

Agenda



Newport City Council

Ddydiad: Dydd Mawrth, 20 Gorffennaf 2021

Amser: 5.00 pm

Lleoliad: 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. <u>Rhagofynion</u> i. To receive any apologies for absence. ii. To receive any declarations of interest. iii. To receive any announcements by the Mayor.	
2. <u>Cofnodion</u> (Tudalennau 5 - 24) To confirm and sign the minutes of the last meeting.	
3. <u>Penodiadau</u> (Tudalennau 25 - 26) To consider any proposed appointments.	
4. <u>Adroddiad Rheoli'r Trysorlys</u> (Tudalennau 27 - 42)	All Wards
5. <u>Ffurio Bwrdd Gwasanaethau Cyhoeddus Rhanbarthol (BGC)</u> (Tudalennau 43 - 64)	All Wards
6. <u>Cwestiynau i Arweinydd y Cyngor</u> To provide an opportunity for Councillors to ask questions to the Leader of the Council in accordance with the Council's Standing	

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Date of Issue: Dydd Mawrth, 13 Gorffennaf 2021

Orders.

Process:

No more than 15 minutes will be allocated at the Council meeting for questions to the Leader of the Council.

The question must be addressed through the Mayor or the person presiding at the meeting and not directly to the person being questioned.

7. Cwestiynau i Aelodau'r Cabinet

To provide an opportunity to pose questions to Cabinet Members in line with Standing Orders.

Process:

No more than 10 minutes will be allocated at the Council meeting for questions to each Cabinet Member.

Members must submit their proposed questions in writing in advance in accordance with Standing Orders. If members are unable to ask their question orally within the allocated time, remaining questions will be answered in writing. The question and response will be appended to the minutes.

The question must be addressed through the Mayor or the person presiding at the meeting and not directly to the person being questioned.

Questions will be posed to Cabinet Members in the following order:

- i. Deputy Leader and Cabinet Member for City Services
- ii. Cabinet Member for Education and Skills
- iii. Cabinet Member for Assets
- iv. Cabinet Member for Sustainable Development
- v. Cabinet Member for Community and Resources
- vi. Cabinet Member for Streetscene
- vii. Cabinet Member for Licensing and Regulation
- viii. Cabinet Member for Culture and Leisure

8. Cwestiynau i Gadeiryddion Pwyllgorau

To provide an opportunity to pose questions to the Chairs of the Committees in line with Standing Orders.

Process:

No more than 10 minutes will be allocated at the Council meeting for questions to each Chair.

Members must submit their proposed questions in writing in advance in accordance with Standing Orders. If members are unable to ask their question orally within the allocated time, remaining questions will be answered in writing. The question and response will be appended to the minutes.

The question must be addressed through the Mayor or the person presiding at the meeting and not directly to the person being questioned.

Questions will be posed to Committee Chairs in the following order:

- i. Scrutiny Committees
 - a. Overview and Scrutiny Management Committee
 - b. Performance Scrutiny Committee – People
 - c. Performance Scrutiny Committee – Place and Corporate
 - d. Performance Scrutiny Committee – Partnerships
- ii. Planning Committee
- iii. Licensing Committee
- iv. Democratic Services Committee

For information:

A digest of recent decision schedules issued by Cabinet, Cabinet Members and Minutes of recent meetings of Committees has been circulated electronically to all Members of the Council.

9. Live Event
[Cyngor Dinas Casnewydd - Newport City Council - YouTube](#)

Mae'r dudalen hon yn wag yn



Minutes

Council

Date: 29 June 2021

Time: 5.00 pm

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

Apologies: Councillors C Evans, K Thomas, M Whitcutt, V Dudley and Y Forsey

1. Preliminaries

1.i Apologies

Councillors Whitcutt, K Thomas, Dudley and C Evans

1.ii Declarations of Interest

None received.

1.iii Mayor's Announcements

The Mayor held a moment's silence for former Councillor Peter McKim. Peter was the Labour ward member for Graig and served two terms, leaving the council in 2004.

The Mayor also mentioned the recent resignation of another Graig ward member, Councillor Cornelious on grounds of ill-health, and wished her all the best of the future.

The Mayor invited the Leader to announce that Councillor Stephen Marshall had been invited to become a member of the Order of St John's, which was an incredible achievement. The Leader continued that most of her colleagues would be aware that Councillor Marshall had been a volunteer for St John's Ambulance and was supporting the vaccination programme. The award also recognised his dedication to training younger members. This award was sanctioned by the Queen and was therefore a tremendous honour for one of the councillors in Newport.

2. Minutes

The Minutes from 27 April and Council AGM 11 May 2021 were recorded as a true and accurate record.

3. Appointments

To consider the proposed appointments set out in the report

Councillor Harvey moved the appointments set out in the Report, as agreed by the Business managers, subject to the additional appointments set out below.

Resolved: That the following appointments be agreed.

Governing Body Appointments

Governing Body	No of Vacancies / Re-appointments	Nominations Received
Bassaleg School	1	Yvonne Forsey
Caerleon Comprehensive	1	Jason Hughes
Glan Usk Primary	1	Phillip Hourahine
Glan Usk Primary	1	Merille Hourahine
Malpas C/W Primary	1	Laura Lacey
Mount Pleasant Primary	1	Yvonne Forsey
St Julians Primary	1	Mark Spencer
St Julians School	1	Graham Berry
Maindee Primary	1	Richard Morgan
Caerleon Comprehensive	1	Joan Watkins
Crindau Primary	1	Herbie Thomas
Gaer Primary	1	Stephen Marshall
Langstone Primary	1	William Routley
Llanwern High	1	Deborah Harvey
Millbrook Primary	1	Jason Jordan
Newport High	1	Herbie Thomas
Ringland Primary	1	Malcolm Linton
Marshfield Primary	1	John Tobutt
Ysgol Gymraeg Bro Teyrnion	1	Hywel Jones
Pillgwenlly Primary	1	Debbie Jenkins
Charles Williams Primary School	1	Gail Giles

In addition to the above appointments, Councillor Harvey informed Council of the need to agree dispensation for Councillor Val Dudley's absence, due to ill-health in accordance with section 85 of the Local Government Act 1972.

Resolved:

To approve six month's absence for Councillor V Dudley.

4. Police Issues

Superintendent Mike Richards provided an update on current local policing priorities, before inviting questions from Members.

The Leader welcomed Supt Richards to the Council meeting and referred to the demand on service provision and the safer streets funding. She also reflected on partnership working and moving forward, recognising the different pressures of moving into covid recovery. As custodians of our communities, we should highlight to resident services that aren't provided by the police and we all have a role to play in accurately signposting residents to the right services. The Leader also commented that it was fantastic news on the new Police recruits.

The Leader also asked about the active travel bids and being able to introduce safer streets pilot with 20mph speed limit. Residents were still expressing concern about people breaching speed limits and asked MR if we could work together with Go Safe around speeding enforcement, as we didn't want to lose the momentum.

The Superintendent endorsed the Leader's comments about the need for partnership work between the Police and the Council.

Questions from Councillors:

Councillor Holyoake asked which streets in Pill would be benefitting from the Safer Streets initiative and have speed cameras installed. Supt Richards highlighted that these would be Commercial Road and Francis Drive. Insp Blakemore would also make contact with Cllr Holyoake to discuss this in detail.

Councillor Jeavons thanked the Superintendent for the update on Operation Snap in Alway and Ringland.

Councillor Suller congratulated the Superintendent on the apprehension of the drug dealers and raised concern regarding 'boy racers' in Coedkernew, A48 and Imperial Way and asked whether traffic calming measures could be put in place. Supt Richards would ask the local inspector to make contact with Councillor Suller in relation to this.

Councillor Harvey thanked the Superintendent on the speed of the arrests made in relation to the tragic incident in Always that took place in early June.

Councillor Rahman thanked the Superintendent for the street surgery arranged for the Bryn Derwin Road area and referred to incidences where a vehicle which was related to drug dealing a couple of years ago was spotted recently on Bryn Derwin Road. Residents wanted assurance that by ringing 101 to report crime that the Police would act on the intelligence received so as not to lose faith in the police. Supt Richards assured Councillor Rahman that all 101 calls were responded to and would ask Insp Cawley to make contact with the Councillor.

Councillor Forsey referred to the increase in cycling its related accidents, including one fatality in Newport and asked if Operation Close Pass would be implemented in Newport. Supt Richards advised that Gwent Police were looking to implement this in Newport imminently and would provide timeframes to the Councillor.

Councillor Linton informed the Superintendent that the local arsonist had returned to Ringland and referred to an incident which took place the previous evening at the Friendship Pub. What were the police doing to look into this? Supt Richards advised the councillor that he was meeting with Inspector Cawley and would ask him to share plans with Cllr Linton.

Councillor Hayat mentioned that the installation of CCTV cameras in the Pill area was good news and was looking forward to meeting with Insp Blakemore and his fellow ward member Councillor Holyoake in the near future.

Councillor Spencer referred to several accidents along Chepstow Road about 18 months-2 years ago due to speeding cars. Residents were waiting for feedback on this and asked if this could be chased up for the residents. Supt Richards would make contact with both Inspector Cawley and the councillor to provide this information.

Councillor Fouweather welcomed the Safer Streets funding for Pill but advised that there were other parts of the city that needed funding and that the initiative would make it difficult for criminals in Pill to move around, which might mean that they would move to other parts of

Newport, spreading crime further afield. Councillor Fouweather therefore wanted to know if funding would be made for other parts of Newport. Supt Richards advised that funding would be available and the bid for Stow Hill last year was unfortunately unsuccessful. These bids were set by the Home Office and the criteria had to be met in order to receive funding, therefore Pill met the strict criteria for Safer Streets. The next bid needed to be in by 15 July and that was for violence against women and this would probably focus on the city centre.

Councillor Routley reported the issue of speeding traffic in Langstone, along the A48, Rock and Fountain to Coldra/Magor Road. There were no speeding cameras on road and residents raised concern, horses recently bolted from speeding, which could have been very serious. Councillor Routley therefore requested a meeting with the Superintendent along with Councillor Mogford his fellow ward member to look into a resolution to ease the speeding problem. Supt Richards agreed to this and would be happy to set something up in the near future.

Councillor Al-Nuaimi thanked the Superintendent for their recent meeting regarding stop and search powers, which allayed Councillor Al-Nuaimi's fears. Councillor Al-Nuaimi also mentioned that any more information on how things were progressing would be gratefully received. Councillor Al-Nuaimi also expressed his thanks to Inspector Davies after the recent issues of anti-social that were addressed at Belle Vue Park.

5. **Notice of Motion: Diversity in Democracy**

The Council considered the following motion, for which the necessary notice had been given. The motion was moved by the Leader and seconded by Baroness Wilcox.

Newport City Council recognises that much work has been undertaken in the last decade in Wales to measure and improve the diversity of councils. More work is in the pipeline in preparation for the 2022 elections. There is a national communications campaign to encourage people from underrepresented groups to vote, engage with local democracy and stand for office. New mentoring programmes are being delivered with the Womens' Equality Network Wales and the Ethnic Minorities and Youth Support Team Wales. Stonewall Cymru and Disability Wales will also soon be offering mentoring programmes. The Welsh Government and Senedd Commission are working with Councils, schools and youth councils and developing resources to encourage 16 and 17 yr olds to get involved and vote. The WLGA has a new Be a Councillor website and, is part of the Pan UK civility in public life campaign and are working with Councils to continue to improve the range of support and development provided to members.

Newport City Council commits to being a Diverse Council.

We agree to:

- **Provide a clear public commitment to improving diversity in democracy**
- **Demonstrate an open and welcoming culture to all, promoting the highest standards of behaviour and conduct**
- **Continue to take forward the recommendations of the WLGA Diversity in Democracy working group**

Comments from Councillors:

In seconding the motion, Baroness Wilcox comment that, on Friday 5 March this year on the eve of International Women's Day, the WLGA Council endorsed a series of significant recommendations from a cross-party working group, which included the use of voluntary quotas, local targets, and council declarations to become 'Diverse Councils'. This was as a result of the setting up of a cross- party working group on underrepresented groups under

Baroness Wilcox's former leadership of the WLGA and Baroness Wilcox was pleased to chair it until November 2019 when its initial proposals were delivered to the WLGA Council.

The WLGA agreed to take steps to advance gender equality and diversity in Councils before the 2022 elections. This was in recognition of the lack of diversity in Welsh Councils. The group's remit was to explore broader underrepresentation in democracy and bring about change through a series of actions and pledges.

Local communities were diverse in their life experience, priorities, and needs. Councillors from all parties should reflect this diversity in the skills and experience that they bring to council.

This was not simply a matter of equality, important though that was, but a need for council chambers to be filled with people who had a diverse range of life experiences and different aspirations; better diversity will lead to better decision-making.

Councils and councillors played a critical, central and prominent role during the COVID 19 pandemic. Councils demonstrated that they were uniquely placed at the heart of their communities and public service delivery and councils and councillors had invariably been the first port of call for the most vulnerable or those in need of support or assurance.

Taking the ideas of the working group forward, the WLGA in consultation with Welsh Government had therefore developed an action plan covering a range of ideas including awareness and the value of the role Councillors play in their communities, introducing more measures to deal with Councillor abuse, which has grown exponentially in recent years with the growth of anti-social media, progress greater training and development for Councillors including mentoring schemes, making greater provision for flexibility and job-sharing at all levels and supporting individuals with protected characteristics.

In conclusion, Baroness Wilcox was delighted to second the Leader's motion that this Council committed to being a Diverse Council and that it agreed to provide a clear public commitment to improving diversity in democracy, demonstrate an open and welcoming culture to all, promote the highest standards of behaviour and conduct and set out a local Diverse Council Action Plan ahead of the 2022 local elections.

Councillor M Evans advised that on behalf of his group the motion and the recommendations were welcomed and after the last elections a record number of people were selected from ethnic minority backgrounds and were keen to encourage more women to stand in the forthcoming elections. They were not keen on giving 16-17 year olds voting at the recent elections but supported diversity in democracy and would do everything they could to get them involved, although they could not stand in elections. It was however the electorate that would decide on who would be voted in and not the political groups. An open culture, high standards and good conduct was welcomed. However their candidates were selected on merit first and whoever stood had to represent their communities to the best of their abilities and ultimately it was up to the electorate to decide. They would not however give the WLGA a blank check in relation to their plans on diversity and democracy as they did not know what would be planned for the future. Although they respected that Baroness Wilcox views on equalities, they did not support women-only short-lists. Therefore, Councillor M Evans advised that his group would abstain from the vote.

The Leader paid tribute to Baroness Wilcox on her work and leadership role with the WLGA. The Leader also mentioned that the WLGA had full cross party support on this work and that Monmouthshire County Council had already addressed this and had approved it at full council recently. This was an important motion and it was democratic that all councillors had their say on this issue. The Leader stressed that Newport was at the heart of democracy and that this was one further step in moving Democracy forward.

Agreed:

That the Diversity in Democracy Motion be carried.

6. **Notice of Motion: Freedom of Newport - Royal British Legion**

The Council considered the following motion, for which the necessary notice had been given. The motion was moved by The Leader and seconded by Councillor Spencer.

Newport City Council resolves to appoint the Royal British Legion as Honorary Freeman of the City of Newport in recognition of their 100th Year Anniversary on 15th May 2021 and to honour the charitable work of the organisation supporting ex-service men and women and their families.

The Royal British Legion was formed in May 1921 by the merger of four veterans associations of the First World War. Its purpose was to:

- **provide help to veterans and their families who are in need of help,**
- **campaign for improved conditions, and**
- **to champion Remembrance.**

In moving the motion, the Leader Commented that, in 1921, the British Legion Founder and President Earl Haig announced that Armistice Day on 11 November would be known henceforth as Remembrance Day and that it would be a 'Poppy Day' to raise funds for veterans relief.

Over six million men served on the front line during the war and of those who came back, 1.75 million suffered some kind of disability and half of these were permanently disabled. We also needed to remember the emotional and financial impact this had on those who were left behind – wives and children, widows and orphans as well as the parents who had lost their sons.

Out of this concern, the Legion was established and they have helped the Armed Forces community and their families ever since. The Legion provided lifelong support to serving members of the Royal Navy, British Army, Royal Air Force, veterans and their families. Their wide ranging activities included support through debt and emergency situations, employment, dementia care and supporting places with Remembrance parades and services.

In Newport we were fortunate to have four branches of the Royal British Legion – the Newport Men's branch, the Newport Women's branch, the Rogerstone branch and the Caerleon branch.

The difference that the Royal British Legion made to people's lives could not be underestimated and as they marked their 100th year in May, the Leader believed it was important for Newport to formally recognise the contribution this organisation made to the people of Newport. Granting them honorary Freedom of the City felt like an appropriate honour, on behalf of the people of the City of Newport and elected members of this Council, the Leader was privileged to formally request that in their centenary year, Newport City Council granted the Royal British Legion honorary Freedom of the City.

If this request was granted, a more formal presentation ceremony would be held later in the year and it was hoped that such an event would enable the Council to fully celebrate the work of this incredible organisation and fully recognise the honour bestowed on them.

Comments from Councillors:

Councillor M Evans welcomed and fully supported the motion, although he was disappointed not to have been consulted beforehand.

Councillor Cleverly supported this motion with her member of family being in the Armed Forces.

Councillor Harvey supported this motion with her son being a member of the Royal Navy.

Councillor Truman supported this motion.

Councillor Whitehead supported this motion with brothers in the Armed Forces.

Councillor J Watkins, received support from the Royal British Legion when she lost her husband during his service in the Royal Navy. It was disappointing however, that they decided to move away from local offices to being centralised in London but Councillor J Watkins supported the motion.

Councillor Hughes had a serving member of family working for the Armed Forces and acknowledged the Caerleon branch and their hard work.

Councillor Spencer mentioned that it was a great pleasure to second this motion for the Royal British Legion which had helped veterans for many years supported what our service personnel were doing. As an ex soldier, Councillor Spencer praised the support from the Royal British Legion and the hard work carried out in the past and hopefully long into the future.

The Leader welcomed the positive contributions from colleagues, which showed the high esteem in which the Royal British Legion were held and recognised the work that they did.

Agreed (unanimously) That the motion be carried.

7. **Management Structure Report**

The Chief Executive presented the report to Council, highlighting the consultation with political group leaders and union representatives as well as working closely with the Welsh Local Government Association. A phased approach in recruitment would take place along with a recruitment panel of members. This would be conducted in an open and transparent manner. In terms of the financial implications, this would be kept to a minimum level of investment in line with the council's revenue budget.

The Leader moved the report, which was seconded by Councillor M Evans.

The Mayor invited councillors to ask the Chief Executives if they had any questions in relation to the report.

Councillor Cleverly asked the Chief Executive if staff would have to re-apply for post or would they be job matched and in addition to this, would there be redundancies. The Chief Executive advised that no existing Head of Service would be detrimentally affected and therefore they would be matched to a role within the proposed structure, with tweaks to the aligned service areas and, during the initial implementation phase, there would be no staff redundancies.

Councillor T Watkins asked what was the timescale for these posts to be in situ. The Chief Executive advised that recruitment process would take place with immediate effect and that it was anticipated to be in place within the next three to five months.

Councillor Fouweather mentioned that there were difficulties in past recruiting senior officers and therefore were the salaries competitive within the market. The Chief Executive agreed

that it was good to encourage competition and director's salaries were competitive. The Heads of Services were commensurate with other salaries within Local Government.

The Leader was pleased to support the Chief Executives report to implement much needed revisions to the senior management structure of the Council.

Over the last few months, the Chief Executive, in her role as Head of Paid Service, worked closely with the WLGA to review the chief officer structure at Head of Service and Director level.

The senior structure was reduced by 39% since 2011, but the Council's change agenda and its expectations for the City continued to grow significantly at the same time – the review therefore supported the need to create strategic capacity to maximise the Council's opportunities.

The Chief Executive, in her report, detailed the need to strengthen the senior leadership team to ensure that the council continued to take the City forward and maximise the Council's role at a local and national level. We were engaged in ambitious regional and national agendas such as the Western Gateway and Cardiff Capital Region. Community expectations were increasing and the council would be dealing with the legacy of the Covid-19 pandemic for many years to come – all of which required robust senior leadership.

The Chief Executive presented this report to Council to seek approval for a future proof structure – to enable senior officers to refocus on the Council's strategic priorities and the transformation of our services in a thematic way. The Leader therefore moved the adoption of the report and hoped fellow members would do the same.

Councillor M Evans on behalf of the conservative group recognised that the current senior management structure was not fit for purpose and therefore welcomed that the council made attempts to redress this and that the changes were more commercially minded. Ultimately the Council must improve front line services for residents. Clearly concerns on the cost of the recruitment were addressed and would be monitored therefore Councillor M Evans fully supported the report.

Councillor K Whitehead thanked the Chief Executive for involving him in the consultation process and said that the Chief Executive had been dynamic and open in her approach and fully supported this report and hoped the relationship would be maintained with the potential recruitment. From a financial point of view, the cost would benefit the Council in the future and therefore fully supported the report.

Councillor Hourahine referred to the need of strategic thinking within the local authority and therefore fully supported the report.

The Leader thanked the councillors for their comments and commended the Chief Executive on the report and her inclusive approach in developing the report and recommendations and therefore moved the report.

Agreed:

That Council approved the proposed revisions to the senior leadership structure and authorised the Chief Executive to proceed to implement the new structure within the Council's recruitment framework for Chief Officers.

8. Public Space Protection Order

The Cabinet Member for Licensing and Regulation presented the report to Council.

A Public Spaces Protection Order (PSPO) was designed to prevent individuals or groups committing anti-social behaviour in a public space. They could be used to implement restrictions where the behaviour was having, or is likely to have, a detrimental effect on the quality of life of those in the locality; and the behaviour was, or was likely to be, persistent or continuing in nature.

Only the Council could make a PSPO, but they could be enforced by Gwent Police and Council Officers.

The PSPO before Council today would be the second PSPO to be implemented within the Pill Ward. The previous PSPO expired in July 2020 and contained three restrictions. This new PSPO implemented an increased number of restrictions that were specifically targeted at addressing Anti-Social Behaviour in the defined area.

Anti-social behaviour was being experienced in Pill, to the detriment of its residents. The previous PSPO was limited in its application and use. Through close working between the Council and Gwent Police, it was proposed that the Council implement a new PSPO to provide additional and relevant enforcement powers to Gwent Police and Council staff to help deal with the issues residents were experiencing.

A public consultation exercise ran for one month in March 2021 and was responded to by over 150 individuals and organisations. Almost all of these responses were from people who lived or worked in Pill. The public consultation was overwhelmingly supportive of the restrictions within the new PSPO.

The Oversight and Scrutiny Management Committee oversaw the drafting and consultation process for this new PSPO and also reviewed the outcomes of the consultation. In its April meeting, the Committee recommended that the Council adopted the PSPO.

At the request of the Police, the Scrutiny Management Committee recommended that Prohibition 8 should be removed from the draft Order that was the subject of public consultation. In the light of the subsequent objections however, that were received from the local community about the removal of this measure and the widespread public support for the restriction of "kerb-crawling", it was recommended that the draft PSPO set out in Appendix A to the report be amended to include an additional prohibition number 8

"No person shall enter the restricted area and attempt to buy sexual services from another person"

Subject to this amendment, the Cabinet Member moved that the Council formally approves and adopts the new Pill PSPO as set out in the Report

Councillor I Hayat thanked Cllr Truman and considered that it was vital to have this in place. This PSPO with additions would help the police. Pill was a multi ethnic and diverse place that welcomed people to invest within the ward therefore Councillor I Hayat fully supported the report.

Councillor Lacey as Chair of the Overview and Scrutiny Management Committee, advised that cross party discussion took place and the recommendations were carefully considered and therefore fully supported the amendment.

Councillor Holyoake, referred to the safe houses proposed in 2015 which residents and councillor objected to, but it took place anyway. Councillor Holyoake and her ward colleagues fought to right this wrong. This had encouraged deviancy and sex work to take place, especially during the past year with the pandemic, also causing anti-social behaviour. Pill had the second highest crime rate ward in Newport. There had been positive intervention

from the Police with multiple arrests, leading to hefty fines and criminal convictions. The PSPO would give police and wardens the power to act accordingly if this is seen on the streets. This would give residents the right to feel free and protected. Councillor Holyoake therefore fully supported the PSPO.

Councillor M Evans mentioned that residents and businesses alike were affected by this and that no woman should feel unsafe and welcomed tougher action. Aggressive begging was on the increase and the Council should have a complete ban on this in the city centre and Pill. Councillor M Evans supported the report.

Councillor Whitehead suggested that the visual presence of police was important. Another concern was the grenade effect of a PSPO. Councillor Whitehead sympathised with the residents of Pill, some of whom had moved away from the area.

Councillor Harvey fully supported the report saying that the residents and local ward members needed this PSPO.

The Leader thanked all partners and stakeholders for their contribution towards the PSPO and mentioned that a significant amount of work went into this. It was important to recognise the concern of displacement and importance of partnership working. This report ensured a range of tools to address and the challenges. People should not have to tolerate this kind of behaviour on their doorsteps. The Leader referred to correspondence received by residents, the most difficult to read was from one of the high schools where a pupil was repeatedly late to school because of the nocturnal activities going on outside her house every night. All residents should feel safe and children should sleep at night to attend school.

Councillor Truman thanked all those who spoke in support of the report and moved the report.

Agreed:

That the Council adopts and implements the Pill PSPO (2021- 2024).

9. Questions to the Leader of the Council

The Leader shared the following announcements with Council:

- **Levelling up fund**

Earlier this month, Cabinet supported a proposal to make a significant bid to the Government's Levelling Up Fund with the aim of further boosting the regeneration of our city.

It was a competitive bidding process and up to £20m of capital funding was available for regeneration and cultural investment schemes. There was no guarantee that we would be successful, but an ambitious bid, for the full £20 million would be submitted, which would see the further transformation of the Northern Gateway area of the city centre.

A number of transformational schemes were already underway or were in the pipeline in this area including the refurbishment of the Newport Indoor Market and Market Arcade, the proposed creation of a co-working and incubator hub in the Information Station building and the provision of a new active travel footbridge between Devon Place and Queensway.

This additional money would be used to enhance the public realm in this area, it was hoped that when people arrived to Newport, that they would be met with a view that reflected the quality of the place that Newport actually was, that represented our ambitions and was positive and welcoming for visitors and investors alike.

There would be a focus on green infrastructure, active travel, the wider Newport Offer and of course reflecting the ethos of the Placemaking Charter.

The Leader would provide a regular update on the bidding process as it progressed.

- **Clean air day**

Earlier this month the Council marked Clean Air Day 2021 with an excellent event at the Geraint Thomas National Velodrome for Wales.

The purpose of Clean Air Day was to highlight air pollution, build awareness of how it affected health, and explore some of the things that could be done to tackle the problem.

Every year, air pollution caused up to 36,000 deaths in the UK. The World Health Organisation and the UK Government recognised that air pollution was the largest environmental health risk we faced today.

The Leader was delighted to welcome Lee Waters MS, the new deputy minister for climate change, to the event where we showcased some of the work that both the council and our public sector partners were doing to improve the air quality in the city.

This included installing renewable energy generating solar panels on 27 of our buildings, including the largest rooftop installation in Wales at the Velodrome itself.

The showcase also featured a number of electric vehicles, which included our electric refuse collection vehicle, the first of its kind in Wales, one of Newport Transport's electric buses, and an electric taxi.

We still had a long way to go in making our air cleaner for future generations, but there was a lot of good work already throughout Newport, and the actions being taken today would deliver a greener, healthier city for tomorrow.

- **Success of No Mow May**

Another project we have recently taken part in that focused on sustainability in Newport was No Mow May.

The campaign encouraged individuals, councils and stakeholders to support bees, butterflies and other wildlife by letting wild flowers grow on lawns and green spaces throughout May instead of mowing them.

We pledged our support in recognition of our status as a Bee Friendly City, and on our duty to enhance nature and take actions that helped counter the impact of climate change.

The move to support the campaign also followed successful trials of different programmes of grass management, and different wildflower seed mixes in our designated 'leave to grow' pilot sites.

As a direct result of reduced mowing, we saw some lovely examples of flora including beautiful Bee Orchids blooming on our verges.

We would review this year's experiences and learn from them, but had every intention of continuing to support such schemes that benefitted the environment across our city.

- **Generation rent**

Together with campaigning body Generation Rent, we recently launched a new project to improve engagement with people who were privately renting their homes.

While most properties in the city were in good condition, a number of landlords broke the law by renting out homes that were substandard or not fit to live in.

A survey was currently running that aimed to get a better understanding of the challenges faced by private renters as well as discover what they understood about their rights.

Initially, it would be seeking the views of people living in the Stow Hill, Victoria, Pillgwenlly and Lliswerry wards where there were high numbers of privately rented homes.

After the consultation ended, the project would move to stage two with focus-group discussions and forums with private renters.

The Leader urged residents to take part and share their views by visiting:
Newport.gov.uk/haveyoursay

- **Foster care fortnight and Carers week**

The Council recently celebrated Foster care fortnight and carers week. Both events were marked with some excellent reflections and communications around the amazing commitment shown by these groups of people.

Around 580 unpaid carers were known to us, but the 2011 Census reported that about 16,500 people in Newport said they were caring for someone.

They included young carers who were helping to look after a parent or sibling; parents looking after children with additional needs or serious conditions; "sandwich" carers juggling the needs of parents and children and anyone caring for someone who could not manage without help.

The Leader wanted to take the opportunity to encourage carers to get in touch so that they could offer help and support.

Foster carers, who did so much to support some of the most vulnerable young people in our city should also be commended.

Unfortunately, Newport was always in need of more foster carers and the Leader also urged anyone who may be considering it to get in touch and find out more about what could be an immensely rewarding experience.

- **EUSS**

Finally, the Leader wanted to repeat the reminder that the deadline for applications to the European Settlement Scheme was the end of this month.

The Council had heard that the government would allow some exceptions for late application, but we did not want anyone living in our city to face any difficulties in staying or in their everyday lives due to a late application.

Support was available and if anyone knew of someone in this position, the Leader asked that they get in touch, either online or through the contact centre; we were able to help.

Questions to the Leader

Councillor M Evans

Councillor Evans referred to the Cabinet Member for Culture and Leisure's statement in February where it was mentioned that the conservative group had not put forward an alternative budget since elected in 2012 and advised that this was not the case and fully

costed alternative budgets were put forward up until 2016/217. Councillor Evans therefore asked whether the Leader thought that the Cabinet Member should apologise.

The Leader mentioned that it was interesting to note the feedback from members during the budget consultation and that it was important to hear from a range of people. If an alternative budget had been put forward for the budget and this was evidenced, then the Leader would acknowledge this and move on.

Supplementary Question

Councillor M Evans said that he assumed that was a yes and that she apologised. The councillor went on to mention promoting high standards in conduct and referred to Councillor Truman provided an apology when he had got something wrong. . Councillor Evans thanked the Leader for her answer and hoped that he would get a full and frank apology from the Cabinet Member.

Leader replied that Councillor M Evans might want to reflect on the recording of her answer to see what actually said rather than reframing the Leader's response.

Councillor K Whitehead

Councillor Whitehead had tendered a motion that David 'Bomber' Pearce receive a posthumous Freedom of the City Award to the previous Leader, Baroness Wilcox. Unfortunately, this was not possible but the Baroness actively encouraged councillor Whitehead to look into the Spirit of Newport Award. There was however no progress on this, the Rocky initiative was still ongoing and a young sportsman had been granted funding. Councillor Whitehead therefore wondered if this process would be revisited.

The Leader commended the collective community spirit in erecting the statue for David 'Bomber' Pearce. The Spirit of Newport award however, was put on the back burner because of Covid but the Leader would look into this and the criteria, sometime in the near future. The Leader was keen that a way should be found to acknowledge the contribution for a range of citizens, especially during the pandemic, small acts of kindness should be acknowledged as well. The Leader reiterated that this had not been forgotten and that the pandemic has raised the need for some form of recognition.

Supplementary Question

Councillor Whitehead also mentioned that people under the Rocky legacy, had supported the homeless and therefore hoped that David 'Bomber' Pearce would get his recognition.

Councillor C Townsend

Councillor Townsend asked if the Leader could update council on the Friars Walk situation.

The Leader advised that the Council was faced with challenges during pandemic and following on from it, and that the Council needed to prepare for the economic impact. One of the challenges for Newport was that the majority of the property in the city centre was in private ownership. We had limited discussion with the owners at Friars Walk and they were looking into a number ways to revive Friars Walk and a number of units had been let, there were ongoing discussions but it would not be appropriate at this stage to disclose the commercially sensitive information in this public forum. An update however would be provided to councillors as discussion progressed.

Councillor T Holyoake

Councillor Holyoake asked if the Leader could provide an update to the Council on the Covid 19 recovery strategy.

The Leader advised that she attended a recent strategic recovery group and across Gwent there was a huge response to move towards recovery. There were four strategic recovery aims: 1) To support education and employment and the challenges Covid presented such as loss of business and vulnerable learners. 2) The environment. 3) The health and wellbeing of citizens and 4) To support citizens post Covid 19. The Leader had worked closely to support schools to safely re-open and continued to work closely with them. From the middle of June onwards, lateral flow test kits had been made available for staff in schools and was important for recovery. Around 7,000 Digital devices in were being distributed to schools and there was still degree of uncertainty but blended learning was ongoing. The council was also aware of the need for learners to have access to internet and ensured that pupils had that access.

Job opportunities was also a priority, one example of this was that the Leader was working with The Celtic Manor, who had a number of vacancies and would be linking these with our Youth Academy to help people find employment.

The Cabinet had also put in a number of bids towards the Community Renewal Funding to help towards the Covid recovery.

The Council was also able to continue to distribute grants to small businesses and regulatory services had to be commended for their work they were undertaking.

The Leader also invited colleagues to view Cabinet via the Live Event where regular Covid recovery updates were provided.

10. **Questions to the Cabinet Members**

There are five written question to the Cabinet Members:

Question 1 – Cabinet Member: Culture and Leisure

Councillor C Ferris

Given the importance of the National Trust's stewardship of Tredegar House and the hope that this would provide a boost for tourism in Newport, may I ask when you last had a meeting with the National Trust?

Response

Whilst the Lease agreed by the previous administration bound the Council to ongoing financial payments which added pressures to budgets year on year, surprisingly the lease did not set out any formal requirements for the National Trust to meet with representatives of the Council.

However under my direction this financial burden has now been settled and the Culture and Continuing Learning Manager meets property managers to discuss property developments, repair and conservation work and marketing. The Culture and Continuing Learning Manager has also attended the regular Team Tredegar workshops arranged by the National Trust staff at Tredegar House. All of this information is provided to me during my briefings with officers and up until the start of the pandemic, I have been satisfied that the stewardship arrangement is being well managed. I am sure you are fully aware of the impact the pandemic has had on tourism and the ability of tourist attractions to operate. However the National Trust have managed to successfully navigate their way through a very difficult time and I am pleased to see that access to parts of the house as well as the café, parks and gardens is open throughout the week and that advance booking are recommended for the weekends, such is the popularity of the venue.

Supplementary Question

Given the importance of this and although Pandemic has had an impact, would there be an opportunity to meet up sometime in the future.

Councillor Harvey thanked councillor Ferris for his supplementary question and referred to her previous response.

Question 2 – Cabinet Member: Leisure and Culture

Councillor M Evans

Since August 2017 you only appear to have taken 4 formal decisions according to the Council's website, that's just one a year. Whilst I appreciate you would have been involved in the Transporter Bridge funding which we fully support, and the proposed new Leisure Centre, can you tell Council why you haven't taken any decisions over the Medieval Ship for instance, and why you didn't consult with members when you decided to introduce a pedal power scheme?

Can you also give Council an update on this scheme?

Response

The Medieval Ship project has yet to complete the freeze drying process. Progress on this was significantly affected by the pandemic. As you will appreciate, until this is complete it is premature to formally propose the next stage of the project. You are right to point out that the Transporter Bridge has been the focus of my efforts and I have been directly involved with negotiations and meetings which supported and championed the project. The Cabinet report in February detailed the work and commitment which had gone into this project to obtain over £8m from HLF and £1.5m from Welsh Government.

Your information on how many decisions I have taken as Cabinet Member is incorrect. You have failed to take account of decisions I have made as part of a joint report. There have been a number of joint decisions since August 2017, including approving the Newport Wales Marathon. We do not work in silos Cllr Evans.

In respect of the pedal power scheme, I assume you are already aware that the use of Section 106 funding for leisure purposes is managed under the Council's scheme of delegation. The benefits of the project are clear and enable people with varying degrees of mobility, family members and carers to participate in a leisure activity together'.

The project is being delivered by the Newport Live Leisure Trust under the branding of 'Wheels for All'. The booking of specific bikes and time slots will be possible through the Newport Live web site and app. A bike and equipment cabin has been provided at Tredegar Park, along with the necessary security system and CCTV. Adjacent disabled public toilets have been fitted out with hoists and other equipment to support people using the scheme and improvement works have been completed on upgrading pathways throughout the park to accommodate those using the scheme alongside other cyclists and pedestrians. Newport Live staff have received specialist training for using the bikes and adaptations and the full range of bikes that will be available for hire was showcased on 9 June at Tredegar Park. Once the full lockdown restrictions are lifted and the booking mechanism is live this fantastic scheme will be available at no cost to the residents of Newport.

Supplementary Question

The Newport Medieval Ship decision was taken in October 2014. In addition, in February 2019 proposals were being developed for Tredegar Park and options would be presented to the Cabinet in due course. Councillor Evans mentioned that Councillor Harvey advised that she had not visited Tredegar Park since she was Cabinet Member, therefore, where was the evidence that there was scrutiny to see if grants were available and how was the decision

taken, was it an informal decision. Council Evans considered that there were a lot of unanswered questions and requested evidence of this by the Cabinet Member.

Councillor Harvey mentioned that as there was more than one supplementary she would provide Councillor Evans with a written response.

Question 3 – Deputy Leader/Cabinet Member: City Services

Councillor W Routley

With gridlock on the M4 from Magor to the Brynglas tunnels most weekends and bank holidays, will the Cabinet Member inform us on what plans he has alleviate overburden alternative routes?

Response

The recent introduction of the 50mph speed limit on the M4 through Newport by Welsh Government, will deliver both improved air quality and reduced congestion using average speed cameras to constrain traffic speeds, smooth traffic flow and improve journey times.

Lower speeds also aim to reduce the number and severity of collisions along the M4 corridor, which have historically impacted on the city's highway network journey times due to diverted traffic seeking alternative routes.

The Council has welcomed the South East Wales Transport Commission (Burns) recommendations, which set out an ambitious yet achievable range of alternative transport options for both the city and the region to relieve congestion on the M4.

Council officers continue to work closely with Welsh Government, Transport for Wales and other stakeholders to deliver these proposals for the City.

Supplementary Question

The M4 relief road alternative was known as the Magor Road and speed changes on road had led to several near misses. Would the Deputy Leader and officers look into this to help alleviate speed on the roads.

Councillor Jeavons replied that he would be happy to meet with Councillor Routley, along with officers and the Police to discuss this matter.

Question 4 – Deputy Leader/Cabinet Member: City Services

Councillor R Mogford

Scientific studies are showing the truly devastating impact climate change is predicted to have on Wales over the next generation or two.

Recently, many Newport residents have experienced, first hand, the extreme flooding conditions throughout the low-lying parts of Newport.

Can the Cabinet member update the council on:-

- i) What lessons are being learned from the last flooding event in December 2020 and what solutions are being implemented as a result.
- ii) What further steps if any are being taken to minimize the risk of severe flooding in Newport, both in the medium and the long term.
- iii) What new financial resource does the Cabinet Member expect to become available to assist in flood prevention measures going forward.

Response

As I advised earlier this year Cllr Mogford, like many other areas across Wales and the UK, Newport did experience sudden, heavy rainfall and incidences of flooding last December. Such flooding events are subject to a section 19 investigation and those in relation to the recent incidences in Newport have commenced, and the findings will be made public in due course. Such investigations involve all relevant bodies, including National Resources Wales, the Council and Welsh Water, and until this work is complete, I am unable to comment further.

In terms of planned works, the Council's programme is set out in the Highway Asset Management Plan, on which Members were consulted, but the majority of large scale flood defence work is carried out by NRW.

Supplementary Question

In terms of the Section 19 report, Councillor had asked back to December, could the Deputy Leader advise when would the report be available.

Councillor Jeavons could not provide a date but would let Councillor Mogford know when it was available for the public.

Question 5 – Cabinet Member: Licensing and Regulation

Councillor W Routley

Can the cabinet member please inform Council as to what plans are in place regarding monitoring the Air quality for communities living adjacent to the M4 corridor?

Response

As you are aware, Newport City Council has declared 11 Air Quality Management Areas (AQMAs), 5 of which are directly associated with air pollution from the M4 motorway. These are spread along the stretch of the M4 within Newport's boundary, with 2 to the East of the River Usk and 3 to the West. All the AQMAs were declared years ago because Nitrogen Dioxide emission levels exceeded the Air Quality Objectives set by Welsh Government.

The Council has a statutory duty to prepare and implement an Air Quality Action Plan to address these air quality issues. The Air Quality Action Plan is currently being refreshed and updated to complement the Council's Sustainable Travel Plan, as air quality, Climate Change and Carbon Reduction are all part of the same agenda. In the meantime, Environmental

Health Officers will continue to closely monitor air quality emissions within the AQMA's and at the locations along the M4 corridor where problems have been identified.

We have 77 monitoring tubes located across all of the AQMA's, which are continually monitoring levels of emissions. In addition, we have secured additional SEWTA grant funding for the purchase of 3 sensors which will provide real-time data as well as levels of particulates, which are more pervasive than CO2 and NO2 emissions.

The monitoring data for the last 12 months has been significantly affected by the Covid-19 travel restrictions and the substantial reduction in the number of car journeys on the M4, with many people working from home. So, the last reliable data dates back to 2019, but even then the monitoring data was very encouraging, demonstrating a downward trend in the levels of exceedances compared with previous years. This shows that we are making progress in reducing emissions and improving air quality. At December 2019, the direction of travel with regard to air quality at all AQMAs adjacent to M4 junctions was positive. Currently, the St Julian's AQMA which abuts the M4 has been identified by Welsh Government for revocation as it has not breached the Air Quality Objectives for a number of years. Revocation of this AQMA will take place later in 2021. The remaining AQMAs which are adjacent to motorway junctions also exhibit a gradual reduction in emission levels and are moving towards compliance. However, it is not possible to give any exact timescale for compliance, at the present time, as most of the mitigation measures in relation to the M4 are matters for Welsh Government.

Supplementary Question

In Newport Matters the Cabinet Member referred to a duty of care to the environment in Newport and climate change. The Cabinet Member celebrated Clean Air Day where he recognised the 36,000 deaths due to pollution, which was a serious amount. Wales had declared a climate emergency, which covered Newport. Councillor Routley went on to say that one in 22 deaths in Newport were linked to air quality. In 2017 there were 113 deaths in relation to air pollution in Newport. The problem with M4 was that it was not travelling at 50mph but was in gridlock which was polluting the air. Traffic was seeking alternative routes, instead of the A48 and the M4.

The Mayor advised that the time was up and that the Cabinet Member would respond in writing.

Question 6 – Cabinet Member: Education and Skills

Councillor R Mogford

Prior to the pandemic, both Newport Schools St Julian's Comprehensive and Newport High were in 'special measures'. Can the Cabinet Member for Education provide an update on how improvements to these schools are progressing and when they are likely to come out of 'special measures'?

Response

In the period leading up to the pandemic, the governing bodies of both schools have secured the employment of new head teachers who have both taken up post during the pandemic. I applaud how both head teachers have met the challenge of taking up their roles at such an unusual time.

Both head teachers and their governing bodies have fully engaged with Education Services, EAS and Estyn during the period of the pandemic to address the recommendations of their inspections, alongside adapting provision for learners which includes the development of blended learning and providing childcare for vulnerable learners and children of key workers.

When the pandemic started Estyn suspended all planned inspections and official monitoring activity for schools in a statutory category. However, Estyn have continued to work with both St Julian's and Newport High in a support capacity and formal monitoring activity has resumed for some schools during summer 2021.

Newport High and St Julian's are participating in a new National multi-agency programme initiated by Welsh Government to support schools across Wales that are in a statutory Estyn category to make the required improvements. Education Services, Estyn, Welsh Government and the individual schools are working in a coordinated manner to ensure that school progress out of a statutory category as soon as possible.

Only Estyn are able to determine when a school should be removed from a category of special measures and it would not be appropriate for the Local Authority to suggest a timeline for this.

However, Education Services and EAS share the view of Estyn that both schools are making progress and are supportive of the leadership direction facilitated by the governing bodies and head teachers of both schools.

Supplementary Question

It was pleasing to hear that there were two new head teachers and looking at their webpage, Councillor Davies was chair of Governors but was also Cabinet Member. Could Councillor Davies therefore clarify how long she had been a governor and if she were still chair.

Councillor Davies confirmed that she had been a governor of St Julian's since 2014 and was Vice Chair in 2016 for two years and remained Chair of Governor for two years and that the school was in special measures and would it be disruptive to stand down as governor and change leadership during the process. ESTYN was aware that Councillor Davies was Cabinet member but also considered that it would not be appropriate to stand down at this time but if there were any conflict of interest, Councillor Davies would ask the Vice Chair to stand in for her.

Question 7 – Cabinet Member: Sustainable Development

Councillor C Townsend

The Cabinet member will be aware of the difficulties that HMO planning applications are having on neighbouring residents and businesses.

The Council's own SPG on HMOs makes reference to adverse impacts on community cohesion/amenity, parking and absentee landlords.

Given the difficulties that Newport City Council appears to be having with Planning Inspectors on HMO appeals, will the Cabinet member instigate a review of the SPG – which was last updated in 2017 – with a view to strengthening the local rights of residents and businesses?

Response

It is acknowledged that planning applications for HMOs can often be contentious. Indeed, poorly managed and high concentrations of HMOs can potentially lead to issues affecting local residents and often the tenants themselves. However, we must also remember that well managed HMOs can integrate well with the local community and will often provide housing opportunities for a variety of people, including young professionals. Therefore, care must be taken not to tarnish all HMOs with the same brush.

The Planning Inspectorate are following national policy and guidance. Most HMOs recently refused in Newport have been refused due to lack of car parking. The national direction of travel is very much towards sustainable transport; walking, cycling and public transport. The

private car is at the bottom of the transport hierarchy. Therefore, refusals based on lack of car parking need to be thoroughly robust and it must be demonstrated why the developments are not in accessible and sustainable locations. If they do not, Planning Inspectors are allowing appeals. The Chief Planning Inspector has recently held a feedback session with the Planning Committee on this very topic.

I am familiar with member concerns and the issues HMOs can cause. However, I believe new or updated Supplementary Planning Guidance (SPG) is not the solution. An SPG is guidance only. It provides additional guidance on the main policy or policies within the Local Development Plan (LDP). In relation to the current HMO SPG, Policy H8 of the LDP only permits HMOs if:

- The scale and intensity does not harm the character of the building and locality as well as cause an unacceptable reduction in the amenity of neighbouring occupiers or result in on street parking problems.
- The proposal does not create an over concentration of HMOs in one area.
- Adequate noise insulation is provided and adequate amenity for future occupiers.

Councillor Townsend will be aware that the Council has recently approved the review of the LDP. It would be much more effective for us to review policy H8 rather than produce more guidance. Any new HMO policy will need to be examined by an Inspector appointed by the Welsh Government and the evidence supporting any new policy will therefore need to be robust. We will engage with partners such as Gwent Police and review complaints made to other Council services to gather such evidence. Consultation with residents, Members and stakeholders is at the heart of the LDP review process and I would welcome Council Townsend's engagement in the review of the HMO policy.

11. **Democratic Services Committee Minutes: 29 April 2021**

The minutes of Democratic Services Committee 29 April and Governance and Audit Committee 27 were before the council for noting.

But there were recommendations from both Committees for Council to agree the necessary changes to the Constitution as a consequence of the amendments to the name, terms of reference and membership of the Governance & Audit Committee. The Mayor moved these recommendations from the chair and this was duly seconded

Agreed:

That the recommendations from the Democratic Services Committee and Governance and Audit Committee regarding the proposed changes to the name, terms of reference and membership of the Governance & Audit Committee be approved and adopted and that the necessary changes should be made to the Constitution to reflect these changes.

12. **Governance and Audit Committee Minutes: 27 May 2021**

As agreed in item 11 (above).



Report

Council

Part 1

Date: 20 July 2021

Subject **Appointments**

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

Author Governance Team Leader

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 Governance Team Leader

Timetable Immediate

This report was prepared after consultation with:

- Council Business Managers
- Head of Law and Regulation

Signed

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.

Governing Body Appointments

Governing Body	No of Vacancies / Re-appointments	Nominations Received
St Julians School	1	Deborah Davies
Pentrepoeth Primary School	1	David Williams
Jubilee Park Primary School	1	Elizabeth Thomas
Jubilee Park Primary School	1	Sally Mlewa
Tredegar Park Primary School	1	Trevor Watkins
Tredegar Park Primary School	1	Catherine Jones
Ysgol Bryn Derw	1	Paula Halsall
St Julians School	1	Farzina Hussain
Maes Ebbw School	1	Vicky Barry

Proposal

Council is asked to 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: 13 July 2021

Report

Council

Part 1

Date: 20 July 2021

Subject Report on Treasury Management covering the Financial Year 2020/21

Purpose This report is to inform the Council of treasury activities undertaken for the financial year ending 31 March 2021.

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'.

During the financial year the Council's net borrowing decreased by £25.4m from £153.8m at 31 March 2020 to £128.4m at 31 March 2021.

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

Proposal That Council:

1. Note and provide comment on the Annual Report on Treasury Management for the Financial Year 2020/21.
2. Note and provide comment that 2020/21 Prudential Indicators for Treasury Management were in line with those set by Council in February 2020.

Action by Head of Finance / Assistant Head of Finance

Timetable Immediate

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 both borrows and invests 'cash' and as such is 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 2020/21 Treasury Management Strategy was approved by the Council as part of the Capital Strategy in February 2020 and can be viewed via the following link

<https://democracy.newport.gov.uk/documents/s17728/06%20Council%20Report%20Capital%20Strategy%20and%20Treasury%20Strategy%202020.pdf?LLL=0>

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 2020/2021
 - confirms compliance with treasury limits set and Prudential code
6. This report has been presented at the Audit Committee meeting in May and Cabinet in July. In both meetings the report was noted with no additional comments or feedback to be added to this report, for Councils attention.

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 utilises '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 net cash resources rather than investing them – 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, especially with the current economic implications during Covid-19. 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.

At 31 March, the level of internal borrowing was about £107m, mainly in relation to the Council's level of cash backed reserves. At current rates, this saves about £2.4m in interest costs annually compared to physically borrowing this level of cash. As the Council spends its reserves over the medium to long term (PFI reserves, Capital reserves, Invest to Save reserves in particular), then the internal borrowing will have to be replaced with actual external borrowing and this interest cost will be unavoidably incurred.

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. As shown in Appendix B, as at 31 March 2021 the level of borrowing has decreased by £13.1m to £153.2m. This decrease is in relation to the short term / temporary borrowing the Council undertook at the end of March 20 to support the cash flow of providing grants to businesses in response to the Covid-19 pandemic. This was reimbursed by Welsh Government and subsequently the borrowing was repaid in June 2020, as planned. In March 21 the Authority undertook borrowing on a short term basis in order to cover normal day to day cash flow activities.
4. A minimal amount of new long-term borrowing was required to be taken out in the second half of the financial year totalling £94k. This borrowing was from Salix which was interest free and was linked to a specific energy efficiency project. Current estimates within our cash-flow indicates there is the potential that additional long-term borrowing will be required in the second half of next financial year to fund the capital programme, and whilst slippage on that is included in the cash-flow, what actually happens in the year in regard to delivery of projects will influence this significantly.

This however does not change the Council's 'need to borrow commitment' as these schemes are in the Council's plans – but does impact on when actual borrowing is taken out, towards that commitment level.

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.
6. Looking at the overall cash position of the Council we need to look at the net borrowing position which shows that overall there has been a decrease in net borrowing of £25.4m during the 2020/21 financial year to £128.4m, as shown by Appendix B. This is partly due to the level of investments increasing by £12.3m to £24.8, (including £19.8m held on very short-term periods).

INVESTMENTS ACTIVITY / POSITION

7. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor, consistent with the pursuit of an 'internal borrowing strategy' and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.
8. 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 2021 £15m was placed with various local authorities, at an average rate of 0.24%, and £9.8m with banks and building societies. The maximum maturity date of any of these investments held was 19 April 2020.

Included within the investment figure of £24.8m on the 31 March 2021, of which £19.8m is held on very short-term.

9. The Council does not hold any long-term (more than 364 days) treasury investments as at 31 March 2021.
10. Due to the pandemic the Authority kept more cash available at very short notice than is normal to cover any unexpected calls on cash flow. Currently there is not much demand for very short term investment within the market place, with very unattractive (minimal) interest rates being offered, and a potential for negative interest rates remaining a possibility into medium term. So it remains sensible to utilise excess cash balances to avoid further borrowing rather than investing those resources, given the minimal returns that investments are providing.
11. 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. So whilst it is anticipated that investment levels will reduce, there will always be a need to demonstrate an investment balance of at least £10million.

IMPACT OF COVID-19 PANDEMIC

12. Since the early days of the pandemic the Council has been monitoring the impact on cash flow closely. Throughout 2021 the Authority received a significant amount of Welsh Government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. £70.8m was received throughout the financial year and temporarily invested in short-dated, liquid instruments such as call accounts and invested with other Local Authorities. In addition to the business grants, the Council has seen an increase in Covid related expenditure, a reduction in income across services, and a decrease in the collection of Council Tax and Non-Domestic Rates (NDR) and the Council has also implemented the NDR Relief Scheme for retail, leisure and hospitality businesses who received 100% relief.
13. All of the above would have had a significant impact on cash flow, however aside from the beginning of the year when the additional short-term borrowing was required, WG have mitigated the impact by reimbursing increased expenditure through the 'hardship fund' and through 'loss of income' claims. WG have also repaid the business grants in a timely manner, and front-loaded a significant portion of the Revenue Support Grant payments to the Council into April 2020, as well as providing a grant to support the cash flow of the 100% rate reliefs. This has certainly assisted with cash flow throughout the 20/21 financial year and the Council was only required to take out short term borrowing in March 2021 to cover usual day to day treasury management activities. In additional slippage on the capital programme and net revenue underspend has also assisted with cash-flow and delayed the need to borrow long term within 2020/21 itself. As already said, this does not reduce the need to borrow commitment the Council has but does slow down the pace at which that borrowing is taken up towards that commitment level.
14. As part of the 2020/21 budget setting process a proposal was included to generate more interest receivable income. The council is required as part of regulatory framework to have to have at least £10m investment balance in order to retain its classification as 'professional clients'. The Council currently invests its funds over short-term, low-risk instruments such as other local authorities and central government and because of the low risk nature of these – income from these are also very low. As part the MTFP and the 2020/21 Treasury Management Strategy the Council would undertake larger, long-term investments in riskier financial instruments such as pooled funds, and other instruments. Essentially, investments in stock market and property funds in order to generate more income. Whilst the Council put in place the necessary processes in order to start using pooled funds such as CCLA, following the pandemic CCLA actually stopped all new investments for the first few months of the financial year. Due to the market volatility as a result of Covid-19 it was felt that it was not prudent to begin investing in more riskier financial funds, especially as the full impact of Covid-19

could not be quantified. However, this will be something that we will look to begin in 2021/22 if conditions allow and with advice from Treasury Advisers.

NON-TREASURY INVESTMENTS

15. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held such investments in:

- directly owned property such as office and commercial units of £10.8m
- loans to local businesses and landlords £4.7m
- shareholding in subsidiaries £0.3m

OTHER YEAR-END TREASURY MATTERS

Economic background and Counter Party Update

16. Appendix A outlines the underlying economic environment during the financial year, as provided by the Council's Treasury Management Advisors 'Arlingclose'.
17. As discussed previously in this report the Council does not have any long-term treasury 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

18. 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 2020/21, set in February 2020 as part of the Treasury Management Strategy. Details of treasury-related Prudential Indicators can be found in Appendix B.

PWLB new lending terms

19. Members will be aware that the PWLB increased interest rates on loans in the autumn of 2019 following concerns about the level of Local Government debt, in particular for commercial activities
20. A consultation was held this year, with the PWLB response published in November 2020. From 26th November the interest rates on PWLB loans was reduced from 1.8% to 0.8%, provided that authorities can confirm that they are not involved in "debt for yield" activity within the next two financial years. It will also restrict authorities from accessing the PWLB to buy commercial assets primarily for yield. To be able to access the lower rates Authorities will be required to submit detailed capital expenditure plans with confirmation from the Section 151 Officer on the purpose of the capital expenditure.
21. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

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 only option available is consider the report and provide comments to the Council.

Preferred Option and Why

Note the contents of the report in relation to Treasury activities and all Treasury Indicators met.

Provide any comments necessary to Council on the contents of the report.

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 issues arising from the report. All borrowing and investments undertaken during the year were in accordance with the Council's Treasury Management Strategy and within agreed limits.

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 also 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, which is currently also supplemented through a reduced investment strategy. This annual report align with the well-being goal of a Prosperous Wales.

Comments of Cabinet Member

N/A.

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 council's 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

Report to Council February 2020: Capital Strategy and Treasury Strategy.
Report to Council - Mid Year Treasury Management Monitoring Report

Dated: 7th May 2021

APPENDIX A - Arlingclose - Treasury Advisors Perspective

External Context

Economic background: The coronavirus pandemic dominated 2020/21, leading to almost the entire planet being in some form of lockdown during the year. The start of the financial year saw many central banks cutting interest rates as lockdowns caused economic activity to grind to a halt. The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime. Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March.

A Brexit trade deal was agreed with only days to spare before the 11pm 31st December 2020 deadline having been agreed with the European Union on Christmas Eve.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the year but extended its Quantitative Easing programme by £150 billion to £895 billion at its November 2020 meeting. In its March 2021 interest rate announcement, the BoE noted that while GDP would remain low in the near-term due to COVID-19 lockdown restrictions, the easing of these measures means growth is expected to recover strongly later in the year. Inflation is forecast to increase in the near-term and while the economic outlook has improved there are downside risks to the forecast, including from unemployment which is still predicted to rise when the furlough scheme is eventually withdrawn.

Government initiatives supported the economy and the Chancellor announced in the 2021 Budget a further extension to the furlough (Coronavirus Job Retention) scheme until September 2021. Access to support grants was also widened, enabling more self-employed people to be eligible for government help. Since March 2020, the government schemes have helped protect more than 11 million jobs.

Despite the furlough scheme, unemployment still rose. Labour market data showed that in the three months to January 2021 the unemployment rate was 5.0%, in contrast to 3.9% recorded for the same period 12 months ago. Wages rose 4.8% for total pay in nominal terms (4.2% for regular pay) and was up 3.9% in real terms (3.4% for regular pay). Unemployment is still expected to increase once the various government job support schemes come to an end.

Inflation has remained low over the 12 month period. Latest figures showed the annual headline rate of UK Consumer Price Inflation (CPI) fell to 0.4% year/year in February, below expectations (0.8%) and still well below the Bank of England's 2% target. The ONS' preferred measure of CPIH which includes owner-occupied housing was 0.7% year/year (1.0% expected).

After contracting sharply in Q2 (Apr-Jun) 2020 by 19.8% q/q, growth in Q3 and Q4 bounced back by 15.5% and 1.3% respectively. The easing of some lockdown measures in the last quarter of the calendar year enabled construction output to continue, albeit at a much slower pace than the 41.7% rise in the prior quarter. When released, figures for Q1 (Jan-Mar) 2021 are expected to show a decline given the national lockdown.

After collapsing at an annualised rate of 31.4% in Q2, the US economy rebounded by 33.4% in Q3 and then a further 4.1% in Q4. The US recovery has been fuelled by three major pandemic relief stimulus packages totalling over \$5 trillion. The Federal Reserve cut its main interest rate to between 0% and 0.25% in March 2020 in response to the pandemic and it has remained at the same level since. Joe Biden became the 46th US president after defeating Donald Trump.

The European Central Bank maintained its base rate at 0% and deposit rate at -0.5% but in December 2020 increased the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.

Financial markets: Monetary and fiscal stimulus helped provide support for equity markets which rose over the period, with the Dow Jones beating its pre-crisis peak on the back of outperformance by a small number of

technology stocks. The FTSE indices performed reasonably well during the period April to November, before being buoyed in December by both the vaccine approval and Brexit deal, which helped give a boost to both the more internationally focused FTSE 100 and the more UK-focused FTSE 250, however they remain lower than their pre-pandemic levels.

Ultra-low interest rates prevailed throughout most of the period, with yields generally falling between April and December 2020. From early in 2021 the improved economic outlook due to the new various stimulus packages (particularly in the US), together with the approval and successful rollout of vaccines, caused government bonds to sell off sharply on the back of expected higher inflation and increased uncertainty, pushing yields higher more quickly than had been anticipated.

The 5-year UK benchmark gilt yield began the financial year at 0.18% before declining to -0.03% at the end of 2020 and then rising strongly to 0.39% by the end of the financial year. Over the same period the 10-year gilt yield fell from 0.31% to 0.19% before rising to 0.84%. The 20-year declined slightly from 0.70% to 0.68% before increasing to 1.36%.

1-month, 3-month and 12-month SONIA bid rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

The yield on 2-year US treasuries was 0.16% at the end of the period, up from 0.12% at the beginning of January but down from 0.21% at the start of the financial year. For 10-year treasuries the end of period yield was 1.75%, up from both the beginning of 2021 (0.91%) and the start of the financial year (0.58%).

German bund yields continue to remain negative across most maturities.

Credit review: After spiking in March 2020, credit default swap spreads declined over the remaining period of the year to broadly pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities remained, albeit Santander UK is still an outlier compared to the other ringfenced/retail banks. At the end of the period Santander UK was trading the highest at 57bps and Standard Chartered the lowest at 32bps. The other ringfenced banks were trading around 33 and 34bps while Nationwide Building Society was 43bps.

Credit rating actions to the period ending September 2020 have been covered in previous outturn reports. Subsequent credit developments include Moody's downgrading the UK sovereign rating to Aa3 with a stable outlook which then impacted a number of other UK institutions, banks and local government. In the last quarter of the financial year S&P upgraded Clydesdale Bank to A- and revised Barclay's outlook to stable (from negative) while Moody's downgraded HSBC's Baseline Credit Assessment to baa3 whilst affirming the long-term rating at A1.

The vaccine approval and subsequent rollout programme are both credit positive for the financial services sector in general, but there remains much uncertainty around the extent of the losses banks and building societies will suffer due to the economic slowdown which has resulted due to pandemic-related lockdowns and restrictions. The institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review, but at the end of the period no changes had been made to the names on the list or the recommended maximum duration of 35 days.

Appendix B - 2020-21 Treasury Activities

Local Context

On 31st March 2020, the Authority had net borrowing of £128.4m 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

	31.3.21 Actual £m
General Fund CFR	281
Less: *Other debt liabilities	41
Borrowing CFR	240
Less: Usable reserves	(107)
Less: Working capital inc. non-treasury investments	4
Net borrowing	129

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

Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. 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 31st March 2021 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.20 Balance £m	Movement £m	31.3.21 Balance £m	31.3.21 Rate %
Long-term borrowing	150.6	(3.0)	147.6	3.6
Short-term borrowing	-	5.6	5.6	0.1
Cash and cash equivalents	15.7	(15.7)	-	-
Total borrowing	166.3	(13.1)	153.2	3.7
Long-term investments	0	-	-	-
Short-term investments	0	(5.0)	(5.0)	0.0
Cash and cash equivalents	(12.5)	(7.3)	(19.8)	0.2
Total investments	(12.5)	(12.3)	(24.8)	0.2
Net borrowing	153.8	(25.4)	128.4	3.9

The table above shows the overall cash position and shows significant movement in both the borrowing and investment levels of the Council, however overall the NET borrowing position for the Council has decreased by £25.4m.

Borrowing Update

In November 2020 the PWLB published its response to the consultation on 'Future Lending Terms'. From 26th November the margin on PWLB loans above gilt yields was reduced from 1.8% to 0.8% providing that the borrowing

authority can confirm that it is not planning to purchase ‘investment assets primarily for yield’ in the current or next two financial years. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing. As part of the borrowing process authorities will now be required to submit more detailed capital expenditure plans with confirmation of the purpose of capital expenditure from the Section 151 Officer. The PWLB can now also restrict local authorities from borrowing in unusual or large amounts.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management. Misuse of PWLB borrowing could result in the PWLB requesting that Authority unwinds problematic transactions, suspending access to the PWLB and repayment of loans with penalties.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to take advantage of the reduction in the PWLB borrowing rate.

Borrowing Strategy during the year

At 31st March 2021 the Authority held £153.2m of loans, a decrease of £13.1m from 31st March 2020, as part of its strategy for funding previous and current years’ capital programmes. Outstanding loans on 31st March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.20	Net Movement	31.3.21	31.3.21	31.3.21
	Balance	£m	Balance	Weighted Average	Weighted Average
	£m		£m	Rate	Maturity
				%	(years)
Public Works Loan Board	105.7	(3.7)	102.0	3.8	19.0
Banks (LOBO)	30.0	-	30.0	4.4	33.2
Banks (fixed-term)	5.0	-	5.0	3.8	56.9
Local authorities (long-term)	-	-	-	-	-
Local authorities (short-term)	15.0	(10.0)	5.0	0.1	-
Other inc. WG loans	9.9	0.7	10.6	-	0.5
Accrued interest	0.7	(0.1)	0.6		
Total borrowing	166.3	(13.1)	153.2	3.6	22.3

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 keeping with these objectives, no new borrowing was undertaken. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

With short-term interest rates remaining much lower than long-term rates and temporary investments earning Bank Rate or lower, the Authority considered it to be more cost effective in the near term to use internal resources or borrowed rolling temporary / short-term loans instead, as per our Treasury Management Strategy. The net movement in temporary / short-term loans is shown in table 3 above.

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

After £0.8m repayment of prior years’ Private Finance Initiative and finance leases liabilities, total debt other than borrowing stood at £41.5m on 31st March 2021, taking total debt to £194.7m.

Treasury Investment Activity

Throughout 2021 the Authority received a significant amount of Welsh Government funding to support small and medium businesses during the coronavirus pandemic through grant schemes. £70.8m was received, temporarily invested in short-dated, liquid instruments such as call accounts and invested with other Local Authorities. £70.3m was disbursed by the end of March.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority’s investment balances ranged between £24.78m and £65.8m million due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.20		31.03.21	31.03.21	31.03.21
	Balance	Movement	Balance	Income Return	Weighted average maturity
	£m	£m	£m	%	Years
Banks & building societies (unsecured)	-	9.8	9.8	0.1	-
Government (incl. local authorities)	12.5	2.5	15.0	0.3	-
Total investments	12.5	12.3	24.8	0.4	-

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.

Continued downward pressure on short-dated cash rate brought net returns on sterling low volatility net asset value money market funds (LVNAV MMFs) close to zero even after some managers have temporarily lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should maintain positive net yields, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) have continued to fall and are now largely around zero.

The net return on Money Market Funds net of fees, which had fallen after Bank Rate was cut to 0.1% in March, are now at or very close to zero; fund management companies have temporarily lowered or waived fees to avoid negative net returns.

In the Treasury Management Strategy it was agreed that the Authority will move into higher risk/higher yield investments such as pooled funds. However, this has been delayed while the Authority reviewed its risk appetite.

While an increased income target had been included in the 2020/21 budget, due to the current economic uncertainty surrounding Covid-19, the Authority has invested into secure institutions such as local authorities and Central Government.

In November 2019 the Welsh Government published new Statutory Guidance on Local Government Investments to be effective from the 2020/21 financial year. This involves a complete re-write along the lines of the guidance issued last year by the Ministry of Housing, Communities and Local Government (MHCLG) for local authorities in England.

The definition of investments is widened to include “all of the financial and non-financial assets a local authority has invested money into primarily or partially for the purpose of generating a surplus including investment property” providing it has been made using the power to invest contained in the Local Government Act 2003. In addition, loans to wholly-owned companies or associates, to a joint venture, or to a third party count as investments, irrespective of the purpose or legal power used.

Non-Treasury Investments

The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government’s (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held such investments in:

- directly owned property such as office and commercial units of £10.8m
- loans to local businesses and landlords £4.7m
- shareholding in subsidiaries £0.3m

These investments generated £1m of investment income for the Authority after taking account of direct costs.

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 7 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt Limits

	H1 Maximum	31.03.21 Actual	2020/20 Operational Boundary	2020/21 Authorised Limit	Complied? Yes/No
Borrowing	192.8	153.2	230	240	✓
PFI and Finance Leases	42	41.5	43	43	✓
Total debt	234.8	194.7	273	283	✓

Table 8: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£10m per group

Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£2m per country
Registered providers and registered social landlords	£5m in total
Unsecured investments with building societies	£5m in total
Money market funds	£10m in total
Real estate investment trusts	£10m in total

Above table only shows limits where the Council have invested money in during the year, excluding the UK Central Government.

Treasury Management Indicators

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

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	31.3.21 Actual	2020/21 Limit	Complied?
Upper limit on fixed interest rate exposure	100%	100%	✓
Upper limit on variable interest rate exposure	0	50%	✓

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:

	31.03.21 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	5%	60%	0%	✓
12 months and within 24 months	3%	40%	0%	✓
24 months and within 5 years	18%	40%	0%	✓
5 years and within 10 years	7%	40%	0%	✓
10 years and within 20 years	18%	30%	0%	✓
20 years and within 30 years	15%	20%	0%	✓
30 years and within 40 years	20%	20%	0%	✓
40 years and within 50 years	8%	20%	0%	✓
50 years and above	7%	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 a year: 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:

	2019/20	2020/21	2021/22
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	10	10	10
Complied?	✓	✓	✓

Other

CIPFA consultations: In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These follow the Public Accounts Committee’s recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. These are principles-based consultations and will be followed by more specific proposals later in the year.

In the Prudential Code the key area being addressed is the statement that “local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed”. Other proposed changes include the sustainability of capital expenditure in accordance with an authority’s corporate objectives, i.e. recognising climate, diversity and innovation, commercial investment being proportionate to budgets, expanding the capital strategy section on commercial activities, replacing the “gross debt and the CFR” with the liability benchmark as a graphical prudential indicator.

Proposed changes to the Treasury Management Code include requiring job specifications and “knowledge and skills” schedules for treasury management roles to be included in the Treasury Management Practices (TMP) document and formally reviewed, a specific treasury management committee for MiFID II professional clients and a new TMP 13 on Environmental, Social and Governance Risk Management.

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard has been delayed for a further year until 2022/23.



Report

Council

Part 1

Date: 20 July 2021

Subject Formation of a Regional PSB

Purpose To update Council on the formation of a regional 'Gwent' PSB, and the next round of the Assessment of Local Well-being and Local Well-being Plans and to seek Council approval of the necessary governance and constitutional changes to implement these proposed arrangements.

Author Partnership Policy and Involvement Manager
Head of Law and Regulation

Ward All

Summary The Well-Being of Future Generations Act 2015 enables two or more Public Services Boards (PSBs) to be able to merge if it would assist them in contributing to the achievement of the well-being goals.

The appended report is being presented in each of the five local authority areas in the Gwent region. It details the arrangements for the formation of a Gwent PSB from September this year and confirms the decision of the board members across the five existing Public Services Boards to dissolve and merge as a single Gwent PSB.

The future arrangements will include Local Delivery Partnerships in each area comprising each of the statutory and invited members, plus other local partners. The report sets out further detail on this and the continued delivery of the current OneNewport Well-being Plan 2018-2023. The Council's constitution will also be amended to reflect these changes.

Proposal That Council notes and approves:

- (1) the merger of the Public Services Boards and the establishment of a regional Gwent PSB;
- (2) the proposed governance arrangements and terms of reference for the Gwent PSB as set out in Appendix 3 of the common report;
- (3) the development of a single regional Well-Being Plan, in accordance with the proposals set out in the common report;
- (4) the establishment of a regional Joint Scrutiny Committee to review and scrutinise the work of the Gwent PSB;
- (5) authorisation for the Proper Officer to make the necessary consequential amendments to the Council's Constitution to reflect these changes in governance arrangements and terms of reference.

Action by Chief Executive, Head of Law and Regulation

Timetable Immediate

This report was prepared after consultation with:

Chief Executive
Leader of the Council
Partner local authorities in Gwent

Signed

Background

The Well-Being of Future Generations Act 2015 enables two or more Public Services Boards (PSBs) to be able to merge if it would assist them in contributing to the achievement of the well-being goals.

There have been discussions at the Gwent wide leadership group 'G10' and at each PSB about the merger of the Gwent PSBs to form a single regional PSB. The decision to do this must be agreed by each of the individual PSBs as the statutory bodies. Each PSB in the Gwent region has agreed this in principle and to establish a Regional PSB in September 2021.

The PSBs and G10 have also considered the importance of maintaining the existing strong local partnerships in each area to support delivery of the Well-being Plan and also other partnership work.

The existing individual Well-being Plans across Gwent will continue to be delivered through local partnerships and will be overseen by the current local scrutiny arrangements until spring 2023.

The driver for the change to a regional approach and plan considered by the G10 leadership were:

- improving the well-being of people across Gwent by strengthening governance, accountability, improving collaborative working and supporting a clearer partnership landscape.
- providing the catalyst for a regional well-being assessment and well-being plan that maintains local accountability.
- opportunities to align partnership legislation.
- opportunity to develop effective regional scrutiny arrangements.
- opportunity of aligning the focus of both the Regional Partnership Board (RPB) and PSB that will reduce duplication of activity, align strategic priorities and much closer collaboration over assessment and planning processes.
- The approach supports the Welsh Government review on 'strategic partnerships' and the recent Audit Wales Review of Public Services Boards.

Discussions with Partnership Scrutiny are ongoing and will continue, to ensure the development of effective local Scrutiny for Newport partnership arrangements. This will include a range of work including community safety and the ongoing monitoring of the current Well-being Plan.

The five PSB partnership leads have written a report on behalf of the five Gwent area PSBs to present through their organisational governance structures prior to the commencement of the new arrangements in September 2021 and this is attached to the report.

The future arrangements will include Local Delivery Partnerships in each area comprising each of the statutory and invited members, plus other local partners. The report sets out further detail on this and the continued delivery of the current OneNewport Well-Being Plan 2018-2023. The Council's constitution will also be amended to reflect these changes.

Changes for Newport City Council

This change will mean that the current OneNewport PSB is reformed as the OneNewport local delivery partnership. This important partnership body will continue to develop in its new role. Newport will be a member of the regional PSB and work with partners across the regional to develop and deliver a regional Well-being Assessment (May 2022) and Well-being Plan (May 2023).

The report outlines a series of recommendations:

1. To note the proposal to move to a regional PSB as outlined in the report and the importance of maintaining strong local partnerships.
2. To note the requirement to establish regional Scrutiny and to receive further details on this as appropriate.

3. The local assessment of well-being to be agreed by 5th May 2022 will be added to the Council work programme for sign off
4. To note the proposed changes to terms of reference, and to make any relevant changes to committee structures and constitution.
5. To support the development of Local Delivery Partnerships and ensure that these are considered in local Scrutiny work programmes.
6. To note the developing arrangements to establish Regional Scrutiny.
7. To continue to support Scrutiny of the current Well-Being Plans to 2023 through existing local partnership Scrutiny arrangements.

The report sets out further detail on this and the continued delivery of the current OneNewport Well-being Plan 2018-2023. The Council's governance and constitution will also be amended to reflect these changes.

Financial Summary

Individual Public Service Boards are not core funded bodies, project activity is either core funded or via Welsh Government grant therefore as such there is no direct financial implication of developing a regional PSB.

Risks

Individual Public Service Boards are not core funded bodies, project activity is either core funded or via Welsh Government grant therefore there are no financial risks to developing a regional PSB.

Once the regional body is in place there will be no local Public Service Board. Reporting will go to the regional board; however, local scrutiny arrangements continue to remain in place.

The ongoing objectives in each of the well-being plans will continue to be delivered through the local partnership teams, therefore the risk to the current well-being plan and projects associated with that plan continue to be managed by the local boards.

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?
The current Well-Being Plan commitments are not delivered.	M	L	Ensuring that the OneNewport local partnership is developed, and continues to deliver on the commitments in the Plan.	Chief Executive
The interests of Newport are not fully considered in the regional planning process.	H	L	Senior membership of the Gwent PSB at officer and member level. Ensuring that Newport's needs are fully outlined in the Well-Being Assessment.	Chief Executive/ Policy Partnership and Involvement Manager

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Newport City Council Corporate Plan 2017-2022 – the Corporate Plan contains the Council's Well-being Statement and well-being objectives, which contribute to the achievement of the national well-being goals.

The Council is a statutory member of the PSB and is therefore collectively responsible for publishing a Local Well-Being Plan. The well-being objectives in both the Well-Being Plan and the Corporate Plan are aligned to take account of the well-being goals and the sustainable development principle.

Options Available and considered

1. To approve the establishment of a Gwent PSB, a single Well-Being Plan and a regional Joint Scrutiny Committee and agree the necessary governance and constitutional changes to implement these proposed arrangements.
2. Not to approve the proposed regional PSB and Scrutiny arrangements

Preferred Option and Why

To approve the establishment of a Gwent PSB, a single Well-Being Plan and a regional Joint Scrutiny Committee and agree the necessary governance and constitutional changes to implement these proposed arrangements, in order to deliver the benefits of collaborative working and improved well-being outcomes at a regional levels, as set out above and in the annexed common report.

Comments of Chief Financial Officer

There will be no adverse budgetary impact in developing a regional Public Services Board, all associated activities will be funded through existing budgets or Welsh Government grant.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's statutory powers under the Well-Being of Future Generations (Wales) (Act) 2015 and the Local Government (Wales) Measure 2011. In accordance with section 47 of the 2015 Act, two or more PSBs have the power to merge if it would assist them in contributing to the achievement of their well-being goals. The benefits of collaborative working at a regional level are set out in this report and the annexed common report. Therefore, the Council can approve the proposed merger of the One Newport PSB with the other 4 regional PSB's to form a single Gwent PSB, based on the G10 membership. The terms of reference will be a matter for the Gwent PSB to approve at their first meeting, but Council will need to agree to participate on the basis of the proposed governance arrangements, as there is provision for non-statutory members of the G10 group to have full participation and voting rights. The move to a regional PSB will also require the development of a single, statutory Well-Being Plan for Gwent. As the current Newport Well-Being Plan is a policy framework document, then these proposals will need to be approved by full Council, together with the necessary authorisation to make the consequential amendments to the Constitution to reflect these changes in governance and terms of reference. The PSB is not a decision-making body, as such, and therefore there is no requirement to change the scheme of delegation. However, the proposal to establish a Joint Scrutiny Committee to review and scrutinise the work of the Gwent PSB will require changes to the terms of reference of Partnerships Scrutiny Committee. The Council has the legal power to establish joint scrutiny committees with the other local authorities in accordance with the 2011 Measure. However, the Partnerships Scrutiny Committee will continue to be the designated crime and disorder committee under the Police and Justice Act 2006 and will continue to have a role in scrutinising the work of the Local Delivery Partnership.

Comments of Head of People and Business Change

As the author of the report, the comments of the Head of People and Business Change are contained throughout.

One Newport PSB has a Well-Being Plan, which will continue to be delivered until 2023. This will be through a Local Delivery Partnership. The work of One Newport PSB is currently co-ordinated by the Policy, Performance and Involvement Team. From September, the team will co-ordinate the work of the Local Delivery Partnership. Co-ordination of the Regional PSB will rotate between the five local authorities in the Gwent area on a two-year cycle.

Work is currently underway on the development of a regional Well-being Assessment for the Gwent area. This will involve a significant engagement exercise to hear the views of local people. The engagement approach will be consistent across the five areas but will be co-ordinated in Newport by the Council. There will be second engagement exercise as part of the development of the new regional Well-being Plan.

The report outlines how the proposal takes account of the Well-being of Future Generations Act.

Scrutiny Committees

Discussions have been held with members of the Partnership Scrutiny Committee and members of the Committee will continue to be engaged in the development of Scrutiny arrangements.

Wellbeing of Future Generation (Wales) Act

Each PSB must prepare and publish a local well-being plan setting out its local objectives and the steps it proposes to meet them. Newport's existing Well-being Plan sets out a number of objectives, priorities and interventions that show how the PSB intends to improve the economic, social, environmental and cultural well-being of the local area. Under the new arrangements, Newport's Well-being Plan will run until March 2023 and then be superseded in May 2023 by a regional Well-being Plan published by the regional PSB.

The new regional Plan, once published, will demonstrate how the regional PSB, and the Council as a member of the PSB, will apply the sustainable development principle by looking to the long term, finding enabling solutions and interventions to prevent problems, take an integrated approach, collaborate with others and involve local people and communities.

Part of the rationale for moving towards a regional PSB is to facilitate increased collaboration and integration of activity with other boards like the Regional Partnership Board, which operate on a regional footprint. The establishment of Local Delivery Partnerships will add weight to ensuring the voices of local people are heard and that they are involved in PSB activity and decisions that affect them.

Currently partners across the five PSBs in the region are working together on the development of a "Gwent" Well-being Assessment. A consultation exercise will involve local stakeholders in the process.

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.

The role of the Partnerships Scrutiny Committee includes (Police and Justice Act 2006) oversight of community safety issues and this will be an important part of the development of the role of the Committee.

Consultation

Consultation has taken place with:
OneNewport Public Services Board existing membership
PSB Scrutiny
All 5 Gwent PSB's and their existing partners
G10 Executive Group
Welsh Government
Well Being of Future Generations Commissioners Office

Background Papers

Report attached with appendices and background papers

[Newport Local Well-being Plan](#)

[OneNewport partnership](#) work

Cabinet and Council Reports April/ May 2018: Well-being of Future Generations (Wales) Act – Newport's Well-being Plan 2018-23

Dated: 13 July 2021



SUBJECT: Progress report - Regional PSB

Report written and submitted by: GSWAG Governance Group for G10

1	Areas Affected
1.1	Gwent
2	Purpose of Report
2.1	<p>To update members on the development of a regional 'Gwent' PSB, and the next round of the Assessment of Local Well-being and Local Well-being Plans and to note any relevant governance changes required for the local authority and its committees.</p> <p>The report is being received by partnership Scrutiny Committees across Gwent for awareness and Cabinet/ Council for note and decision making as appropriate.</p>
3	Background
3.1	<p>The Well-being of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. The Act sets out a collective well-being duty on specified public bodies to act jointly via public services boards (PSBs) to improve the economic, social, environmental and cultural well-being of their area by contributing to the achievement of the well-being goals.</p> <p>As part of this collective well-being duty, the PSB must:</p> <ul style="list-style-type: none"> • Prepare and publish an assessment of the state of economic, social, environmental and cultural well-being in each community, and in the area as a whole, to be published no later than a year before its local well-being plan. • Prepare and publish a local well-being plan setting out its local objectives and the steps it proposes to take to meet them, published no later than 12 months after each local election.

	<p>The first local well-being assessments were published in May 2017. The first local well-being plans were published in May 2018 for Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen. The next round of the well-being assessment and well-being plan are due to be published in May 2022 and May 2023 respectively.</p> <p>Appendix 4a - Existing PSB partnership structure.</p>
3.2	<p>The Act also provides for two or more PSBs to be able to merge if it would assist them in contributing to the achievement of the well-being goals. There have been discussions at the Gwent wide leadership group 'G10' and at each PSB about the merger of the Gwent PSBs to form a single regional PSB. The decision to do this must be agreed by each of the individual PSBs as the statutory bodies.</p> <p>Each PSB in the Gwent region has agreed this in principle. The PSBs and G10 have also considered the importance of maintaining strong local partnerships in each area to support delivery of the Well-Being Plan and also other partnership work.</p> <p>Appendix 4b – Future Regional partnership structure.</p>
3.3	<p>The drivers for the change to a regional approach considered by the G10 leadership were:</p> <ul style="list-style-type: none"> • improving the well-being of people across Gwent by strengthening governance, accountability, improving collaborative working and supporting a clearer partnership landscape. • providing the catalyst for a regional well-being assessment and a future well-being plan that maintains local accountability and a continuation of local partnership working. • opportunities to align partnership legislation and PSB statutory duties for a more strategic overview of areas such the Crime and Disorder Act, Violence Against Women Domestic Abuse and Sexual Violence (VAWDASV) and the Childrens Act. • opportunity to develop effective regional scrutiny arrangements. • opportunity of aligning the focus of both the Regional Partnership Board (RPB) and PSB that will reduce duplication of activity, align strategic priorities and much closer collaboration over assessment, and planning processes. • The approach supports the Welsh Government review on 'strategic partnerships' and specifically recommendation 3 of the recent Audit Wales Review of Public Services Boards¹. <p>There is already a range of effective partnership work that takes place through the G10 leaders group and subgroup GSWAG (Gwent Strategic Well-being Action Group) which has also attracted funding through Welsh Government and</p>

¹ Recommendation 3 of the WAO Review of Public Services Boards includes '.....that Welsh Gov enables flexible models for merging, reducing and integrating their work with other forums such as Regional Partnership Boards; and – giving PSBs flexibility to receive, manage and spend grant monies

	delivery of work such as 'climate ready Gwent' however there is not one strategic direction for this work that a regional assessment and plan would provide.
3.4	The current Well-Being Plans (2018-2023) form the delivery arrangements for the next two years and these will continue to be delivered by the local partnerships (One Newport; The Blaenau Gwent We Want; The Caerphilly We Want; Our Monmouthshire; Torfaen Public Services Board) supported by the regional PSB, and scrutinised by partnership Scrutiny Committees in each of the local areas. This means no change to the current well being plans being delivered across Gwent.
3.5	A timeline for this activity can be found at Appendix 1 to this report.
4	Progress
4.1	Each of the five PSBs Blaenau Gwent, Caerphilly, Monmouth, Newport, Torfaen have discussed the proposal and agreed to disband the local PSB and form a regional PSB from September 2021. Reporting will be via the Regional PSB and to local scrutiny as appropriate.
4.2	<p>PSB officer groups across Gwent have been reviewing and developing:</p> <ul style="list-style-type: none"> • Terms of reference • Progress towards a Gwent well-being assessment and plan, including engagement • Local Delivery Partnership arrangements • Membership of the Gwent PSB • Regional scrutiny arrangements • Performance • Links to other regional boards • Openness, transparency and identity of the Gwent PSB <p>The terms of reference and membership of the Local Delivery Partnerships (our current arrangements) have not yet been drafted but will also need to be agreed at the first meeting of the Gwent PSB to ensure continuity of delivery of the 5 existing well-being plans which run until 2023. Local Delivery Partnerships will need to include senior officers, with the ability to take decisions and direct resources, from all the Gwent PSB member bodies, and any local partners who are currently represented on the 5 PSBs.</p> <p>The Local Delivery Partnership arrangements may differ in membership and scope but as a minimum will need to provide for the delivery of local priorities set out in the Gwent well-being plan and any local contribution to regional priorities.</p>
4.3	The current thinking is for the new Gwent Well-being Plan 2023-2028, there are likely to be a set of overarching well-being objectives which will be met by both regional and local activity. There are likely to be local actions which will be particular to a locality and determined by more local data and assessment. The Local Delivery Partnerships will be tasked with contributing to the regional actions as well as delivering any specific local activity.

	To meet statutory deadlines for the next iteration of the well-being assessment and well-being plan the engagement work has commenced and there are regional subgroups in place to develop this work and support delivery of the Gwent Well-Being Assessment.
4.4	The Gwent PSB inaugural meeting is proposed for September 2021 and the members will set their terms of reference and membership at that meeting.
4.5	All statutory and invited G10 member organisations (Aneurin Bevan Health Board, Blaenau Gwent CBC, Caerphilly CC, Gwent Police, Monmouthshire CC, Natural Resources Wales, Newport CC, Office of the PCC, South Wales Fire and Rescue Service, Torfaen CBC) are taking reports as appropriate within their own governance and this report forms part of the decision making for this local authority.
4.6	The development of regional scrutiny arrangements for the Gwent PSB and its assessment and planning will continue over the coming months and will need to be collaborative in the approach to membership and interaction with the local Scrutiny Committees, particularly during the interim period ahead of the new Well-Being Plan.
	<p>Recommendation 1: To note the proposal to move to a regional PSB as outlined in the report and the importance of maintaining strong local partnerships.</p> <p>Recommendation 2: To note the requirement to establish regional Scrutiny and to receive further details on this as appropriate.</p>
5	Timeline
5.1	The initial meeting of the Gwent PSB is proposed as September 2021. Each organisation is responsible for reports to members and any necessary governance changes.
5.2	The regional well-being assessment will need to be completed and signed off by the statutory members individually, and by the PSB collectively, by the 5 th May 2022. The development of the well-being assessment also requires the input of the Future Generations Commissioner and Welsh Government. All groups are working to the assessment timeline attached at Appendix 2.
	Recommendation 3: The local assessment of well-being to be agreed by 5th May 2022 will be added to the work programme for sign off.
6	Terms of Reference
6.1	The draft Terms of Reference at Appendix 3 have been developed based on the 5 existing terms of reference, Schedule 3 to the Act, the reported discussions at the meetings to dissolve the existing PSBs and the discussions at G10.

6.2	The terms of reference must be agreed at the first meeting of the Gwent PSB (Schedule 4 Article 4). However, further development is needed to support the proposed <i>Local Delivery Partnerships</i> . This is an important concern raised by each local authority area.
6.3	The terms of reference can be agreed by the four statutory partners acting together, however given the 'collaboration' element of the sustainable development principle they will be agreed by the full set of members of the new board at its first meeting. It has been agreed in principle that all members of the regional PSB whether statutory or invited will have equal voting rights.
6.4	<p>The terms of reference and membership of the Local Delivery Partnerships have not yet been drafted but will also need to be agreed at the first meeting of the Gwent PSB to ensure continuity of delivery of the 5 existing well-being plans which run until 2023. Local Delivery Partnerships will need to include senior officers, with the ability to take decisions and direct resources, from all the Gwent PSB member bodies, and any local partners who are currently represented on the 5 PSBs but will not be at the Gwent PSB e.g., individual Registered Social Landlords, tertiary colleges, community councils, youth forums etc.</p> <p>The Local Delivery Partnership arrangements may differ in membership and scope but as a minimum will need to provide for the delivery of local priorities set out in the Gwent well-being plan and any local contribution to regional priorities.</p>
6.5	The current thinking is for the new Gwent Well-being Plan 2023-2028, there are likely to be a set of overarching well-being objectives which will be met by regional and local activity. There are likely also to be local actions which will be particular to a locality and determined by more local data and assessment. The Local Delivery Partnerships will be tasked with contributing to the regional actions as well as delivering any specific local activity.
6.6	<p>Administering PSBs is a responsibility that falls to the local authority members. To ensure that this is shared equally there is in principle agreement that this rotates around the five local authority members but on a two-year rotation to provide some continuity. The draft terms of references suggest that the Chair holds the role for a period of two years. Where a local authority holds the position of chair the administration role should move with that chair.</p> <p>Although other organisations may Chair a PSB, a local authority must chair the first meeting of the PSB and every mandatory meeting (after a local government election) thereafter.</p>
	<p>Recommendation 4: To note the proposed changes to terms of reference, and to make any relevant changes to committee structures and constitution.</p> <p>Recommendation 5: To support the development of Local Delivery Partnerships and ensure that these are considered in local Scrutiny work programmes.</p>

7	Regional Scrutiny
7.1	Officers are working with the Scrutiny Managers in each of the five local authorities to work through how the proposed Regional Scrutiny will function in terms of its membership, terms of reference, continued scrutiny of the 5 existing well-being plans until 2023, community safety scrutiny (Police and Justice Act 2006), scrutiny of local delivery under the new Gwent Well-being Plan 2023-2028, host authority etc.
7.2	Ongoing Scrutiny of the current Well-Being Plans continues within the local partnership Scrutiny arrangements.
7.3	The work to develop regional scrutiny is ongoing and will need to be taken through Council decision making processes so that the new regional scrutiny can be formed to begin its role of scrutinising the Gwent PSB.
7.4	The first formal activity the regional scrutiny will be involved in will be as a consultee to the new regional well-being assessment (Section 38 of the Act). Given the timeline at Appendix 1 this is likely to be in February 2022. Thereafter, the proposed Regional Scrutiny will take oversight of the Gwent Well-being Plan from 2023.
7.5	The discussions with Scrutiny Managers are considering: <ul style="list-style-type: none"> • Formation of the regional scrutiny • The continued scrutiny of the current well-being plan • Ongoing scrutiny of local level PSB activity once the new PSB is formed
7.6	To strengthen the relationship with the Regional Scrutiny Committee the Chair and Vice-chair should be aware of the Boards work and should be sent all agendas, minutes, and papers. It is proposed that the Chair of the Regional Scrutiny would also be invited to all regional PSB meetings.
	<p>Recommendation 6: To note the developing arrangements to establish Regional Scrutiny.</p> <p>Recommendation 7: To continue to support Scrutiny of the current Well-Being Plans to 2023 through existing local partnership Scrutiny arrangements.</p>
8	Links to other regional boards
8.1	<p>There are a multitude of partnership boards across the Gwent region that have been established in line with policy, programme or legislative drivers.</p> <p>This is outlined in a diagram at Appendix 4c which shows the Gwent PSB & RPB partnership landscape with statutory duties</p> <p>Connectedness and alignment of these boards could be improved and maximised under the Gwent PSB, particularly where boards are delivering activity in-line with the PSB statutory duties, as specified in the PSB statutory guidance.</p>

	<p>The Gwent PSB, working closely alongside the Gwent RPB, has the opportunity to reduce duplication, maximise resources, identify shared priorities and achieve closer alignment of policy, programme and legislative agendas, which would potentially improve outcomes for citizens across Gwent.</p> <p>Further work is required to map the various boards, key drivers and governance across Gwent.</p>
9	Performance and Reporting
9.1	A robust performance framework is essential in facilitating the PSB to improve the social, economic, environmental and cultural well-being of Gwent. A framework is being developed to provide an integrated mechanism that focusses on the performance of partnership and collaborative activity that delivers the statutory duties, objectives and priorities of the PSB.
9.2	The framework will facilitate the regional PSB to hold the performance of delivery of its priorities and responsibilities to account and be accountable for its own performance. This will be closely linked to the development of other parts of the PSB governance arrangements including scrutiny arrangements, terms of reference, other Regional Boards and Local Delivery Partnerships.
9.3	The performance framework will need to be driven by a range of qualitative and quantitative data, experiences, research and evidence to allow the PSB to evaluate progress and impact. The PSB will need to have the skills and capacity to support the provision of up-to-date information, analysis and insight on well-being of people and places in Gwent.
9.4	Each of the current PSBs has an online presence, with their own websites that host all meeting papers, performance reports, member profiles, the local assessment of well-being, data sets, the well-being plan, action plans, statutory annual reports, public contact points etc. It will be important that this is replicated for a Gwent PSB to ensure openness and transparency.
9.5	In addition, several PSBs have a social media presence through Twitter and Facebook. This includes social media guidance for partners in the use of the PSB identity and logos. The Gwent PSB will need to consider its own openness and transparency and potentially develop a Gwent identity, certainly this will be need for the next round of well-being planning. This will be an early consideration of the new PSB.
10	Conclusion
10.1	<p>Good progress is being made by officers of the PSB member organisations and development of the local assessment of well-being is on track to meet statutory timelines. Subject to reports passing through internal governance structures the Gwent PSB should be able to form from September this year. The provisional first meeting date is set.</p> <p>Each individual Council will need to consider changes to its constitution and committee terms of reference.</p>

	<p>Arrangements for Regional Scrutiny are being discussed among democratic services leads and the aim is to conclude this to meet the approval requirements of the local assessment of well-being needs. The scrutiny of the existing well-being plans is continuing through local Scrutiny in each individual area until 2023.</p>
<p>11</p>	<p>Full set of Recommendations</p> <p>Recommendation 1: To note the proposal to move to a regional PSB as outlined in the report and the importance of maintaining strong local partnerships.</p> <p>Recommendation 2: To note the requirement to establish regional Scrutiny and to receive further details on this as appropriate.</p> <p>Recommendation 3: The local assessment of well-being to be agreed by 5th May 2022 will be added to the work programme for sign off.</p> <p>Recommendation 4: To note the proposed changes to terms of reference, and to make any relevant changes to committee structures, terms of reference and constitution.</p> <p>Recommendation 5: To support the development of Local Delivery Partnerships and ensure that these are considered in local Scrutiny work programmes.</p> <p>Recommendation 6: To note the developing arrangements to establish Regional Scrutiny.</p> <p>Recommendation 7: To continue to support Scrutiny of the current Well-Being Plans to 2023 through existing local partnership Scrutiny arrangements.</p>

Appendices	Appendix 1 – Proposed timeline for a Gwent PSB Appendix 2 – Regional PSB Assessment Planning Appendix 3 – Draft Terms of Reference of the regional PSB Appendix 4 – PSB Structures; a. Existing PSB Partnership Structure b. Future Regional Partnership Structure c. Gwent PSB & RPB partnership landscape with statutory duties
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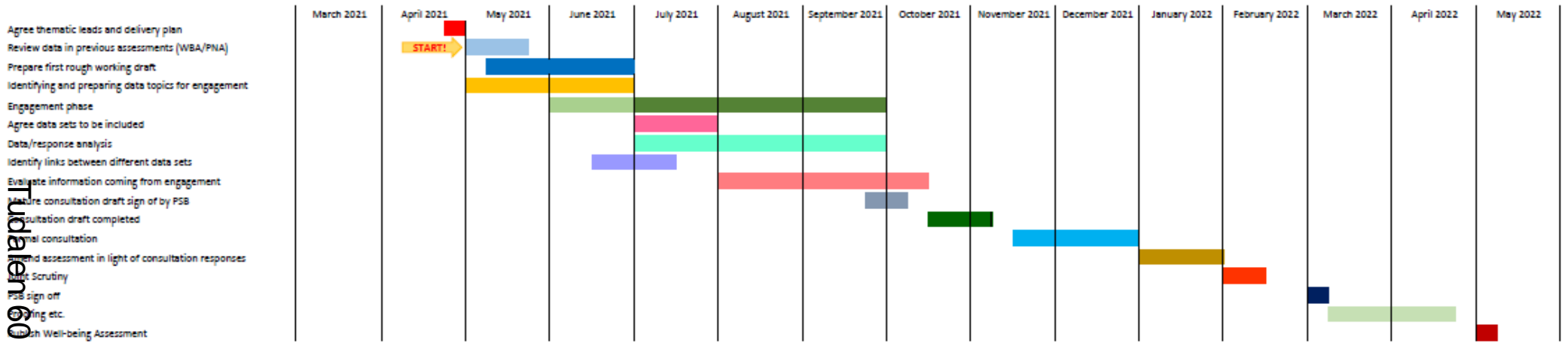
Appendix 1 - Proposed timeline for a Gwent PSB

The proposed timeline for a Gwent PSB will mean that a new PSB is in place by September 2021 to develop the next phase of the Well-Being Plan as outlined below (**statutory deadlines**).

Date	Item
Mar 2021	Gwent PSB approach agreed by G10
Mar/ Apr 2021	Paper taken to each PSB which will detail the decision to move to a regional PSB and how this will be done. Plans for local arrangements discussed. Agreement from each PSB for this to go ahead.
Apr/ Jul 2021	Report to each LA scrutiny committee. Regional scrutiny process agreed. Formally agreed by each Local Authority/ organisation as required
Apr – Oct 2021	PSB to draft Well-being Assessment
May – Aug 2021	PSB to undertake a public engagement process for the Well-being Assessment
Jun – Jul 2021	Final PSBs are held in each area. Paper on local arrangements agreed and signed off by each PSB. ToR for the regional PSB is formally signed off by each individual PSB. Date for first regional PSB is set. Lead Local Authority agreed.
Sep 2021	Regional PSB is created First meeting must be held within 60 days (30th October). The first meeting will need to be chaired by a LA. Local boards established.
Nov 2021	Consultation Draft Assessment agreed by PSB
Dec 2021 – Jan 2022	Consultation Period for the Well-being Assessment for all stakeholders
Feb 2022 – Mar 2022	Redrafting Well-being Assessment in light of consultation
Apr 2022	Final version of Well-being Assessment agreed by Gwent PSB

May 2022	<p>Publish Well-being Assessment</p> <p>Copy of Assessment to Welsh Ministers, Commissioner, Auditor General for Wales, Scrutiny Committee</p>
May 2022 – Oct 2022	<p>PSB to develop response analysis to inform the Local Wellbeing Plan</p> <p>Seek advice from the Future Generations Commissioner</p> <p>PSB to develop Local Well-being Plan</p>
Nov 2022 – Jan 2023	<p>Statutory Consultation of the Well-being Plan</p>
Feb 2023 – Mar 2023	<p>Redrafting Well-being Plan</p>
Apr 2023	<p>Final version of Well-being Assessment agreed by Gwent PSB</p>
May 2022	<p>Publish Well-being Plan - copy of Plan to Welsh Ministers, Commissioner, Auditor General for Wales, Scrutiny Committee</p>

Appendix 2 – Regional PSB Assessment Planning



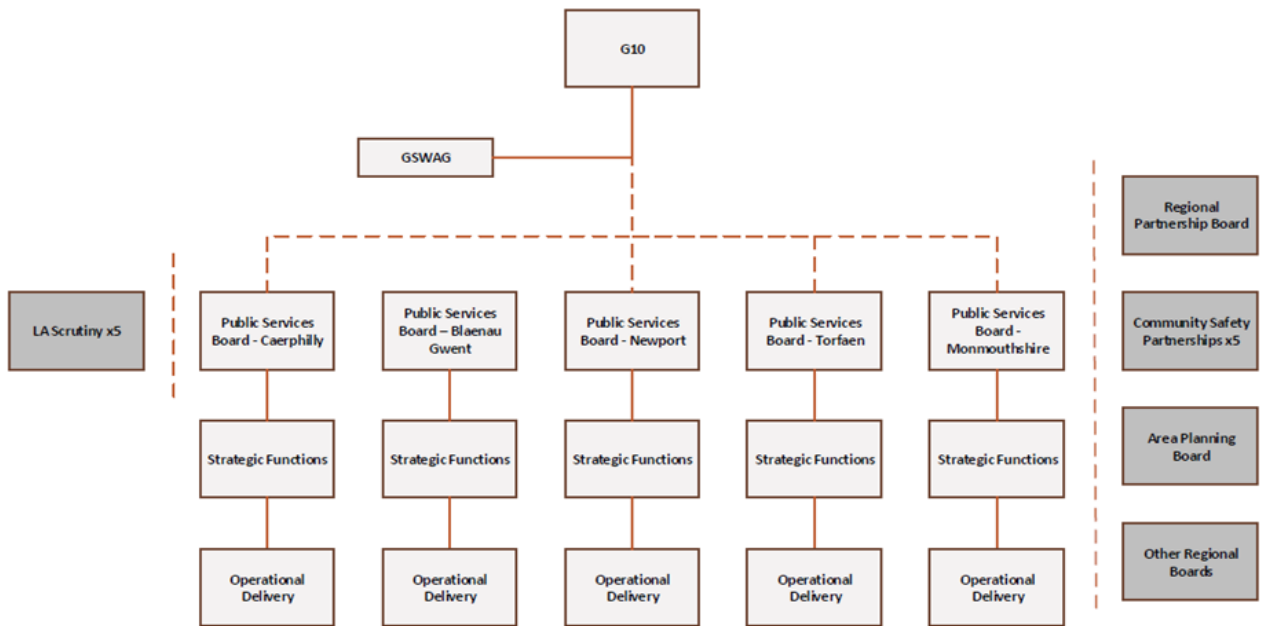
Appendix 3- Draft Terms of Reference of the regional PSB (June 2021)



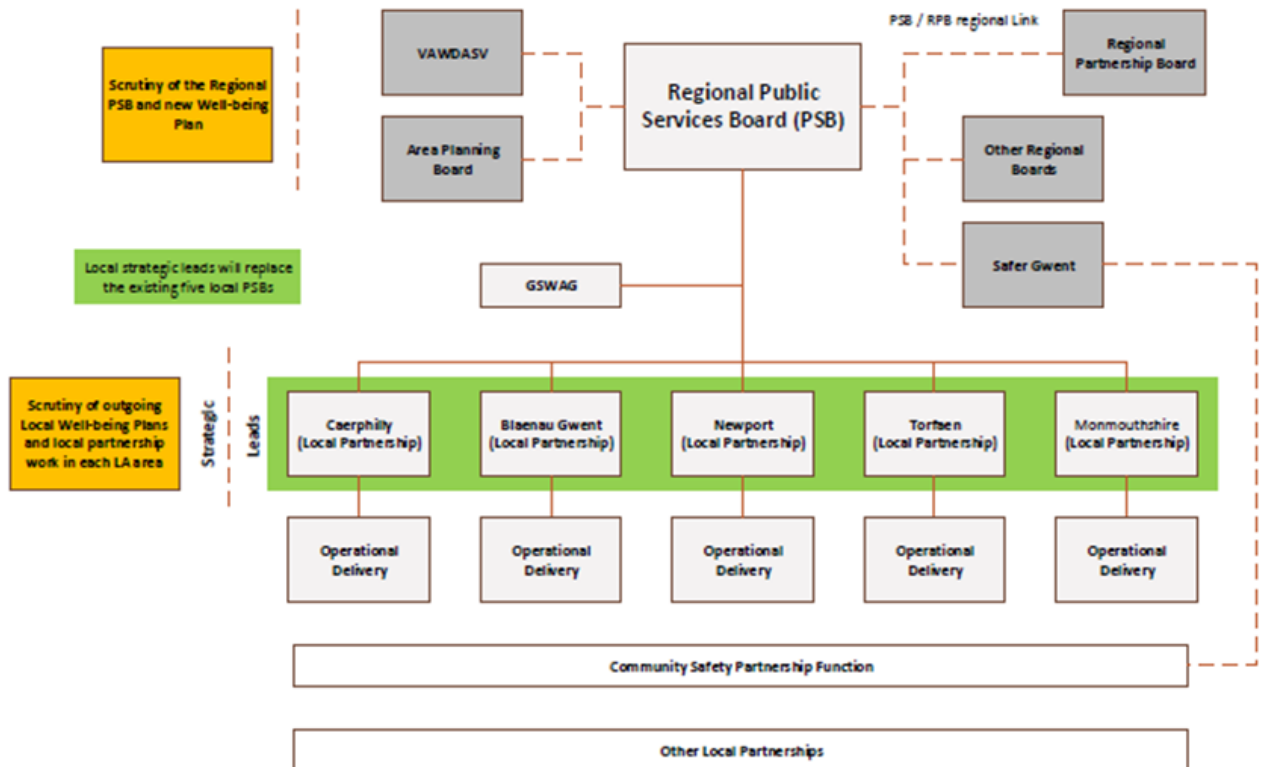
Gwent PSB ToR
draft.docx

Appendix 4 - Partnership Structures

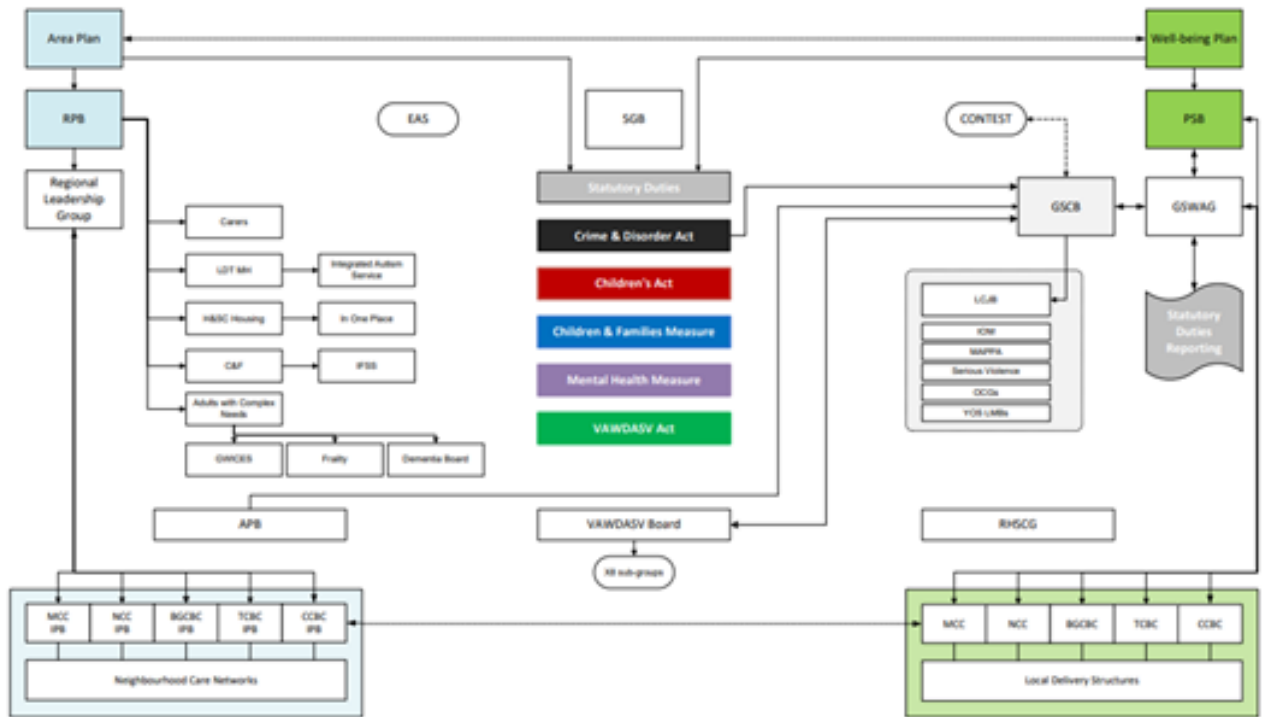
a – Existing Partnership Structure



b – Future regional partnership structure.



c - Gwent PSB & RPB partnership landscape with statutory duties



Background papers

Wellbeing Assessments for Gwent

- [Newport](#)
- [Caerphilly](#)
- [Blaenau Gwent](#)
- [Torfaen](#)
- [Monmouthshire](#)

Wellbeing Plans for Gwent

- [Newport's Well-being Plan 2018-23](#)
- [The Caerphilly We Want 2018 – 2023](#)
- [The Blaenau Gwent We Want 2018-2023](#)
- [Well-being Plan for Torfaen 2018 - 2023](#)
- [Monmouthshire Public Service Board Well-being Plan 2018-23](#)

PSB websites

- [The Blaenau Gwent We Want](#)
- [The Caerphilly We Want](#)
- [Our Monmouthshire](#)
- [One Newport](#)
- [Torfaen Public Services Board](#)