recommended 6.95% council tax increase to Council. This would result in a Band D council tax of £1,197.88, which is an increase of £1.50 per week for Band D properties. Although the draft 2020/21 settlement was more favourable than anticipated this is a one year benefit whereas the decision on council tax levels will have a longer term impact on our overall funding and how we compare against SSA. Therefore, the key consideration for the Cabinet has been to ensure that the correct balance has been found between both council tax increases and savings. The budget includes over £5m of savings and £4.3m from extra income from council tax. Newport's council tax is currently the second cheapest in Wales and spends £8.3m less than SSA, which is completely down to the low council tax. This shortfall is expected to increase to £9.2m in 2020/21 given that the standard council tax increase used in the settlement is based on an increase of 7.12% in 2020/21. For Newport, a council tax increase lower than 7.12% would see the council fall further behind SSA.

8.4 The Council is investing £2.5m in social care and £10.4m in schools. The additional council tax increase of 2.95% over and above the current base increase of 4% each year generates around £1.6m. Therefore, Cabinet are mindful that this increase in council tax is a valuable contribution to protect the services that the Council delivers.

8.5 Based on the recommended 6.95% council tax and changes to the draft budget outlined in 4.1 above, the table below illustrates the net budget and funding agreed by Cabinet at its meeting on 12 February 2020.

**Table 1: 2020/21 available and required budget**

The table below shows the available and required budget funding with a 6.95% increase in council tax. Cabinet will be aware that beyond 2020/21 there has been a 4% increase implicit in our MTFP planning parameters. In setting council tax, the Council needs to be aware of the need to set a balanced budget.	
<b>Council Tax at Band D at 6.95%</b>	£1,197.88
<b>Budget requirement</b>	<b>£000</b>
Base budget 2019/20	280,611
Inflation & increments	7,239
Removal of previous year reserve transfer	900



Budget investments – (£15,763k (inc. £3,112k of transfers in from RSG) shown in list of pressures plus increase of £1,174k required in council tax benefit based on 6.95% council tax increase)	16,937
Budget savings	(5,417)
<b>DRAFT BASE BUDGET 2020/21</b>	<b>300,270</b>
<b><u>Draft funding available</u></b>	
Draft WG settlement	228,077
Current council tax at new tax base	67,502
Increased council tax @ 6.95%	4,691
<b>Total</b>	<b>300,270</b>

8.6 The final budgets, as detailed in appendix 1, incorporate the above recommendations. In finalising the budgets from the draft, Cabinet were aware of the key messages/ concerns/ support coming out of the consultation.

8.7 The Cabinet was also mindful of the need to balance the interests of service users with taxpayers given the current economic climate and in addition, noted that the council tax, even with the increase recommended, would still be low in comparison to other Welsh Authorities.

### **Community / Police precepts and Council Tax calculation**

8.8 The council tax calculation includes precept figures from The Police and Crime Commissioner for Gwent and precept figures from Community Councils within the City as well as the City council's own budget. These are shown in appendix 2. The resulting council tax resolution is set out in appendix 3. These are based on the budget proposals agreed by Cabinet on 12 February 2020.

### **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?
Budget savings not delivered	H	L	(i) robust budget monitoring (ii) service planning (iii) 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) retention of reserves and budget contingency	Directors / Heads of Service/ Head of Finance
Schools overspending against budget	H	M	(i) robust budget monitoring (ii) early review of school's position (iii) clear expectations set and robust communications between schools and the council	Head of Finance/ Directors / Heads of Service
Unforeseen Pressures	H	L	(i) retention of reserves and budget contingency	Head of Finance/

			(ii) robust budget review	Directors / Heads of Service
--	--	--	---------------------------	------------------------------------

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

In drawing up budget proposals, due regard has been given to key council policies and priorities and Cabinet, in setting the detailed budget and spending plans, considered these in detail in their February meeting. Details are included in the February 2020 budget paper, which confirm that the key priorities and promises set out in the Corporate Plan are funded appropriately to meet the targets proposed.

## Options Available and considered

The Council must approve a recommended council tax and resulting overall revenue budget for 2020/21.

## Preferred Option and Why

Council has various options open to them on the level of council tax and therefore the overall total revenue budget for the Council.

## Comments of Chief Financial Officer

The detailed financial implications stemming from this report are contained within the body of the report, including the statement from the HoF on the robustness of the budget.

The Council is required to set council tax by 11 March but in reality, it will need to be done at this meeting as to delay further will mean bills cannot be produced in time to give the required notice before the first instalments of council tax are due. Therefore, it is important that the Council decide on the level of council tax at this meeting.

The MTFP shown in appendix 4 points to a significant on-going financial challenge. In addition, uncertainty around future funding due to Brexit and public finances. There will be a UK budget announced in the 11 March which will give further clarity and which will no doubt require the MTFP to be updated in the Spring. Increasingly, a different approach will be needed in going forward which takes a more strategic and medium term approach to ensure the Council can set a balanced budget over the medium term, matched to strategic changes in services.

## Comments of Monitoring Officer

The Revenue Budget Report and MTFP Projections have been prepared in accordance with the requirements of the Local Government Act 2003 and the Local Government Finance Act 1992. In accordance with Section 25 of the 2003 Act, the Cabinet must have regard to the advice of the Head of Finance, as the Council's Chief Finance Officer, regarding the robustness of the budget estimates and the adequacy of the financial reserves. This advice must be taken into account when considering the proposals in the Report and in making recommendations to Council regarding the budget and the Council tax rate. In accordance with the Functions and Responsibility Regulations, agreeing the overall budget and setting the Council Tax rate under the 1992 Act is a matter for full Council. Therefore, the recommendations of the Cabinet will be subject to ratification and approval by full Council, insofar as they relate to the overall budget and Council tax proposals for 2020/21.

However, the approval and implementation of the individual savings and investment proposals within the Report are executive matters for the Cabinet, provided that they are in accordance with the general budget framework set by the Council. Therefore, Cabinet is able to approve the 3-year MTFP programme of savings and investment proposals, in the light of the consultation responses and strategic priorities.

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

The 2020/21 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 the backdrop of ongoing financial pressure, which has created a challenging environment. Staff have been impacted by changes to date in a number of ways and the Council now employs significantly fewer staff than it did five years ago. All staff potentially impacted upon by this have been offered the opportunity to be consulted with and the relevant trade unions have made representations, contained within this report.

As part of the annual process in place, a range of 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 through face-to-face sessions, via email, letter, the on-line consultation pages, through free bus wifi and in sessions with Newport Fairness Commission and Newport 50+ Forum.

The Local Authority is required to ensure it considers the impact of decisions made today on future generations. This has been done through the expanded use of Fairness and Equality Impact Assessments. It should be noted that meeting sustainable development principles is becoming ever more difficult to do in the wake of on-going reductions in funding.

## **Comments of Cabinet Member**

The Chair of Cabinet and Cabinet Member for Finance confirm that they have approved this report.

## **Local issues**

The budget proposals as shown affect the City as a whole although some specific proposals may affect certain localities more than others.

## **Scrutiny Committees**

All detailed proposals were reviewed by all Scrutiny Committees in their January 2020 meetings, as part of the wider budget proposals consultation undertaken and considered by Cabinet.

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

In finalising its budget proposals, Cabinet took account of the equalities impact assessments carried out, which was reported to them in their meeting on 12 February 2020.

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

Wide consultation on the budget has been undertaken, as outlined in section 6 of the report.

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

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”.

Integration – A quality assurance process is in place to ensure that the council delivers a sustainable budget that ensures the impact of any proposals is managed in terms of the wellbeing of our communities.

Long Term – A medium term approach is important in ensuring financial sustainability over the longer term. Whilst the funding from WG over the medium term is uncertain it is imperative that medium term

planning is at the forefront of budget discussions. In light of the Corporate Plan priorities, the Cabinet are mindful of the need to target investment and growth within the financial envelope that is available.

Prevention – The council is mindful of the demographic increases, expansion and growth that we are seeing across the City and the potential impact that this could have on the services that we provide. With this comes increasing demand and therefore costs which have been reflected within the medium term projections. The Council's financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples lives'. A key part of the Plan and therefore the areas of investment relates to prevention and increasing resilience of communities.

Collaboration – A key part of our Corporate Plan relates to working alongside partners to deliver key public services. Whilst this budget presents significant savings, the base budget for 2020/21 continues to support numerous examples of multi-agency working particularly with public service board partners.

Involvement – An extensive programme of engagement takes place both before and after the release of budget proposals. The council seeks to involve and inform key stakeholders whilst setting out the financial context. The results of this engagement is key to budgetary decisions.

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 six-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, with the Council's Fairness Commission and with representatives from the business and voluntary sector.

## **Crime and Disorder Act 1998**

N/A

## **Consultation**

Wide consultation on the budget has been undertaken, as outlined in section 6 of the report.

## **Background Papers**

Budget report presented to Cabinet on 12 February 2020.

Dated: 27 February 2020