

Report

Council

Part 1

Date: 1 March 2022

Subject 2022/23 Budget and Medium Term Financial Plan

Purpose To review the council's council tax increase for 2022/23 and resulting total net revenue budget as recommended by Cabinet on 18 February 2022; agree a council tax increase and the resulting council tax resolution for 2022/23.

Author Head of Finance

Ward General

Summary Following recommendation by Cabinet, the Council needs to review and decide on the level of council tax and the resulting total net revenue budget for 2022/23.

Cabinet met on the 18 February 2022 and finalised detailed budget recommendations. This report sets out their recommended overall 2022/23 budget, resulting service cash limits, council tax increase and the council's general reserve and contingencies. An increase in council tax of 2.4% (to £1,272.01 per annum at Band D) for Newport City Council is recommended. A 2.4% increase on council tax is an increase of £1.93 per month, £2.21 per month and a £2.48 per month increases for Band B, C and D properties respectively.

The Cabinet have built on the medium term financial projections (MTFP) approved last March and, in a year unlike any other, approved a package of investments. The much better than anticipated settlement from Welsh Government meant that the budget could be balanced in 2022/23 without the requirement to find additional savings. The medium term projections are included within appendix 4.

The Council's business and financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the period under our mission of 'Improving Peoples lives'. The budget recommended includes the funding for the key outstanding priorities and promises set out in the plan, as needed. Considering 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 and socio-economic objectives.

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Proposal Council is asked:

Revenue budget and council tax 22/23 (section 2-8)

- 1 To note that an extensive consultation exercise has been completed on the 2022/23 budget proposals. Cabinet have taken this into account in recommending final details of their budget
- 2 To note the Head of Finance's recommendations that minimum General Fund balances be maintained at a level of at least £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, subject to the key issues highlighted in section 7. Also, to note the potential use the general reserves and the wider package of revenue budget provision and uncommitted reserves, as set out in section 7 to provide mitigation for the uncertainty surrounding the ongoing impact of the pandemic.
- 3 To consider and approve a council tax increase for Newport City Council of 2.4%, a Band D tax of £1,272.01; 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 plan (section 5)

- 5 To note the MTFP and the uncertainty facing Local Government over the medium term around the progress of the pandemic, economic challenges, increasing demand within service areas and Brexit
- 6 To note Cabinet's approval of the implementation of the three-year plan, including all budget proposals, as summarised within the medium term financial plan (appendix 4). Considering point 5 above it should be noted that financial projections are subject to on-going review and updating.
- 7 To note and approve the councils reserves strategy and invest to save protocol. Estimated reserve balances as of 31 March can be found within appendix 5a.

Action by Head of Finance – 2022/23 council tax billing and detailed budgets to be prepared in line with recommendation.

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Directors

Signed

1 Background

- 1.1 The draft budget proposals for 2022/23 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 The draft settlement received on 21 December 2021 confirmed the funding position for 2022/23 and included a multi-year funding settlement, which brings a reasonable level of certainty over the medium term regarding the Council's revenue budget funding which will help financial planning. The announcement confirmed that funding would increase by 10.2% for 2022/23 (after transfers into the settlement), which is a welcomed uplift as it has enabled the Council to support a growing population, support major cost and demand pressures that the Council continues to face during a challenging economic period and assist in reducing the budget gap over the medium term. Subsequently, the identification of new savings was not required to balance the budget for 2022/23 at the draft budget stage.
- 1.3 The Council's final RSG settlement will be announced on 1 March 2022. Although no changes are anticipated in the final funding allocated to Newport, any change will need to be verbally updated at the Council meeting itself on 1 March.
- 1.4 Given the better than anticipated draft settlement, Cabinet were given some financial flexibility to meet spending priorities and respond to public consultation by allocating £3.9m 'cash in hand' balance at the February Cabinet meeting. It was at this stage that the overall net budget and resulting council tax was agreed for recommendation to Full Council. The overall package of investments for 2022/23 is set out in section 4.
- 1.5 The next section explains the link between the medium term outlook and how this translates into the requirement on the council to set a balanced budget.

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 to four years. A key part of the review is to ensure that key priorities are included, incorporating outstanding priorities as set out within the Corporate Plan.
- 2.3 The budget has been developed over several 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 outstanding 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 18 February. Members have also had sight of the budget proposals previously via the Council's Scrutiny Committees in January. The detailed proposals can be found appended to the Cabinet agenda [Budget investments](#) (weblink) and previously agreed [Budget savings](#) (weblink).
- 2.5 Council should note that Cabinet continues to take a strategic and medium term view and has approved the implementation of the Council's three-year plan, including all budget investments and previously agreed savings 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 key risks. These were considered in detail by Cabinet on 18 February and are outlined below in this report for Council.

3 Welsh Government funding

- 3.1 As the result of the final settlement not being known at the time of writing, Cabinet have finalised the 2022/23 budget based on the funding position made up of the draft Aggregated External Finance (more commonly referred to as the "Revenue Support Grant – RSG"), the confirmed increase in the Council's tax-base and a requirement for a 2.4% increase in the council tax rate, as recommended to Council.
- 3.2 Although councils have until 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 collection of Council Tax and therefore the Council's cash flow.

4 2022/23 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 previously agreed savings shown in the [February Cabinet report](#) (weblink). It should be noted that the funding levels reflect the recently agreed senior management restructure and for this reason does not include any comparative data and are subject to minor change as the finer details of the functions and where they sit in the new structure are finalised over the coming few months.
- 4.2 As documented within the February Cabinet report, Newport received the fourth greatest increase of the overall 9.4% net funding increase for Local Government across Wales, and much higher than that included within planning assumptions. This resulted in a 'a balance in hand' being reported to Cabinet in January. This was subsequently allocated during the February Cabinet meeting and is included within the overall package of investment set out below.
- 4.3 Proposals for 2022/23 include over £28m of budget investments / pressures (including inflation). The most significant areas of additional expenditure are linked to:
- £8,003k investment in school budgets. As stated within the February update, provision for teachers and non-teaching staff pay awards within schools will be distributed to individual schools after confirmation of any pay award by the WG, with the intention of fully funding cost increases in the schools' budget sector; up to the maximum funding available.
 - £6,502k investment in social care which includes funding to pay social care staff the Real living Wage from April 2022, additional provision to cover the risk of higher on-going costs in the sector and increased demand for both children's and adult services;
 - £1,597k increase in employers' national insurance contribution from 13.80% to 15.05%;
 - £500k to help manage the financial risks around the on-going impact of covid and no hardship fund from 2022/23;
 - £377k investment to create a positive impact both on the city centre and the businesses within it;
 - £255k investment for the maintenance of our parks play areas and equipment.
- 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 2022/23. Specific grants are a key element of Council's funding which often assists in supporting core service delivery. As noted within the February report, it is likely that a small number of grants will see decreases in funding during 2022/23 and it is proposed, in line with the Council's current working policy, that

service areas deal with these matters with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to resolve them. This may involve reducing/ stopping services that WG specific grants no longer fund. These grants will be included within service areas budgets once the value and conditions are known.

5 Medium term financial plan (MTFP)

- 5.1 The Council's financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples lives'. This provides a focus for decisions around spending and directs activity across the Council. The new Corporate Plan for the Council's new administration after the May 2022 local elections may also include specific areas of investment which have a financial impact. These, therefore, require careful management over this period as any new investments arising from the new Corporate Plan will need to be managed from within existing resources. The current medium term financial projections are included in appendix 4.
- 5.2 The MTFP is the articulation of the financial challenges the council face over the medium term and includes the investments proposed over the next three years. It also includes those savings, which have previously been approved over the life of this plan in February 2021 Cabinet. The Council is required to set a balanced budget each year, this is against the backdrop of sustaining over £30m of savings over the last five years. The HoF will continue to work with the Executive Board, Corporate Management Team and Cabinet to develop the budget strategy over the medium term to ensure the following issues and uncertainties are accounted for as appropriate:
- the progress of the pandemic, the ongoing impact on lives and on public services (magnified by the Omicron variant);
 - economic challenges, in the context of major cost and demand pressures and the extent to which the pandemic and the UK's exit from the European Union has done lasting damage to the economy.
 - The cost of living and the increase in National Living Wage has a significant impact on current levels of inflation;
 - increasing demand within service areas over and above provision already made within the MTFP;
 - increasing costs of funding the Council's levels of planned debt, linked to its substantial capital programme and the reduction in its 'internal borrowing' capacity;
 - financial issues in school budgets;
 - Brexit.

6 Budget consultation

- 6.1 The budget proposals agreed by Cabinet in January have been consulted on through a range of stakeholder groups and formats, which are as follows:
- with Trade Unions via the Employee Partnership Forum on 10 February 2022;
 - with all Scrutiny Committees in their January 2022 meetings where Members discussed the detailed investments plus the MTFP;
 - with the Schools' Forum on 20 January 2022;
 - with the public from 14 January 2022 to 11 February 2022;
 - 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 many of the proposals, however, a significant majority of the public were

not in support of the 3.7% council tax increase that was consulted upon and as a result the Cabinet are recommending a council tax increase of 2.4% to Council.

Fairness and Equality Impact Assessments (FEIAs)

- 6.2 As there are no new savings proposals in the 2022/23 budget and over the medium term there are no individual fairness and equality impact assessments. However, an overarching assessment of the impact of the budget has been undertaken and was included within the February Cabinet report. Given that the administration has been able to avoid making cost savings, the overall impact of the budget is expected to be positive in terms of equalities and the socio-economic duty.

7 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;

- following the end of the WG Hardship Fund, continuation of additional costs of responding to the pandemic and supporting the wider economic recovery, as well as ongoing income losses, over and above the provision that has been made within the budget;
- stability of social services providers;
- continuation of demand beyond the level of investment approved resulting in cost pressures in the future;
- budget challenge for schools;
- Brexit.

As the February update explains, current year underspends and one-off funding will provide funding to support potential mitigation for the above risks. Cabinet, in their February meeting agreed the following mitigation in terms of both base budget provision and the temporary reclassification of specific earmarked reserves. This highlights the total mitigation available for all risks but in particular the risk associated with ending of the WG hardship fund and the continued impact of the pandemic.

Revenue budget provision

- existing contingency budget for normal financial risks and covid/ hardship fund risks - £1,300k
- existing headroom in capital financing budget in 2022/23 temporarily re-classified for covid/ hardship fund risks - £2,000k
- existing headroom in city centre investment budget in 2022/23 temporarily re-classified for covid/ hardship fund risks - £980k
- £500k budget provision for 2022/23 for potentially more permanent budget adjustments into the future as well as providing risk mitigation with the above in 2022/23.

In addition, specific budget investments has been made in the social care budgets and housing / homelessness budget. In the latter service's case; this is at a level which meets the need of current increased demand levels on the service and staffing capacity to deal with that and in the former service's case, to deal with care provider's stability, in the main.

Reserves

In addition to the above revenue budget provision, the following uncommitted reserves will be repurposed for covid/ hardship fund risks in 2022/23. These in total are c£2m and as above, can be re-prioritised if not needed when there is more certainty on the risks and actual impact. These are:

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

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

Reserves

- 7.2 In terms of contingencies and reserves, the Head of Finance has reviewed these in their totality in conjunction with the base budget and the financial risks associated with delivering the budget in 2022/23. This review incorporates a medium term view and considers 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 An analysis of projected earmarked reserves can be found in appendix 5.

Financial resilience

- 7.5 A robust view is taken in managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and appendix 5 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council currently. Key headlines include:
- 7.6 Earmarked Reserves:
- The Council maintains a good level of earmarked reserves. By their very nature, the vast majority are earmarked for specific purposes and many committed/in drawdown and use. In that respect, and as regularly pointed out, they provide a good level of financial mitigation as a last resort but use of them means that the original purpose would be affected and/ or would result in a budget pressure to build those reserves up again.
- 7.7 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. There are a number of on-going risks currently which are uncertain, and the general reserve is increasingly becoming too low, as the Council's net budget increases substantially each year. However, the general reserve can be maintained at that level at this point due to the overall total level of reserves which, as a last resort, provide more than adequate financial mitigation for risks, albeit with resulting impacts as noted above.
- 7.8 School budgets- Reserves:

The position in schools has seen significant improvement over the last 2-3 years. Current projections look much more healthy than previously due to improvements made by the Council and also significant one off grant being awarded at the end of last, and this, financial year. The forecast overspend this year will see reserve balances reduce to £7,105k at the end of the year, although this could change in the last quarter as so often is the case with new grants received. Work with specific schools to review their deficit recovery plans continue to demonstrate improvements, however, unless schools continue to manage within their available annual budget in future this has the potential to impact upon the financial resilience of the overall Council in due course.

7.9 Current budget savings-managing the revenue budget – demands on the revenue budget:

The Council has identified and continues to monitor budget reductions of £3.4m in 2021/22 and whilst understandable delays in delivery is evident, HoS have confirmed they can and will be implemented. This is alongside delivering outturns within and under budget over recent years, despite the delivery of £30m savings over the last 5 years. This needs to be viewed within the context of continued significant demands which are faced by service areas, namely children's social care and schools, which have been highlighted throughout the year as part of the budget monitoring process. Whilst the historical pattern of increased demand in our 'people services' have been significantly affected over the last 2 years, the underlying trend of increasing demand is still evident and could increase post-pandemic. Increasingly, we are seeing issues emerge in our 'place services', resulting from historical under-investment in our infrastructure, resource levels and the growing importance of community-based services during these recent times.

7.10 The Council is developing a strategic transformation/change programme and has its 'invest to save' reserve to fund the one-off cost of change. The programme is integral to developing ongoing financial sustainability whilst also ensuring key services can be delivered.

7.11 Ongoing and new risks:

These are discussed and noted in the risk section above in the main. There are specific risks coming out of the covid pandemic which will continue beyond this financial year and WG have been clear in saying that councils will need to manage the financial impacts of those from that point. These require an assessment and mitigation. In addition, there are other non-covid risks, some which are mitigated via current earmarked reserves, and which also require the normal review and assessment. Inadequate provisions will impact on the Council's plans and finances.

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

7.13 The base general budget contingency, specific Covid / loss of hardship fund revenue budget contingency, alongside the level of recommended general and earmarked reserves reflect the overall potential financial risk associated with delivering the budget in 2022/23. Whilst there is significant uncertainty around a number of on-going risks at this point, these provide sufficient capacity in total to cover financial risks. In light of this approach, the Head of Finance, as part of his S151 responsibilities, is content that the 2022/23 overall budget as proposed is robust.

7.14 Council are also requested to approve the reserve strategy and the invest to save protocol as part of the annual budget setting process. The reserves strategy and invest to save protocol are included within appendix 6.

8 2022/23 proposed Council Tax

8.1 Newport continues to have one of the lowest council tax rates 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 Cabinet have recommended a 2.4% council tax increase to Council, which is below the base assumptions of 4% made for future years. This would result in a Band D council tax of £1,272.01, which is an increase of £2.48 per month for Band D properties. Although the draft 2022/23 settlement was more favourable than anticipated, historical decisions on council tax levels will have a longer term impact on our overall funding and how we compare against our standard spending assessment (SSA). Previously, the key consideration for Cabinet has been to ensure that the correct balance has been found between council tax increases and the level of savings. Although this year's settlement was much better than expected and there is no requirement for new savings, Council must be mindful of the ongoing impact of relatively low council tax increases. Budget investments in 2022/23 are over £28m, of which only £1.9m are funded through net council tax increases. Newport's council tax is currently the third lowest in Wales and spends £12m less than SSA, which is almost entirely down to the low council tax.
- 8.3 Based on the recommended 2.4% council tax and the package of investments set out in paragraph 4.3, the table below illustrates the net budget and funding agreed by Cabinet at its meeting on 18 February 2022.

Table 1: 2022/23 available and required budget

The table below shows the available and required budget funding with a 2.4% increase in council tax. In setting council tax, the Council needs to be aware of the need to set a balanced budget.	
Council Tax at Band D at 2.4%	£1,272.01
Budget requirement	£000
Base budget 2021/22	315,930
Inflation & increments	10,357
Transfer from reserves	(563)
DRAFT BASE BUDGET 2022/23 (before investments/savings)	325,724
Budget investments – (£17,737k (inc. £254k of transfers in from RSG) shown in list of pressures plus increase of £363k required in council tax benefit based on 2.4% council tax increase)	18,100
Previously agreed budget savings	(812)
DRAFT BASE BUDGET 2022/23	343,012
Draft funding available	
Draft WG settlement	265,612
Current council tax at new tax base	75,134
Increased council tax @ 2.4%	2,266
Total	343,012
Balance	-

- 8.4 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.

- 8.5 The Cabinet was also mindful of the need to balance the interests of service users with taxpayers given the current economic climate and the financial challenges that are being faced by residents. In addition, it should be 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

- 8.6 The ultimate 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 18 February 2022.

Risks

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

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

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

When developing budget proposals for consideration, 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 2022 budget paper, which confirm that the key priorities and outstanding 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 2022/23.

Preferred Option and Why

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

Comments of Chief Financial Officer

The key financial issues and information are contained within the main body of this report. A balanced budget has been set on the assumption and recommendation of a 2.4% increase from the current 2021/22 level. It is important that a final decision is taken at this meeting in order for preparation of Council Tax bills and updates to resulting direct debits to progress.

The budget has been agreed within a period of significant uncertainty, in particular from the on-going impacts of Covid and the ending of the WG Hardship Fund which has funded specific costs coming out of the pandemic to date. A 'package' of specific mitigation has been put together and agreed by Cabinet as set out in their February report and summarised in this report. Given it includes the Council's general budget contingency as well as temporarily re-prioritised revenue budgets and reserves, the package will need to cover all issues which might result in unavoidable budget overspending and not just Covid/Hardship Fund issues. The package put together would protect the other reserves of the Council, which are earmarked for other uses and priorities if the issues can be contained within the overall value of the package. In saying that, it can't be known with any reasonable certainty if the package will be sufficient as the impact of the pandemic over the next 12 months is highly uncertain, but it represents a reasonable total level of funding. Importantly, the Chief Executive, Directors and HoS will need to put in place specific controls and review mechanisms at both corporate and service levels to manage the response to the situation over the next 12 months.

Within the unavoidable uncertainty mentioned, the Council also has its other reserves and whilst earmarked, do provide financial mitigation in the last resort, though would require their original use to be re-assessed and/or bring about financial pressures to repay them. As the report confirms, the total level of resources and reserves provide a good level of mitigation and the budget, as proposed, is therefore robust.

Comments of Monitoring Officer

The Revenue Budget Report and MTFP 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 Council 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 recommendations from Cabinet 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 are subject to ratification and approval by full Council, insofar as they relate to the overall budget and Council tax proposals for 2022/23. However, the approval and implementation of the individual investment proposals within the Report are executive matters for the Cabinet and the Heads of Service, in accordance with the scheme of delegation, provided that they are in accordance with the general budget framework set by the Council.

Comments of Head of People and Business Change

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

As part of the consultation process opportunities have been made available for the public to express their views and again these were considered by Cabinet in the proposals.

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

There are no direct staffing implications as a direct result of this report.

Scrutiny Committees

All detailed proposals were reviewed by all Scrutiny Committees in their January 2021 meetings, as part of the wider budget proposals consultation undertaken and considered by Cabinet.

Fairness and Equality Impact Assessment:

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

The overarching Fairness and Equalities Impact Assessment (FEIA) was appended to the February Cabinet report.

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

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

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

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

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

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

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

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

Consultation

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

Background Papers

Budget report presented to Cabinet on 18 February 2022.

Dated: 22 February 2022