

# Agenda



## Newport City Council

Ddydiad: Dydd Mawrth, 23 Gorffennaf 2019

Amser: 5.00 pm

Lleoliad: Council Chambers - Canolfan Dinesig

At sylw: **Pob Aelod o'r Cyngor Dinas**

### **HYSBYSIAD GWE-DDARLLEDU**

*Gall y cyfarfod hwn gael ei ffilmio ar gyfer darllediad byw neu ddarllediad wedi hynny trwy wefan y Cyngor.*

*Ar ddechrau'r cyfarfod, bydd y Maer neu'r Person sy'n Llywyddu yn cadarnhau os yw cyfan neu ran o'r cyfarfod yn cael ei ffilmio. Efallai y bydd y delweddau a recordiad sain yn cael eu defnyddio hefyd at ddibenion hyfforddiant o fewn y Cyngor.*

*Yn gyffredinol, nid yw'r ardaloedd eistedd cyhoeddus yn cael eu ffilmio. Fodd bynnag, wrth fynd i mewn i'r ystafell gyfarfod a defnyddio'r ardal seddau cyhoeddus, rydych yn rhoi caniatâd i chi gael eich ffilmio a defnydd posibl o rhai delweddau a recordiadau sain ar gyfer gwe-ddarlledu a/neu ddibenion hyfforddiant.*

*Os oes gennych unrhyw ymholiadau ynghylch hyn, cysylltwch â Rheolwr Democratiaeth a Cyfathrebu*

### **Eitem**

### **Wardiau dan Sylw**

1. Rhagofynion
  - i. Derbyn unrhyw ymddiheuriadau am absenoldeb
  - ii. Derbyn unrhyw ddatganiadau o fuddiant.
  - ii. Derbyn unrhyw gyhoeddiadau gan y maer.
2. Cofnodion (Tudalennau 5 - 36)  
Cadarnhau a llofnodi cofnodion y cyfarfod diwethaf.
3. Penodiadau (Tudalennau 37 - 40)  
Ystyried unrhyw benodiadau arfaethedig.
4. Materion yr Heddlu  
Neilltuir 30 munud ar gyfer cwestiynau i gynrychiolydd Heddlu Gwent..
5. Hysbysiadau o Gynnig: Menter Cyfeillion Gwenyn  
Derbyn y cynnig canlynol y mae ' r hysbysiad angenrheidiol wedi ' i ddarparu ar ei gyfer:

Mae'r awdurdod hwn yn cefnogi menter Caru Gwenyn Cyfeillion y

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Date of Issue: Dydd Mawrth, 16 Gorffennaf 2019

Ddaear a bydd yn parhau i sicrhau y bydd unrhyw blanhigion sy'n cael eu plannu ym mharciau, gerddi ac ardaloedd gwyrdd y Cyngor yn cefnogi bywydau gwenyn a pheillwyr eraill.

Mae'n bwysig dros ben i economi peillwyr Casnewydd a'r ffaith bod y Cyngor mewn safle da i wneud cyfraniad sylweddol i wrthdroi eu dirywiad.

Yn ogystal, bydd yr awdurdod hwn yn ceisio gwneud Casnewydd yn un o ddinasoedd mawr Cymru i gael achrediad cyfeillgar.

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Mae'r cynnig i'w gynnig gan y Cyngorydd Debbie Wilcox ac eiliwyd gan y Cyngorydd Laura Lacey.

6. Hysbysiad o Gynnig 'Gefeillio Talaith Guangxi'  
Derbyn y cynnig canlynol y mae'r hysbysiad angenrheidiol wedi'i ddarparu ar ei gyfer:

Mae'r Cyngor yn flin iawn o weld diffyg ymateb Rhanbarth Guangxi i'r llythyr a anfonwyd ar 19 Chwefror 2019, yn gofyn iddynt stopio Gŵyl Cig Cŵn Yulin a thriniaeth warthus o anifeiliaid. Credir nad oes opsiwn ond dod â'r drefn gefeillio sydd wedi bod ar waith ers 1996 i ben, oherwydd nid yw'r Ddinas yn gallu eistedd yn ôl a chaniatáu i'r ymddygiad ffaidd hwn tuag at anifeiliaid fynd rhagddo. Felly, mae'r Cyngor yn cynnig yn ffurfiol i ganslo bob trefn gefeillio â Rhanbarth Guangxi yn syth.

Mae'r cynnig i'w gynnig gan y Cyngorydd Matthew Evans, a eiliwyd gan y Cyngorydd Chris Evans.

7. Adroddiad Rheoli Trysorlys Blwyddyn Ariannol 2018/2019  
(Tudalennau 41 - 54)

8. Cwestiynau I Arweinydd y Cyngor  
I roi'r cyfle i gynghorwyr ofyn cwestiynau i Gadeirydd y Cabinet yn unol â Rheolau Sefydlog y Cyngor.

*Proses: Ni chaiff mwy na 15 munud eu cadw yng nghyfarfod y Cyngor ar gyfer cwestiynau llafar i'r Arweinydd*

*Rhaid i'r cwestiwn cael sylw drwy'r Maer neu'r sawl sy'n llywyddu yn y cyfarfod ac nid yn uniongyrchol at y person a holir*

9. Cwestiynau I Aelodau Cabinet  
I roi'r cyfle i ofyn cwestiynau i Aelodau'r Cabinet yn unol â Rheolau Sefydlog

*Proses: Ni chaiff mwy na 10 munud eu cadw yng nghyfarfod y Cyngor ar gyfer cwestiynau i bob Aelod Cabinet unigol.*

*Bydd angen i'r Aelodau cyflwyno eu cwestiynau arfaethedig yn ysgrifenedig yn unol â'r Rheolau Sefydlog. Os nad yw'r aelodau yn gallu gofyn eu cwestiwn ar lafar o fewn yr amser a glustnodwyd, bydd y cwestiynau sy'n weddill yn cael eu hateb yn ysgrifenedig. Bydd y cwestiwn ac ymateb yn cael eu hatodi i'r cofnodion.*

*Rhaid i'r cwestiwn cael sylw drwy'r Maer neu'r sawl sy'n llywyddu yn y cyfarfod ac nid yn uniongyrchol at y person a holir*

Bydd y cwestiynau yn cael eu gofyn i aelodau'r cabinet yn y drefn ganlynol:

- Dirprwy Arweinydd / Aelod Cabinet dros Ddatblygu Asedau ac Aelodau
- Aelod Cabinet dros Addysg a Sgiliau
- Aelod Cabinet dros y Gwasanaethau Cymdeithasol
- Aelod Cabinet dros Adfywio a Thai
- Aelod Cabinet dros y Gymuned ac Adnoddau
- Aelod Cabinet dros Gwasanaethau Stryd
- Aelod Cabinet dros Trwyddedu a Rheoleiddio
- Aelod Cabinet dros Ddiwylliant a Hamdden

*Er Gwybodaeth: Mae crynodeb o amserlenni penderfyniad diweddar a gyhoeddwyd gan y Cabinet, Aelodau Cabinet a Chofnodion cyfarfodydd diweddar y Pwyllgorau wedi cael ei gylchredeg yn electronig at bob Aelod o'r Cyngor.*

10. Cwestiynau I Gadeiryddion Pwyllgorau

Bydd y cwestiynau yn cael eu gofyn i Gadeiryddion Pwyllgorau yn y drefn ganlynol:

- I. Pwyllgorau Craffu
  - Pwyllgor Rheoli Trosolwg a Chraffu
  - Pwyllgor Craffu ar Berfformiad – Pobl
  - Pwyllgor Craffu ar Berfformiad – Lleoedd a Materion Corfforaethol
  - Pwyllgor Craffu ar Berfformiad – Partneriaethau
- II. Pwyllgor Cynllunio
- III. Pwyllgor Trwyddedu
- IV. Pwyllgor Gwasanaethau Democrataidd

Mae'r dudalen hon yn wag yn

# Minutes



## Council

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Date: 30 April 2019

Time: 5.00 pm

Present: Councillors M Al-Nuaimi, P Cockeram, M Cornelious, D Davies, C Evans, M Evans, C Ferris, D Fouweather, G Giles, J Guy, D Harvey, I Hayat, M Kellaway, M Linton, D Mayer, R Mogford, A Morris, J Mudd, M Rahman, J Richards, M Spencer, T Suller, H Thomas, K Thomas, R Truman, T Watkins, M Whitcutt, R White, K Whitehead, D Wilcox, D Williams, G Berry, V Dudley, Y Forsey, R Hayat, T Holyoake, P Hourahine, J Hughes, J Jordan, L Lacey, S Marshall and J Watkins

Apologies: Councillors J Cleverly, K Critchley, R Jeavons, C Jenkins, C Townsend, J Clarke, W Routley and H Townsend

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### 1. Preliminaries

**i) To receive any apologies for absence**

The Monitoring Officer reported apologies for absence.

**ii) To receive any declarations of interest**

There were no declarations of interest.

**iii) To receive any announcements by the Mayor**

**Ron Morris**

The Mayor led the Council in offering tributes for the former Councillor and Mayor Ron Morris, who sadly passed away last month.

**Jordan Routley**

The Mayor led the Council in offering condolences to the Mayor Elect, Councillor William J Routley, and his family in the wake of the tragic death of his Grandson, Jordan Routley.

The Mayor led a minutes silence as a mark of respect and remembrance to Ron Morris and Jordan Routley.

**Mayors Charity Events**

The Mayor updated the Council on recent events hosted by the Mayors Charity including the Elvis night on 12 April, and the Golf Day at the Celtic Manor on 17 April. The Mayor thanked those who has supported these events.

## 2. Minutes

The minutes of the Council meeting held on 26 February were approved as a true and accurate record subject to the following amendment:

- List of abstentions added to the vote in item 5 - Revenue Budget 2019-20 and Medium Term Financial Plan.

## 3. Appointments

Councillor Harvey presented the report and updated the Council on the proposed changes to Committee appointments.

Resolved

To approve the following nominations:

### Internal Appointments

Committee	No of Vacancies / Replacements	Nominations received
Licensing Committee	1	Cllr Allan Morris to be removed, no replacement (Vacancy)

### Appointments to External Organisations

Organisation	No of Vacancies / Replacements	Nominations received
None		

### Governing Bodies

Governing Body	No of Vacancies / reappointments	Nominations received
Millbrook Primary	1	Mrs L Stannard to be reappointed
Clytha Primary	1	Mrs Anne Timbrill to replace Cllr C Ferris

## 4. Police Issues

The Mayor offered the Council's congratulations to the Chief Constable on the news of his imminent retirement. The Mayor thanked the Chief Constable for his service and support to the City during his time with Gwent Police.

The Chief Constable Nigel Lewis gave a presentation with an overview of issues within City Centre Policing.

The Leader thanked the Officers for attending the meeting to discuss their work with the Council, and thanked the Chief Constable for his hard work and commended him for the relationship he has built with the Council during his time in post. The Leader wished the Chief Constable best wishes for his retirement.

Councillors asked the following questions:

- In response to a question from Councillor Hourahine, the Superintendent Ian Roberts outlined the success of Operation Harley which had targeted the illegal use of off road bikes.
- Councillor M Evans raised concerns regarding safety in the city centre, Detective Superintendent Ian Roberts outlined that there were around 30 incidents in the city centre and the police work with those affected to consider the underlying issues. When considering homelessness and rough sleeping, the officer outlined the importance of striking the balance between supporting vulnerable people and taking appropriate enforcement action.
- Councillor J Watkins asked whether Newport has an issue with people coming from outside the city to beg in the city centre. Inspector Lewis noted that there was an issue with people coming from outside the city who were being signposted to their own local authorities for support.
- Regarding the wands being issued to stop and search people going into night clubs, Councillor T Watkins questioned whether this had been successful in people being refused entry. Inspector Lewis confirmed that there has been a number of arrests for possessions of offensive weapons as a result of these searches, the volume was particularly high and not comparative to cities such as Manchester and London.
- Councillor C Evans spoke of the balance of enforcement action for violent offences, compared to those vulnerable people who needed support.

The Mayor thanked the Police for their attendance and contribution at the meeting.

## 5. **Boundary Commission Review**

It was clarified that Members could speak to each recommendation as they would be considered individually by Council.

The Leader presented the report outlining the process undertaken by the Council to establish a Cross Party Group to review the evidence and the formulation of proposals for future electoral arrangements in the city, for debate by Council.

The Leader thanked all group representatives and the supporting Officers for their contributions within a challenging timeframe. The Leader also thanked the Commission for their support during the process and for agreeing for the short extension to enable the Council to debate the options at this meeting.

### **Recommendation 1:**

It was **resolved** that the Council support the minor amendments to boundaries set out in the Minor Anomalies section of this report.

### **Recommendation 2:**

Option 2a was moved and seconded.

Councillors Kellaway spoke against option A as he felt it ignored the community differences of the areas affected that would result in the demise of the Llanwern area. It also did not take into consideration the natural typography and roads within the wards.

Councillor Mogford spoke in support of Option B – to move Bishton Community Council area, comprising Bishton and Underwood Community Wards, into Langstone. He felt that Bishton Community area would fit well within the semi-rural ward of Langstone and that there was a strong synergy of Communities within this option.

It was **resolved** that the Council support option 2a – *Move Llanwern Community into Ringland.*

### **Recommendation 3:**

Option 3a was moved and seconded.

Councillor C Evans spoke against option 3a, citing the practical implications of dividing the community in this way. He spoke in favour of the status quo in Rogerstone as he felt the division was unnecessary.

Councillor M Evans spoke in support of option 3a, as it addressed the under-representation of Rogerstone in the most practical way within the options available, and provided 2 wards of 2 councillors each, rather than creating single member wards.

It was **resolved** that the Council support option 3a – *Create two new wards of Rogerstone West Community Ward (2 Councillors) and combining Rogerstone North and East community wards. (2 Councillors)*

### **Recommendation 4**

Option 4a was moved and seconded.

Councillor M Evans spoke against option 4a. citing the discussion supported at the Democratic Services Committee that the Mon Bank area of Pillgwenlly was closer in proximity to Stow Hill which made Option 4b a more practical option.

Councillor Fouweather spoke on the recommendation, noting that it was a difficult choice with no clear solution. He noted that Option 4b would be splitting a community, whilst option 4b (moving the new estate of Mon Bank to Stow Hill) was potentially more practical as it was moving a community in its entirety.

It was **resolved** that the Council support option 4a: *Add the “Riverside” area of Pillgwenlly to Stow Hill.*

### **Recommendation 5**

Option 5b was moved and seconded.

Councillor R White spoke against option 5b, as he felt it broke the local community ties of St Brides and Peterstone that together form the Wentlooge Community Council area. The proposal would also not have clear boundaries and would not be effective or convenient for Community Council to operate effectively over two city council electoral wards should it go ahead. The Councillor spoke in favour of option 5a.

Councillor T Suller also spoke in favour of option 5a.

It was **resolved** that the Council support Option 5b: *add St Brides and CoedKernew Wards to Tredegar Park.*



## **Recommendation 6 and 7**

Options 6a and 7a were moved and seconded.

Cllr D Davies spoke in support of recommendation 6a, noting the geographical divisions of the Beechwood ward into 4 distinct areas. It was noted that the Beechwood ward contained distinct communities which each had their own identities. Should the Councillor numbers be reduced to two, it would be untenable and difficult to manage.

Councillor M Evans spoke against increasing the overall size of the Council by one, and spoke in support of the Boundary recommendation to reduce by one Councillor to a total of 49.

Councillor K Whitehead spoke against any reductions, suggesting that the changes were unnecessary and the calculations did not properly take into account those adults who were not on the electoral register and therefore were not able to be counted in the modelling.

It was **resolved** that the Council support option 6a: *Retain three Councillors in Beechwood, and option 7 a: Retain three Councillors in Bettws resulting in a Council size of 51.*

## **Recommendation 8**

Cllr C Evans queried why this ward was not being split in the same way that Rogerstone had been in Recommendation 3. The Head of Law and Regulation explained that the Boundary Commission would not accept any new 4 member wards, however where the Council had existing 4 Member wards that were within the parameters in terms of their representation, as was the case for Lliswerry.

It was **resolved** to support the proposal to retain four representatives in Lliswerry, and retire the old spelling of Liswerry in favour of using Lliswerry as the English form.

## **6. Independent Remuneration Panel Annual Report**

Councillor Charles Ferris presented the report as the Chair of the Democratic Services Committee. The Independent Remuneration Panel for Wales (IRPW) was the body tasked with setting the remuneration levels for Councils in Wales and that this report presented their Annual Report for 2019-20.

The Democratic Services Committee had reviewed these proposals at draft stage and provided comments back to the Remuneration Panel as part of their consultation process. As Chair of Democratic Services Committee, Councillor Ferris outlined his attendance at a meeting with Democratic Services Chairs from other Authorities to discuss these changes with the Panel directly.

The principle changes for this year are as follows:

- An increase of 1.97% to basic salaries, equating to £268
- An increase of £800 to executive member salaries, inclusive of the basic rate rise
- A change in banding for the civic and deputy civic heads, removing the separate scale of payments for these posts

### **Resolved**

That the Council adopt the determinations within the independent Remuneration Panel for Wales Annual Report 2019-20, and approved the draft schedule for Remuneration attached at Appendix 1 of the agenda.

## 7. Pay and Reward Policy

The Leader presented this report to the Council and advised that the Pay and Reward Policy was an Annual Report that the Council was required to approve, setting out the internal mechanisms for remunerating Council Officers.

The Leader advised the Council on key update this year:

- The NJC pay structure for the majority of Council staff has been altered as a result of the nationally agreed pay award for 2019. This affects all Councils and we have been required to review and update our pay grades to reflect the new, national position.
- A new collective agreement had been signed by the recognised trade unions representing those NJC workers and comes into effect this month. The lowest paid Council employee would now receive contractual pay equivalent to the Foundation Living Wage hourly rate of £9.00 per hour.
- In addition to this change, this Pay and Reward Policy reported the annual gender pay gap. The gap has increased to 4% from last year's reported 1% and analysis of data shows that this was because significantly lower paid men had left the workplace than women.

### Resolved

That the Council approve the updated Pay and Reward Policy in order to meet statutory requirements for a 'pay statement' to be published.

## 8. Capital Strategy Update - Commercialisation Approach

The Leader presented the report and outlined the reasons for the Council adopting the approach in the current financial context.

The Council was faced with finding £30 million from its budget over the next 3 years for which it was considering the options available to address the size of the challenge. At its last meeting the Cabinet had agreed an approach to establish a trading company to capture and generate profit making activities, further research was needed on this and the proposed report allocated up to a maximum of £100,000 to undertaken this for Cabinet to review.

Commercial properties, and set up an investment Board allocated borrowing capacity up to £50 million for potential investments. The primary objective of this approach was to support the vision rooted within the Corporate Plan and to promote social value. The second objective was to generate a profit that would be used to support core services of the Council.

The report was moved and seconded.

Cllr M Evans moved the following amendment:

'Note that Cabinet recommended that these approaches be pursued, including the establishment of a **£25m** commercial property fund to create a net income for the Council, subject to the Councils consideration through their inclusion in the Council's Capital Strategy'

The amendment was seconded by Cllr D Williams. When put to the meeting, the amendment was declared **lost**.

The substantive motion was debated.

Points made against the substantive motion:

- £25 million was considered a more prudent and proportionate amount to mitigate the risk;
- It was argued that the Council has adequate resources and expertise to undertake the feasibility study in house.
- the balance for commercial responsiveness and the need to ensure public accountability.

Points made in support of the report

- Investment of capital was needed to support spending on core services and this approach was necessary to bridge the funding gap.
- Expert advice for the feasibility study was required to ensure risk minimised and ensure investment compliant with the prudential code;
- £25 million would not result in the critical mass to support the necessary spend on core services.

It was **resolved**

That the Council:

1. Note the development of the commercialisation approach, in particular the two options outlined as the first step towards implementing this approach, as a strategy to contribute towards the Council's on-going financial challenges.
2. Note that Cabinet recommended that these approaches be pursued, including the establishment of a £50m commercial property fund to create a net income for the Council, subject to the Council's consideration through their inclusion in the Council's Capital Strategy.
3. Consider the benefits & risks of the proposed commercialisation strategy recommendation from Cabinet, in particular the establishment of a £50m property investment fund.
4. Note the Council will be committing to a long-term indebtedness and the risks associated with this, highlighted in this report, alongside existing risks.
5. Having regard to the above:
  - o Approve the update to the capital strategy extract in Appendix 1 which sets out these options to the Council's commercialisation approach.
  - o Approve a borrowing limit of £50m and associated approved limits in the Appendix 2

## 9. **Questions to the Leader of the Council**

### **Leader's Announcements**

The Leader made the following announcements:

- This weekend Newport will be hosting the ABP Newport Marathon and 10km run.
- Dying to Work Charter – the Council will be reviewing sick pay and policy to reflect this. By signing the Charter the Council has demonstrated its commitment to employees facing tragic personal circumstances.  
Missing a bullet point - Young Person's promise – sets out the rights of children and young people when accessing Council services. The Charter for Newport has been developed by young people for young people and includes the commitments that matter most to the young people of Newport.
- The Newport Economic Network has announced a proposal to establish a National Technology Institute in the city. This would be a world-leading institution delivering higher education technology programmes emphasising innovation, entrepreneurship and commercialisation. It would produce the skills necessary for Wales to benefit from opportunities for our communities.

## **Newport Economic Network**

Councillor M Evans raised concerns regarding the Cabinet's stated commitment to openness and transparency; firstly citing that a Cabinet Member had refused to answer a questions at Scrutiny Committee relating to the Newport Economic Network; and secondly citing examples of significant decisions being taken in private. In order to promote openness and transparency, the Leader was asked whether a public meeting with local business people would be held to listen to their concerns and issues.

The Leader outlined that the Newport Economic Network was an external meeting, and the answer to the question asked needed to come from the Network rather than the Cabinet Member. The Leader agreed to pass on Cllr Evans comments to the Chair of the Network and seek clarification on the points raised. In relation to the decisions taken confidentially, the Leader highlighted the established precedence for this approach and issues of commercial confidentiality that can impact on the availability of information ahead of decisions relating to major projects.

As a supplementary question, Cllr Evans queried the amount of detail included in the minuted decisions in the examples cited.

In response, the Leader asked that the advice previously given by the Chief Executive and the Head of Law and Regulation regarding public access to reports be circulated.

## **Litter Picking**

Councillor Whitehead commended those who took part in the city wide litter pick recently, and outlined issues of fly tipping and traffic congestion around Docks Way following the roll out of the new size rubbish bins. The Leader was asked whether Officer Support from the Council could be provided to the many litter Groups operating in the city. It was noted that there were increasing instances of these groups dealing with hazardous material such as sharps.

The Leader also commended the efforts of volunteers participating in litter picks, and recognised the national issue of fly tipping, however due to limited resources within the Council, it was unlikely that direct Officer Support would be available for these activities.

Councillors Whitehead asked whether a liaison officer would be able to provide training and support in other ways to these groups. The Leader agreed to look into this suggestion.

## **Welsh Government Circular Economy Fund**

Councillor Hourahine asked the Leader whether the fund launched by the Deputy Minters for Local Government minister yesterday would be of benefit to Newport.

The Leader confirmed that the Deputy Minister for Local Government had launched the fund of £6.5 million to drive Wales towards a circular economy. Grants of between £25,000 and £750,000 would be available to business to look at their use of recycling materials. This fund was investment from the Welsh Government to available to businesses to look at their use to recycled materials in manufacturing and it was intended that this would stimulate secondary recycling materials the more that was recycled packaging produced in wales would increase the demand of this over the raw material. The Leader highlighted the ambitious targets set by the Welsh Government of 75% recycling within the Zero Waste Strategy.

As a supplementary question, Councillor Hourahine asked for an update on how the roll out of the new bins was progressing, and whether there was any indication of this increasing recycling since its implementation.

The Leader advised the Council that local authority waste targets were challenging and the Council was acutely aware of the need to protect the environment and meet these targets. The Cabinet Member had approved a number of recommendations recently aimed at improving the recycling rate, and the introduction of the smaller bins began on the 1 April 2019. 20,000 bins had been issued, which had generated 4,000 additional requests for recycling bins. It was still in the early stages of implementation, however the early indications show that the volume of rubbish had reduced by approximately 30%, food waste had increased by 25% and gardening waste had increased. If these figures were maintained, the Council would exceed its target and save the Council money. 98% of residents were complying with the policy, and the Leader thanked the people of Newport for this.

**10. Questions to the Cabinet Members**

There were no questions for Cabinet Members.

**11. Questions to the Chairs of Committees**

There were no questions for Committee Chairs.

**12. Standards Committee Minutes**

The minutes of the last meeting of the Standards Committee were noted.

Mae'r dudalen hon yn wag yn

# Minutes



## Council

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Date: 14 May 2019

Time: 5.00 pm

Present: Councillors J Cleverly, P Cockeram, M Cornelious, D Davies, C Evans, M Evans, C Ferris, D Fouweather, J Guy, D Harvey, I Hayat, R Jeavons, C Jenkins, M Kellaway, M Linton, R Mogford, J Mudd, M Rahman, J Richards, M Spencer, T Suller, H Thomas, K Thomas, C Townsend, R Truman, T Watkins, M Whitcutt, R White, D Wilcox, D Williams, G Berry, J Clarke, V Dudley, Y Forsey, T Holyoake, P Hourahine, J Hughes, J Jordan, L Lacey, S Marshall, W Routley, H Townsend and J Watkins

Apologies: Councillors M Al-Nuaimi, K Critchley, G Giles, D Mayer, A Morris, K Whitehead and R Hayat

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1. **Declarations of Interest**

None.

2. **Announcements**

The Mayor noted the sad passing of Councillor Chris Evans's Mother and offered the family the Council's thoughts and prayers at this difficult time.

3. **Appointment of the Leader of the Council**

Councillor Debbie Wilcox was unanimously appointed as Leader of the Council.

The Leader announced her Cabinet as follows:

Post	Appointed
Leader and Chair of Cabinet	Cllr Debbie Wilcox
Deputy Leader and Cabinet Member for Equalities and Assets	Cllr Mark Whitcutt
Cabinet Member for Education and Skills	Cllr Gail Giles
Cabinet Member for Social Services	Cllr Paul Cockeram
Cabinet Member for City Services	Cllr Roger Jeavons
Cabinet Member for Regeneration and Housing	Cllr Jane Mudd
Cabinet Member for Licensing and Regulation	Cllr Ray Truman
Cabinet Member for Community and Resources	Cllr David Mayer

Cabinet Member for Culture and Leisure, and Business Manager	Cllr Deb Harvey
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### Opposition Spokespersons

Councillor Matthew Evans announced that he would act as Leader of the Opposition. Opposition spokespersons were announced as follows:

Post	Appointed
Leader of the Opposition	Cllr Matthew Evans
Deputy Leader and Social Services	Cllr David Williams
Business Manager and Licensing and Regulation	Cllr David Fouweather
Education and Skills	Cllr Joan Watkins
Streetscene	Cllr Richard White
Regeneration and Housing	Cllr Martyn Kellaway
Community and Resources	Cllr Ray Mogford
Culture	Cllr Charles Ferris
Assets, Equalities and Member Development	Cllr Tom Suller

#### 4. Appointment of Chairs of Committees

Following nominations by the Leaders of their respective parties, the following Committee Chair appointments were agreed by the Council:

Planning Committee	Cllr John Richards
Licensing Committee	Cllr Deb Davies
Democratic Services Committee	Cllr David Fouweather
Overview and Scrutiny Management Committee	Cllr Laura Lacey
Performance Scrutiny Committee – People	Cllr David Williams
Performance Scrutiny Committee – Place and Corporate	Cllr Chris Evans
Performance Scrutiny Committee – Partnerships	Cllr Majid Rahman

*(The nominated persons declared an interest in this item and did not vote on the specific appointments.)*

#### 5. Appointments to Committees



Each Group Leader agreed to pass the appointments of members to the Committee to the Proper Officer for recording in the minutes. (**Attachment 1**)

**6. Appointments to External Bodies**

Each Group Leaders agreed to pass the appointments to Outside Bodies and Members with Special Responsibilities to the Proper Officer for recording in the minutes. (**Attachment 2**)

In addition, the following School Governor Appointments were included:

Governing Body	Vacancies	Appointment
Caerleon Comprehensive	Reappointment	Mr John Parfitt and Councillor Ray Mogford
Marshfield Primary	Vacancy	Brian Miles

**7. Election of the Mayor**

It was proposed by Councillor Wilcox, and seconded by Councillor M Evans and unanimously

**Resolved**

That Councillor William J Routley be elected as the Mayor of the City of Newport for the next year. Councillor Routley, having made and subscribed the Declaration of Officer and taken the Office Oath and Oath of Allegiance, expressed thanks for the honour conferred upon him.

**Vote of thanks**

It was proposed by the Mayor and Seconded by Councillor Wilcox unanimously

**Resolved**

That the Council's thanks be given to Councillor Linton and Mrs Linton for the manner in which they had discharged their duties as Mayor and Mayoress.

**Response**

The outgoing mayor thanked everyone who had supported him during his time as Mayor, including his family, friends and colleagues in the Council. Particular thanks were given to those who have supported his chosen charities through events and other fundraising activities that had been held throughout the year. The Mayor highlighted some of the successful events that had taken place including the Golf Day.

**8. Appointment of the Deputy Mayor**

It was proposed by the Mayor, seconded by Councillor M Evans, and unanimously

**Resolved**

That Councillor Charles Ferris be appointed Deputy Mayor for the ensuring year. Councillor Ferris, having made and subscribed to the Declaration of Acceptance for the role of Deputy Mayor, expressed thanks for his appointment.

The meeting terminated at 6.20 pm

<b>Committee</b>	<b>Councillor</b>	<b>Party</b>	<b>Ward</b>
<b>Audit Committee</b>	Councillor David Williams	Welsh Conservative	Graig
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Jason Jordan	Newport Independent Party	Bettws
	Councillor John Guy	Welsh Labour	Alway
	Councillor Kate Thomas	Welsh Labour	Stow Hill
	Councillor Laura Lacey	Welsh Labour	Ringland
	Councillor Phil Hourahine	Welsh Labour	St Julians
	Councillor Richard White	Welsh Conservative	Marshfield
<b>Cabinet</b>	Councillor David Mayer	Welsh Labour	Malpas
	Councillor Debbie Harvey	Welsh Labour	Alway
	Councillor Debbie Wilcox	Welsh Labour	Gaer
	Councillor Gail Giles	Welsh Labour	Caerleon
	Councillor Jane Mudd	Welsh Labour	Malpas
	Councillor Mark Whitcutt	Welsh Labour	Gaer
	Councillor Paul Cockeram	Welsh Labour	Shaftesbury
	Councillor Ray Truman	Welsh Labour	Alway
	Councillor Roger Jeavons	Welsh Labour	Lliswerry
<b>Capital Region City Deal Joint Cabinet</b>	Councillor Debbie Wilcox	Welsh Labour	Gaer

<b>Committee</b>	<b>Councillor</b>	<b>Party</b>	<b>Ward</b>
<b>Corporate Parenting Forum</b>	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Graham Berry	Welsh Labour	Beechwood
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Ibrahim Hayat	Welsh Labour	Pillgwenlly
	Councillor Jason Hughes	Welsh Labour	Caerleon
	Councillor Joan Watkins	Welsh Conservative	Caerleon
	Councillor John Guy	Welsh Labour	Alway
	Councillor Paul Cockeram	Welsh Labour	Shaftesbury
	Councillor Stephen Marshall	Welsh Labour	Gaer
	Councillor Tom Suller	Welsh Conservative	Marshfield
Councillor Yvonne Forsey	Welsh Labour	Rogerstone	
<b>Democratic Services Committee</b>	Councillor Chris Evans	Newport Independent Party	Rogerstone
	Councillor David Fouweather	Welsh Conservative	Allt-yr-yn
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Kate Thomas	Welsh Labour	Stow Hill
	Councillor Laura Lacey	Welsh Labour	Ringland
	Councillor Matthew Evans	Welsh Conservative	Allt-yr-yn
	Councillor Rehmaan Hayat	Welsh Labour	Ringland
	Councillor Trevor Watkins	Welsh Labour	Tredeggar Park
	Councillor Yvonne Forsey	Welsh Labour	Rogerstone
<b>Employee Partnership Forum</b>	Councillor David Mayer	Welsh Labour	Malpas
	Councillor Gail Giles	Welsh Labour	Caerleon
	Councillor Paul Cockeram	Welsh Labour	Shaftesbury

<b>Committee</b>	<b>Councillor</b>	<b>Party</b>	<b>Ward</b>
<b>Greater Gwent Cremation Joint Committee</b>	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Roger Jeavons	Welsh Labour	Lliswerry
<b>HR Appeals</b>	Councillor Christine Jenkins	Welsh Labour	Victoria
	Councillor David Fouweather	Welsh Conservative	Allt-yr-yn
	Councillor David Williams	Welsh Conservative	Graig
	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Ibrahim Hayat	Welsh Labour	Pillgwenlly
	Councillor James Clarke	Welsh Labour	Malpas
	Councillor Kate Thomas	Welsh Labour	Stow Hill
	Councillor Laura Lacey	Welsh Labour	Ringland
	Councillor Mark Spencer	Welsh Labour	Beechwood
	Councillor Tom Suller	Welsh Conservative	Marshfield
	Councillor Tracey Holyoake	Welsh Labour	Pillgwenlly
	Councillor William Routley	Welsh Conservative	Langstone
<b>Licensing (Taxi) Panel</b>	Councillor Abdul-Majid Rahman	Welsh Labour	Victoria
	Councillor Charles Ferris	Welsh Conservative	Allt-yr-yn
	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Janet Cleverly	Newport Independent Party	Bettws
	Councillor Jason Hughes	Welsh Labour	Caerleon
	Councillor Martyn Kellaway	Welsh Conservative	Llanwern
	Councillor Tom Suller	Welsh Conservative	Marshfield
	Councillor Yvonne Forsey	Welsh Labour	Rogerstone

Committee	Councillor	Party	Ward
<b>Licensing Committee</b>	Councillor Abdul-Majid Rahman	Welsh Labour	Victoria
	Councillor Charles Ferris	Welsh Conservative	Allt-yr-yn
	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Janet Cleverly	Newport Independent Party	Bettws
	Councillor Jason Hughes	Welsh Labour	Caerleon
	Councillor Martyn Kellaway	Welsh Conservative	Llanwern
	Councillor Tom Suller	Welsh Conservative	Marshfield
	Councillor Yvonne Forsey	Welsh Labour	Rogerstone
<b>Licensing Sub-Committee</b>	Councillor Abdul-Majid Rahman	Welsh Labour	Victoria
	Councillor Charles Ferris	Welsh Conservative	Allt-yr-yn
	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Janet Cleverly	Newport Independent Party	Bettws
	Councillor Jason Hughes	Welsh Labour	Caerleon
	Councillor Martyn Kellaway	Welsh Conservative	Llanwern
	Councillor Tom Suller	Welsh Conservative	Marshfield
	Councillor Yvonne Forsey	Welsh Labour	Rogerstone
<b>Monmouthshire and Brecon Canal Partnership Steering Group</b>	Councillor David Mayer	Welsh Labour	Malpas
	Councillor Jane Mudd	Welsh Labour	Malpas
	Councillor Phil Hourahine	Welsh Labour	St Julians

<b>Committee</b>	<b>Councillor</b>	<b>Party</b>	<b>Ward</b>
<b>Overview and Scrutiny Management Committee</b>			
	Councillor Charles Ferris	Welsh Conservative	Allt-yr-yn
	Councillor Chris Evans	Newport Independent Party	Rogerstone
	Councillor Graham Berry	Welsh Labour	Beechwood
	Councillor Kate Thomas	Welsh Labour	Stow Hill
	Councillor Laura Lacey	Welsh Labour	Ringland
	Councillor Malcolm Linton	Welsh Labour	Ringland
	Councillor Matthew Evans	Welsh Conservative	Allt-yr-yn
	Councillor Miqdad Al-Nuaimi	Welsh Labour	Stow Hill
	Councillor Yvonne Forsey	Welsh Labour	Rogerstone
<b>Performance Scrutiny Committee - Partnerships</b>			
	Councillor Abdul-Majid Rahman	Welsh Labour	Victoria
	Councillor Deb Davies	Welsh Labour	Beechwood
	Councillor Jason Hughes	Welsh Labour	Caerleon
	Councillor Kevin Whitehead	Newport Independent Party	Bettws
	Councillor Mark Spencer	Welsh Labour	Beechwood
	Councillor Ray Mogford	Welsh Conservative	Langstone
	Councillor Stephen Marshall	Welsh Labour	Gaer
	Councillor Tom Suller	Welsh Conservative	Marshfield
	Councillor Yvonne Forsey	Welsh Labour	Rogerstone
<b>Performance Scrutiny Committee - People</b>			
	Councillor Carmel Townsend	Welsh Liberal Democrats	St Julians
	Councillor David Williams	Welsh Conservative	Graig
	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Janet Cleverly	Newport Independent Party	Bettws
	Councillor Joan Watkins	Welsh Conservative	Caerleon
	Councillor John Richards	Welsh Labour	Lliswerry
	Councillor Ken Critchley	Welsh Labour	Lliswerry
	Councillor Rehmaan Hayat	Welsh Labour	Ringland
	Councillor Stephen Marshall	Welsh Labour	Gaer
	Councillor Trevor Watkins	Welsh Labour	Tredegar Park

<b>Committee</b>	<b>Councillor</b>	<b>Party</b>	<b>Ward</b>
<b>Performance Scrutiny Committee - Place and Corporate</b>	Councillor Chris Evans	Newport Independent Party	Rogerstone
	Councillor David Fouweather	Welsh Conservative	Allt-yr-yn
	Councillor David Williams	Welsh Conservative	Graig
	Councillor Graham Berry	Welsh Labour	Beechwood
	Councillor Ibrahim Hayat	Welsh Labour	Pillgwenlly
	Councillor James Clarke	Welsh Labour	Malpas
	Councillor John Richards	Welsh Labour	Lliswerry
	Councillor Ken Critchley	Welsh Labour	Lliswerry
	Councillor Miqdad Al-Nuaimi	Welsh Labour	Stow Hill
<b>Planning Committee</b>	Councillor Carmel Townsend	Welsh Liberal Democrats	St Julians
	Councillor David Fouweather	Welsh Conservative	Allt-yr-yn
	Councillor Graham Berry	Welsh Labour	Beechwood
	Councillor James Clarke	Welsh Labour	Malpas
	Councillor Jason Jordan	Newport Independent Party	Bettws
	Councillor John Guy	Welsh Labour	Alway
	Councillor John Richards	Welsh Labour	Lliswerry
	Councillor Miqdad Al-Nuaimi	Welsh Labour	Stow Hill
	Councillor Richard White	Welsh Conservative	Marshfield
	Councillor Tracey Holyoake	Welsh Labour	Pillgwenlly
	Councillor Val Dudley	Welsh Conservative	Rogerstone



<b>Committee</b>	<b>Councillor</b>	<b>Party</b>	<b>Ward</b>
<b>Planning Site Committee</b>	Councillor Carmel Townsend	Welsh Liberal Democrats	St Julians
	Councillor David Fouweather	Welsh Conservative	Allt-yr-yn
	Councillor Graham Berry	Welsh Labour	Beechwood
	Councillor James Clarke	Welsh Labour	Malpas
	Councillor Jason Jordan	Newport Independent Party	Bettws
	Councillor John Guy	Welsh Labour	Alway
	Councillor John Richards	Welsh Labour	Lliswerry
	Councillor Malcolm Linton	Welsh Labour	Ringland
	Councillor Miqdad Al-Nuaimi	Welsh Labour	Stow Hill
	Councillor Richard White	Welsh Conservative	Marshfield
	Councillor Val Dudley	Welsh Conservative	Rogerstone
<b>Standards Committee</b>	Councillor Herbie Thomas	Welsh Labour	Shaftesbury
	Councillor Phil Hourahine	Welsh Labour	St Julians
	Councillor Val Dudley	Welsh Conservative	Rogerstone
<b>Standing Advisory Council for Religious Education (SACRE)</b>	Councillor Ibrahim Hayat	Welsh Labour	Pillgwenlly
	Councillor Joan Watkins	Welsh Conservative	Caerleon
	Councillor Laura Lacey	Welsh Labour	Ringland
	Councillor Rehmaan Hayat	Welsh Labour	Ringland
	Councillor Tracey Holyoake	Welsh Labour	Pillgwenlly

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## Outside Bodies and other Appointments

Title	Representative	Political Party
<b>Aneurin Bevan University Health Board</b>	Councillor Joan Watkins Councillor Laura Lacey	Welsh Conservative Welsh Labour
<b>Arts Council for Wales: SE Wales Region</b>	Councillor Debbie Harvey	Welsh Labour
<b>Caldicot and Wentlooge Internal Drainage Board</b>	Councillor Graham Berry Councillor John Richards Councillor Phil Hourahine	Welsh Labour Welsh Labour Welsh Labour
	Councillor Ray Mogford	Welsh Conservative
	Councillor Richard White Councillor Trevor Watkins Matthew Jones Steve Davies	Welsh Conservative Welsh Labour
<b>Cardiff Capital Region City Deal Joint Overview and Scrutiny Committee</b>		
	Councillor Abdul-Majid Rahman	Welsh Labour
<b>Cardiff Capitol Region Transport Board</b>	Councillor Roger Jeavons	Welsh Labour

## Outside Bodies and other Appointments

Title	Representative	Political Party
<b>Charitable Trusts Panel</b>	Councillor Herbie Thomas Councillor Kate Thomas Councillor Mark Spencer Councillor Paul Cockeram	Welsh Labour Welsh Labour Welsh Labour Welsh Labour
<b>Citizens Advice Bureau</b>	Councillor William Routley	Welsh Conservative
<b>Coleg Gwent</b>	Cliff Suller	
<b>Community Chest Local Panel</b>	Councillor David Mayer	Welsh Labour
<b>Community Health Council, Newport Committee</b>	Councillor Charles Ferris Councillor Deb Davies Councillor Jason Hughes Councillor Mark Spencer	Welsh Conservative Welsh Labour Welsh Labour Welsh Labour
	Councillor David Fouweather Councillor Graham Berry Elaine Bryant	Welsh Conservative Welsh Labour

## Outside Bodies and other Appointments

<b>Title</b>	<b>Representative</b>	<b>Political Party</b>
<b>Consortium of Local Authorities in Wales</b>	Councillor Debbie Wilcox	Welsh Labour
<b>Credit Union</b>	Councillor Stephen Marshall	Welsh Labour
<b>EAS - Company Board</b>	Councillor Roger Jeavons Councillor Tracey Holyoake	Welsh Labour Welsh Labour
<b>EAS Audit and Risk Assurance Committee</b>	Councillor Deb Davies Councillor Phil Hourahine	Welsh Labour Welsh Labour
<b>EAS Commissioning Group</b>	Councillor Deb Davies Councillor Gail Giles	Welsh Labour Welsh Labour
<b>EAS Scrutiny Panel</b>	Councillor David Mayer Councillor Laura Lacey	Welsh Labour Welsh Labour
<b>East Newport Social Care Centre</b>	Councillor John Guy	Welsh Labour
<b>Fairness Commission</b>	Councillor Kate Thomas	Welsh Labour
<b>Food Waste Treatment Partnership</b>	Councillor Val Dudley Councillor Ray Truman Councillor Roger Jeavons	Welsh Conservative Welsh Labour Welsh Labour

## Outside Bodies and other Appointments

<b>Title</b>	<b>Representative</b>	<b>Political Party</b>
<b>Foster Panel</b>	Councillor Graham Berry	Welsh Labour
<b>Frailty Project Joint Committee</b>	Councillor Paul Cockeram	Welsh Labour
<b>Friends of Newport Transporter Bridge</b>	Councillor Charles Ferris	Welsh Conservative
<b>Greater Gwent Archives Joint Committee</b>	Councillor David Mayer Councillor John Guy	Welsh Labour Welsh Labour
<b>Greater Gwent Cremation Joint Committee</b>	Councillor Deb Davies Councillor Roger Jeavons	Welsh Labour Welsh Labour
<b>Growing Space</b>	Councillor Margaret Cornelious	Welsh Conservative
<b>Gwent Association of Voluntary Organisations Local Committee</b>	Councillor Phil Hourahine	Welsh Labour
<b>Gwent Level Wetlands Reserve</b>	Councillor Jason Hughes	Welsh Labour

## Outside Bodies and other Appointments

<b>Title</b>	<b>Representative</b>	<b>Political Party</b>
<b>Gwent Police and Crime Panel</b>	Councillor Jason Jordan Councillor John Guy	Newport Independent Party Welsh Labour
	Councillor William Routley	Welsh Conservative
<b>Indoor Bowling Association</b>	Councillor Tom Suller	Welsh Conservative
<b>Jerome Gatehouse Collection Trust</b>	Councillor Mark Spencer	Welsh Labour
<b>Joint Council for Wales</b>	Councillor Debbie Wilcox Councillor Mark Whitcutt	Welsh Labour Welsh Labour
<b>Living Levels Board</b>	Councillor Jane Mudd Councillor Roger Jeavons	Welsh Labour Welsh Labour
<b>Merchant Navy Welfare</b>	Councillor John Guy	Welsh Labour
<b>Monmouthshire and Brecon Canal Joint Steering Group</b>	Councillor David Mayer Councillor Jane Mudd Councillor Phil Hourahine	Welsh Labour Welsh Labour Welsh Labour

## Outside Bodies and other Appointments

Title	Representative	Political Party
<b>Newport Harbour Commission</b>	Alan Speight Councillor John Guy	Welsh Labour
<b>Newport Live Board</b>	Councillor David Mayer Councillor Mark Whitcutt	Welsh Labour Welsh Labour
<b>Newport Now BID</b>	Councillor Jane Mudd	Welsh Labour
<b>Newport Transport Board</b>	Councillor Debbie Harvey Councillor James Clarke Councillor Jane Mudd Councillor Mark Spencer	Welsh Labour Welsh Labour Welsh Labour Welsh Labour
<b>Newport Women's Aid</b>	Councillor William Routley Owen James	Welsh Conservative
<b>Norse Joint Partnership Board</b>	Councillor Tracey Holyoake Beverly Owen	Welsh Labour
<b>PATROL (Parking and Traffic Regulations Outside London)</b>	Councillor Roger Jeavons	Welsh Labour
<b>Pill Millennium Centre Trust</b>	Councillor Ibrahim Hayat	Welsh Labour

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## Outside Bodies and other Appointments

<b>Title</b>	<b>Representative</b>	<b>Political Party</b>
<b>Prosiect Gwyrdd Joint Committee</b>	Councillor Ray Truman Councillor Roger Jeavons	Welsh Labour Welsh Labour
<b>Public Services Board</b>	Councillor Debbie Wilcox Will Godfrey	Welsh Labour
<b>Raven House Trust</b>		
	Councillor David Fouweather	Welsh Conservative
<b>Reserve Forces and Cadet Association</b>		
	Councillor Matthew Evans	Welsh Conservative
<b>Roger Williams and Queen Victoria Alms Houses</b>		
	Councillor Miqdad Al-Nuaimi	Welsh Labour
<b>Shared Resource Service Strategic Board</b>		
	Councillor David Mayer	Welsh Labour
<b>South East Wales Racial Equality Council</b>		
	Councillor Abdul-Majid Rahman	Welsh Labour
<b>South Wales Fire and Rescue Authority</b>		
	Councillor Herbie Thomas Councillor Ken Critchley	Welsh Labour Welsh Labour

## Outside Bodies and other Appointments

Title	Representative	Political Party
<b>Special Responsibility - Council Appointed Champions:</b>		
BME Champion	Councillor Abdul-Majid Rahman	Welsh Labour
Welsh Language Champion		
Carers Champion	Councillor Jason Hughes	Welsh Labour
Disabled and Vulnerable Persons Champion	Councillor Kate Thomas	Welsh Labour
Bio Diversity Champion	Councillor Laura Lacey	Welsh Labour
Armed Forces and Veterans Champion	Councillor Mark Spencer	Welsh Labour
Poverty Champion	Councillor Phil Hourahine	Welsh Labour
Older Persons Champion	Councillor Trevor Watkins	Welsh Labour
Homelessness and Supporting People Champion	Councillor Yvonne Forsey	Welsh Labour

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## Outside Bodies and other Appointments

<b>Title</b>	<b>Representative</b>	<b>Political Party</b>
<b>Vale of Usk Local Action Group</b>	Councillor Jane Mudd	Welsh Labour
<b>Wastesavers Limited</b>	Councillor Deb Davies	Welsh Labour
	Councillor Mark Spencer	Welsh Labour
	Councillor Ray Truman	Welsh Labour
	Councillor Roger Jeavons	Welsh Labour
<b>Welsh Books Council</b>		
	Councillor Jason Hughes	Welsh Labour
<b>Welsh Local Government Association</b>		
	Councillor Debbie Wilcox	Welsh Labour
	Councillor Mark Spencer	Welsh Labour
	Councillor Mark Whitcutt	Welsh Labour
<b>Welsh Purchasing Consortium Joint Arrangements</b>		
	Councillor Debbie Wilcox	Welsh Labour
<b>Williams Trust</b>		
	Caroline McLachlan	
	Cliff Suller	
	Councillor Jason Hughes	Welsh Labour
	Roy McCabe	
<b>WLGA Co-ordinating Committee</b>		
	Councillor Debbie Wilcox	Welsh Labour

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# Report

## Council

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### Part 1

Date: 23 July 2019

**Subject** **Appointments**

**Purpose** To agree the appointment of Council nominees to committees and outside bodies.

**Author** Scrutiny and Governance Manager

**Ward** General

**Summary** In accordance with its terms of reference within the Constitution, Council is responsible for appointing the members of Council Committees, and the Council's representatives on outside bodies. The current vacancies and nominations received are set out in the attached report.

**Proposal** **Council is asked to receive and approve the nominations for representatives, as listed in the report.**

**Action by** Scrutiny and Governance Manager

**Timetable** Immediate

This report was prepared after consultation with:

- Council Business Managers
- Head of Law and Regulation

## Background

In accordance with its terms of reference within the Constitution, Council is responsible for appointing the members of Council Committees, and the Council's representatives on outside bodies. The current vacancies and nominations received are set out below.

Any vacant appointments / nominations received after the publication of this report, will be announced at the Council meeting by the appropriate Business Manager or Group Leader.

### Internal Appointments

Committee	No. of Vacancies / Replacements	Nominations Received
Planning Committee	Replacement	Cllr Malcolm Linton to replace Cllr Tracey Holyoake

### Appointments to External Organisations

Organisation	No. of Vacancies / Replacements	Nominations Received
Police and Crime Panel	Replacement	Cllr Tracey Holyoake to replace Cllr John Guy

### Governing Body Appointments

Governing Body	No. of Vacancies / Re-appointments	Nominations Received
Caerleon High School	Replacement	Ms Penny Keggie (to replace John Parfitt)
Tredeggar Park Primary	Replacement	Cllr Ibrahim Hayat(to replace Jeanne Hugo)
Malpas Court Primary	Vacancy	Amy Morris
Glasllwch Primary School	Vacancy	Mrs Gillian Hyland
Malpas Primary School	Reappointment	William Langsford
Maplas Primary School	Reappointment	Cllr David Mayer
Ringland Primary	Replacement	Cllr Laura Lacey (to replace Cllr Rehmaan Hayat)
Milton Primary -	Replacement	Cllr Rehmaan Hayat (to replace Cllr Laura Lacey)
Ysgol Gyfun Gwynllyw	Reappointment	John Harris

## **Proposal**

### **Council is asked to**

- i) **receive and approve the nominations for representatives, as listed in the report.**

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

There are no financial implications directly arising from this report.

### **Comments of Monitoring Officer**

The appointment of individuals to serve on outside bodies is a Local Choice function under the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007. The Council has determined that responsibility for this function shall rest with Full Council unless delegated by the Council.

### **Background Papers**

Newport City Council Constitution

Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007

Dated: July 2019

Mae'r dudalen hon yn wag yn



# Report

## Council

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### Part 1

Date: 23 July 2019

**Subject** **Report on Treasury Management covering the Financial Year 2018/19**

**Purpose** This report is to inform the Council of treasury activities undertaken for the financial year ending 31 March 2019.

**Author** Head of Finance / Assistant Head of Finance

**Ward** All

**Summary** In line with the agreed Treasury Management Strategy, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicate that in the future, temporary borrowing will continue to be required to fund normal day-to-day cash flow activities and longer-term borrowing will increase to fund new commitments in the current capital programme as well as the impact of reduced capacity for 'internal borrowing'.

Near the end of the financial year, the Council undertook additional borrowing of £40m in advance of the maturity, and subsequent re-financing, of the £40m stock issue in early 2019/20. This is reflected by increased borrowing level at 31 March 2019, however this is offset by an increase in investment over the same period.

All borrowing and investments undertaken during the first half of the year was expected and within the Council's agreed limits.

**Proposal** **To note and approve the report on treasury management activities for 2018/19 were in line with the agreed Treasury Management Strategy 2018/19.**

**Action by** Head of Finance / Assistant Head of Finance

**Timetable** Immediate

This This report was prepared after consultation with:

- Treasury Advisors
- Head of Finance

**Signed**

## Background

1. In June 2009 the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.
2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.
3. The Authority has borrowed substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
4. The 2018/19 Treasury Management Strategy was approved by the Council as part of the overall Medium Term Financial Plan and 2018/19 budget in February 2018 and can be viewed via the following link  
  
<https://democracy.newport.gov.uk/documents/s14606/Item%207%20-%20TREASURY%20-%20REPORT%20and%20APPENDICES.pdf>
5. This report presents the following information.

- details of capital financing, borrowing, debt rescheduling and investment transactions
- reports on the risk implications of treasury decisions and transactions
- details the outturn position on treasury management transactions in 2018/2019
- confirms compliance with treasury limits set and Prudential code

## BORROWING STRATEGY / ACTIVITY

### Short and Long Term Borrowing

1. Whilst the Council has significant long term borrowing requirements, the Council's current strategy of funding capital expenditure is through reducing investments ('internal borrowing') rather than undertaking new borrowing where it can i.e. we defer taking out new long term borrowing and fund capital expenditure from the Council's own cash resources – which it has because of its 'cash-backed' reserves and, to a lesser extent, day to day positive cash-flows, for as long as we can. The Council may undertake borrowing early if, there is the need for future borrowing and it feels it can minimise risk of future interest rate rises while providing value for money, this will be in line with advice from our treasury advisors.

By using this strategy the Council can also minimise cash holding at a time when counterparty risk remains relatively high. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long term borrowing and this remains the main reason for our current 'internally borrowed' strategy.

2. Whilst the strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current low longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.
3. On 14 March 2019, in line with advice from the Authority's treasury advisors, the Council undertook £40m of borrowing in advance of the re-financing of the £40m stock issue to be re-paid on 10 April

2019. The possibility of taking this action was reported to Audit Committee in the half-year report brought in November 2018. The decision to undertake borrowing early was made due to the imminent decision on Brexit and the possibility of the UK leaving without a deal and the economic uncertainty that was surrounding the decision. The level of borrowing undertaken was in line with the long-term liability projection and within budgets set for 2019/20 and the authorised limits for 2018/19.

4. As shown in Appendix B, as at 31 March 2019 the level of borrowing has increased, but so has the level of investments by a similar value (held as cash and cash equivalents). On the repayment date of the stock issue of 10 April, the level of borrowing would fall by £40m as would the level of investments – as we will be liquidating our investments into cash and using this to then repay the Bond loan. The net borrowing of the Council has increased by £5.1m, this is in line with expectation due to funding the current capital programme, and is anticipated to increase further over future years.
5. In regards to LOBOs, no loans were called during the period. All £30m outstanding is subject to potential change of interest rates by the lender (which would automatically trigger a right to the Council to repay these loans) prior to the end of this financial year. Should a change of interest rate be requested, then it will be considered in detail and a decision on how we proceed will be made in conjunction with our treasury advisors.

## **INVESTMENTS ACTIVITY / POSITION**

6. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

The Council's strategy of being a short-term investor has been maintained, though the early borrowing of £40m in relation to the re-financing of the stock has increased cash holdings temporarily. If this is excluded, investments in-year would have decreased by £5m. This is in-line with our expectations at the half-year report, and it is anticipated that this will continue to reduce in 2019/20 until we reach the balance of £10m, which will be invested for compliance with MiFIDII. The balance of investments as at 31 March 2019 is £56.2m (£16.2m excluding £40m set aside for refinance of the stock issue).

7. All investments are currently placed on a temporary basis and are placed in high security institutions, in line with our other strategy in this area, dealing with our investing priorities of (i) security (ii) liquidity and (iii) yield, in that order. At the 31 March 2019 £48.5m was placed with various local authorities, £1.0m with Santander Call Account, £5m with Barclays Corporate and £5m with Bank of Scotland. The maximum maturity date of any investment held is 14 June 2019.
8. January 2018 saw the implementation in the UK of the second Markets in Financial Instruments Directive (MiFID II), where firms will be obliged to treat all local authorities as retail clients unless they opt up to professional client status and meet certain criteria. These criteria include holding a minimum of £10m investment balance and employing knowledgeable and experienced staff to carry out investment transactions. It is anticipated that our investment balances will remain well above the minimum £10m.
9. The Council does not hold any long-term (more than 364 days) investments as at 31 March 2019.

## **OTHER YEAR-END TREASURY MATTERS**

### **Economic background and Counter Party Update**

10. Appendix A outlines the underlying economic environment during the financial year, as provided by the Council's Treasury Management Advisors 'Arlingclose'.
11. As discussed previously in this report the Council does not have any long-term investments, and the investments that it currently undertakes is mainly with other local authorities which are deemed very

secure, therefore the risk is currently 'low'. There were no significant changes in credit ratings advised in the first half of the financial year that had implications for the approved lending list. The long-term rating of Santander UK, the Council's bankers, remains at A; above the Council's minimum level of A-.

### Compliance with Prudential Indicators approved by Council

12. The Authority measures and manages its exposures to treasury management risks using various indicators which can be found in Appendix B. The Authority has complied with the Prudential Indicators for 2018/19, set in March 2018 as part of the Treasury Management Strategy. Details of treasury-related Prudential Indicators can be found in Appendix B.

### 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?
Investment counterparty not repaying investments	High but depending on investment value	Low	The Council only invests with Institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds available for investment will also alleviate the risk.	Members, Head of Finance, Treasury staff, based on advice from treasury advisors
Interest Rates moving adversely against expectations	Low	Low	Future expectations for higher short term rates are subdued. The Treasury strategy approved allows for the use of short term borrowing once investment funds are exhausted to take advantage of these low rates.	Head of Finance, Treasury staff, treasury advisors

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

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

### Options Available and considered

The Prudential Code and statute requires that, during and at the end of each financial year, reports on these matters are presented to Council for approval. Thus the Council is required to approve the report or not.

### Preferred Option and Why

To note and approve the report on treasury management activities for 2018/19 were in line with the agreed Treasury Management Strategy 2018/19.

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

Decisions made on treasury matters will be made with a view to comply with the Treasury Management Strategy, Prudential Indicators, taking advice, where needed, from our Treasury Advisers.

### **Comments of Monitoring Officer**

There are no legal implications. The in year and annual treasury management report is consistent with relevant Chartered Institute of Public Finance and Accountancy Guidance, Treasury Management principles and the Council's investment Strategy.

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

There are no direct HR implications associated with the report.

The Council is required to approve a treasury management annual report at the end of each financial year. The Well-being of Future Generations Act requires public bodies to balance short-term needs with the needs to safeguard the ability to meet long-term needs. As stated in this report, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows but current forecasts indicate that in future temporary borrowing will continue to be required and longer-term borrowing will increase to fund the capital programme. This annual report fits in with the well-being goal of a Prosperous Wales.

### **Comments of Cabinet Member**

The Leader of the Council, as lead member for strategic finance confirms she has been consulted on the report.

### **Local issues**

N/A

### **Scrutiny Committees**

N/A

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

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

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

N/A

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

This report is a backwards looking report of the treasury management activities of the Council. It shows that we followed the treasury management strategy and the compliance with prudential code and treasury management indicators. This links into the long-term objectives of the authorities and ensures that the councils activities are carried out in an affordable, prudent and sustainable manner.

## **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.

## **Consultation**

N/A

## **Background Papers**

Set out a list of any relevant background papers and whether they are available to the public.

Dated:

## APPENDIX A

### External Context

Economic background: After spiking at over \$85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over \$50 in late December before steadily climbing toward \$70 in April 2019. UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.

After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy have been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in December. However, a recent softening in US data caused the Fed to signal a pause in hiking interest rates at the last Federal Open Market Committee (FOMC) meeting in March.

With the 29<sup>th</sup> March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including shooting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12<sup>th</sup> April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs have yet to yield any positive results. The EU must grant any extension and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.

While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

**Financial markets:** December was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned -8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. However, since the beginning of 2019 markets have rallied, and the FTSE 100 and FTSE All share indices were both around 10% higher than at the end of 2018.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling

by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.

**Credit background:** Credit Default Swap (CDS) spreads drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms. After hitting around 129 basis points in December 2018, the spread on non-ringfenced bank NatWest Markets plc fell back to around 96bps at the end of March, while for the ringfenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 33 and 79bps at the end of the period.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.

In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.

There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.



## Appendix B

### Local Context

On 31<sup>st</sup> March 2019, the Authority had net borrowing of £192.8m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	<b>31.3.19 Actual £m</b>
General Fund CFR	280
Less: *Other debt liabilities	43
<b>Borrowing CFR</b>	<b>237</b>
Less: Usable reserves	(103)
Less: Working capital inc. investments	2.6
<b>Net borrowing</b>	<b>136.6</b>

\* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

With exception to the very short-term borrowing and investment for the refinancing of the stock issue, the Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31<sup>st</sup> March 2019 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.18 Balance £m</b>	<b>Movement £m</b>	<b>31.3.19 Balance £m</b>	<b>31.3.19 Rate %</b>
Long-term borrowing	147.3	2.0	149.3	3.7
Short-term borrowing	5.4	38.1	43.5	8.9
<b>Total borrowing</b>	<b>152.7</b>	<b>40.1</b>	<b>192.8</b>	<b>4.77</b>
Short-term investments	20.4	(10.1)	10.3	0.9
Cash and cash equivalents	0.8	45.1	45.9	
<b>Total investments</b>	<b>21.2</b>	<b>35</b>	<b>56.2</b>	<b>0.77</b>
<b>Net borrowing</b>	<b>131.5</b>	<b>5.1</b>	<b>136.6</b>	<b>N/A</b>

The table above shows significant movement in both the borrowing and investment levels of the Council, however overall the NET borrowing position for the Council has only increased by £5.1m. Borrowing increased by £40.1m in the year, this is mainly due to undertaking borrowing early in relation to the re-financing of the stock issue, which was maturing on the 10<sup>th</sup> April 2019.

This borrowing was placed in very short-term investments, therefore is classed as cash and cash equivalents in the above table. Following the re-financing on 10<sup>th</sup> April, the investments would have reduced by £40m and the borrowing also reduced by £40m.

Excluding the £40m, short-term investments have fallen by £5.0m and borrowing has increased by £0.1m giving an overall increase in net borrowing of £5.1m.

### Borrowing Strategy during the year

At 31<sup>st</sup> March 2019 the Authority held £192.8m of loans, an increase of £40.1m to 31<sup>st</sup> March 2018, as part of its strategy for funding previous years' capital programmes and undertaking borrowing early for the refinancing of loan due on 10<sup>th</sup> April 2019. Outstanding loans on 31<sup>st</sup> March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.18 Balance £m	Net Movement £m	31.3.19 Balance £m	31.3.19 Weighted Average Rate %	31.3.19 Weighted Average Maturity (years)
Public Works Loan Board	69.0	38.9	107.9	3.6	20.6
Banks (LOBO)	30.6	-	30.6	4.4	35.2
Stock Issue	40.0	-	40.0	8.9	0.0
Banks (fixed-term)	5.0	-	5.0	3.8	58.9
Local Authority (short-term)	2.0	(2.0)	-	-	-
Other inc. WG loans	2.8	3.2	6.0	-	11.6
Accrued interest	3.3	-	3.3	N/A	N/A
<b>Total borrowing</b>	<b>152.7</b>	<b>40.1</b>	<b>192.8</b>	<b>4.77</b>	<b>19.4</b>

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In line with advice from the Authority's treasury advisors, a decision was made to undertake early borrowing for the re-finance of £40m debt maturing on 10<sup>th</sup> April 2019. Borrowing of £40m was undertaken on 14<sup>th</sup> March on terms spanning from 20 years to 48 years to spread the maturity profile and risk. The interest rate of the new borrowing was fixed at 2.05-2.55%, compared to the maturing borrowing at 8.875%. A decision was made to undertake the borrowing early due to the growing uncertainty surrounding Brexit and the imminent deadline that was approaching, which could have led to Britain leaving the EU without a deal.

The Authority has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the Authority's borrowing need based on realistic projections, the Authority borrowed £40m medium/longer-term fixed rate loans, details of which are below. These loans provide some longer-term certainty and stability to the debt portfolio.

Long-dated Loans borrowed	Amount £m	Rate %	Period (Years)
PWLB EIP Loan 1	16.0	2.05	20
PWLB EIP Loan 2	4.0	2.16	23
PWLB EIP Loan 3	4.0	2.3	28
PWLB EIP Loan 4	4.0	2.41	33
PWLB EIP Loan 5	4.0	2.48	38
PWLB EIP Loan 6	4.0	2.53	43
PWLB EIP Loan 7	4.0	2.55	48
<b>Total borrowing</b>	<b>40.0</b>		

LOBO loans: The Authority continues to hold £30m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the year.

### Other Debt Activity

Although not classed as borrowing, the Authority also has Private Finance Initiative and finance lease liabilities, total debt other than borrowing stood at £42.8m on 31<sup>st</sup> March 2019, taking total debt to £235.6m.

### Treasury Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held and money borrowed in advance of need. During the year, the Authority’s investment balances ranged between £20m and £60m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.18 Balance £m	Net Movement £m	31.3.19 Balance £m	31.3.19 Income Return %	31.3.19 Weighted Average Maturity days
Banks & building societies (unsecured)	1.2	6.5	7.7	0.54	0
Government (incl. local authorities)	20.0	28.5	48.5	0.82	0
<b>Total investments</b>	<b>21.2</b>	<b>35</b>	<b>56.2</b>	<b>0.77</b>	<b>0</b>

*\*Weighted average maturity will apply to the first five categories above and to cash plus and bond funds.*

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Readiness for Brexit: With little by way of political clarity as to the exact date on whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 29<sup>th</sup> March, the Authority ensured there were enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity over the year end and that its account with the Debt Management Account Deposit Facility (DMADF) remained available for use in an emergency.

### Compliance

The Head of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below.

**Table 6: Debt Limits**

	2018/19 Maximum	31.3.19 Actual	2018/19 Operational Boundary	2018/19 Authorised Limit	Complied?
Borrowing	192.8	192.8	197	217	Yes
PFI and Finance Leases	45	43	46	46	Yes
<b>Total debt</b>	<b>237.8</b>	<b>235.8</b>	<b>243</b>	<b>263</b>	<b>Yes</b>

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

**Table 8: Investment Limits**

	31.3.2019 Actual max (£m)	2018/19 Limit (£m)	Complied
Any single organisation, except UK Central Government	5	£10m	✓
UK Government inc. Local Authorities	48.5	Unlimited	✓
Any group of organisations under the same ownership	0	£10m per group	✓
Registered Providers	0	£5m	✓
Loans to unrated corporates	0	£5m	
Unsecured investments with Building Societies	0	£5m	✓

### **Treasury Management Indicators**

**Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net interest payable was:

	31.3.19 Actual	2018/19 Limit	Complied?
Upper limit on fixed interest rate exposure	100%	100%	Yes
Upper limit on variable interest rate exposure	0	50%	Yes

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

**Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.19 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	35%	70%	0%	✓
12 months and within 24 months	0%	60%	0%	✓
24 months and within 5 years	8%	60%	0%	✓
5 years and within 10 years	16%	50%	0%	✓

10 years and within 20 years	16%	30%	0%	✓
20 years and within 30 years	4%	20%	0%	✓
30 years and within 40 years	12%	20%	0%	✓
40 years and within 50 years	6%	20%	0%	✓
50 years and above	3%	20%	0%	✓

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

**Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2018/19	2019/20	2019/21
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	40	10	10
Complied?	✓	✓	✓

Mae'r dudalen hon yn wag yn