

Minutes



Cabinet

Date: 22 February 2021

Time: 4.00 pm

Present: Councillors Councillor J Mudd (Chair), Councillor R Jeavons, P Cockeram, D Harvey, D Mayer, Councillor R Truman, D Davies and M Rahman

1 Apologies for Absence

Councillor Giles

2 Declarations of Interest

None received

3 Minutes of the Last Meeting

Minutes of 8 January were confirmed as a true record

4 Capital Strategy and Treasury Management Strategy

The Leader presented the report to Cabinet on the Capital and Treasury Management Strategies. These had already been reviewed by the Council's Audit Committee and their comments and responses were included in the report.

The report included both the Capital and Treasury Management Strategies which, at their core (i) confirmed the capital programme, as part of the Capital Strategy and (ii) the various borrowing limits and other indicators which governed the management of the Councils borrowing and investing activities, as part of the Treasury Management Strategy.

The Leader advised that whilst the Cabinet made decisions relating to what could be spent on capital projects, it was the full Council that approved the 'borrowing limits'. Many projects were funded from capital grants, capital receipts and specific reserves which did not impact on borrowing levels, but where borrowing was required, the programme was required to be set within those limits. This was an important area of overall financial management governance in that borrowing levels, once taken up, lock in the Council to a long term liability for revenue costs in relation to the provision of the repayment of those loans (MRP costs) and external loan interest costs; together known as 'capital financing costs',

Both these strategies were a requirement of CIPFA's Prudential Code which set out the requirement for them and ensured, within the frameworks which these document set, that capital expenditure plans were:

- **Affordable** - capital spend and programmes were within sustainable limits and could be accommodated within current and forecast future funding levels.
- **Prudent** – Councils needed to set borrowing limits called 'operational' and 'authorised limits' which reflected the Councils plan for affordable capital plans and their financing

costs. On investing activities, Councils needed to consider the balance between security, liquidity and yield which reflected their own risk appetite but prioritised security and liquidity over yield.

- **Sustainable** – Council's capital plans and the revenue cost of financing the current and future forecast borrowing/debt taken out for that needs to be sustainable in terms of the Councils overall finances and its impact on that.

These issues were reviewed and the Head of Finance comments were included in his section in paragraph 31 onwards.

Treasury Strategy and the capital programme

The Council's capital programme extended to 2024/25 (this was the original capital five year programme to 2022/23 which was extended by two years for projects whose completion spanned beyond the five years). It was a significant capital programme. The capital programme included £211.4m of already approved projects and alongside new investments such as the borrowing for Cardiff City Capital Region spend at £17.3m, £19.7m for the new leisure scheme and £4.5m for further uncommitted borrowing for future projects, which brought a total investment of £252.9m for the programme ending 2024/25.

This was a large investment for the City's key infrastructure. Key projects included:

- Our new leisure scheme in the city centre -£19.7m. This would also pave the way for the new Coleg Gwent College. Both would bring much needed footfall and vibrancy to the city centre.
- Investment in the refurbishment and restoration of the City's Transporter Bridge; nearly £13m.
- A significant expansion, modernisation and maintenance of our school buildings, making up the majority of our £101m investment in this programme in education and schools.
- Over £25m of funding for the Cardiff City Capital Region which was enabling a huge level of economic development across our region which would benefit Newport and the wider region.
- Over £7m in our city centre and regeneration projects and we've included further funding in our revenue budget to continue and expand on that as we 'build better' from the past 12 months.

Capital Expenditure funded by debt increased the need to undertake external borrowing. A further driver for the need to undertake external borrowing was the capacity to be 'internally borrowed' reducing as earmarked reserves were utilised, which in turn needed to be replaced with external borrowing. This was the case particularly for this Council which had a high level of 'internal borrowing'; which was now reducing over the medium-long term. The Council was therefore committed and had a requirement to be a net borrower for the long term.

For the remaining three years of the current capital programme until 2024/25, the level of borrowing to facilitate the current capital programme was substantial with external borrowing increasing from an estimated £164m at the end of this financial year to £234m in 2024/25, an increase of over £70m. The total committed requirement for external borrowing was forecasted to be c£284m. This was shown in table 2 of the report.

The commitment to increase external borrowing led to increasing capital financing costs as shown in table 3 of the report, and show a significant increase in capital financing costs from 2020/21. These costs were included in the Council's MTFP. Costs would continue to increase into the medium to long term. Compared to comparative authorities, the percentage of the capital financing costs as a proportion to the Councils total net revenue was high. We had fully funded the capital financing costs required to complete this current capital programme and this was a key issue around showing affordability. As the Council's net budget was increasing significantly too, the proportion of the Councils net budget allocated to this remained broadly the same as now and the issue of potentially lower or low growth in funding was not a new risk and existed today. Therefore, from a sustainability viewpoint, the relative high cost of this budget was a challenge and was a risk but no higher or newer than it was today.

Treasury Strategy

This dealt with plans for the Councils borrowing and investing activities on borrowing, the capacity to be internally borrowed would reduce over the medium to long term. In 2021/22 the Council was expected to undertake external borrowing both for the refinancing of maturing loans and to fund increasing capital spend in the existing capital programme; it would remain as much 'internally borrowed' as was possible and increase actual external borrowing only when needed to manage its cash requirements. However, the Council may, where it felt necessary to mitigate the risk of interest rate rises, undertake borrowing early to secure interest rates within agreed revenue budgets. This would be done in line with advice from our Treasury Advisors.

The Authority's objective when investing money was 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. Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aimed to diversify into higher yielding asset classes during 2021/22, and this was delayed due to the current economic climate as a result of the pandemic. This was especially the case for the estimated £10 million that was available for longer-term investment. All of the Authority's surplus cash was currently invested in short-term unsecured bank deposits and local authorities. The strategy to diversify into higher yield asset classes would be implemented in the coming year.

Comments from Cabinet Members:

Councillor Rahman noted that committing to the capital expenditure was a sustainable way of minimising the risk, considering Covid and Brexit. As Cabinet Member for Assets, this was not just an investment in the current infrastructure but future of the city, including the new Leisure Centre. Councillor Rahman encouraged colleagues to look at where the money was being spent; schools in particular had significant investment. The transport facility within the city and the footbridge over Newport Train Station meant that the Council was taking action to deliver to the community by keeping promises and working towards this. A commitment to reducing carbon foot print, investment in Velodrome Light System to make it more sustainable, and being carbon neutral for the future was part of the budget consideration.

Councillor Truman considered the report good news regarding road mapping the council to move us forward. The investment outlined in the report covered everything. Councillor Truman also mentioned the hard work, which had gone into this and thanked all officers and colleagues for their contribution in the report.

Councillor Cockeram thanked the Leader for an excellent presentation. The investment of £4M in children's residential homes, allowed the council not to rely on out-of-county placements in the private sector, this had a major impact on the health of the children, by bringing them home.

Resolved:

That Cabinet recommended to Council for approval:

- The Capital Strategy (Appendix 2), including the current capital programme within it (shown separately in Appendix 1) and the borrowing requirements/limits needed to deliver the current capital programme.
- The Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) for 2021/22. (Appendix 3).

As part of the above, Cabinet noted:

- The increased debt and corresponding revenue cost of this in delivering the current capital programme, and the implications of this over both the short and medium-long term in terms of affordability, prudence and sustainability.

- The Head of Finance's recommendation to Council, that borrowing needed to be limited to that included in the current capital programme and the recommended prudential indicators on borrowing limits do this.
- Beyond the current capital programme period, there were potential financial challenges around on-going affordability and sustainability but these would be reviewed closer to the start of the new programme within the context of funding levels and the Councils budget position.

5 Revenue Budget and Medium Term Financial Plan (MTFP): Final Proposals

The Leader presented to Cabinet the Medium Term Financial Plan and 2021/22 revenue budget report. This was one of the Council's most significant reports, which need to be carefully considered.

It represented the culmination of about six months of hard work, from agreeing the budget assumptions to form the basis of our planning. After the detailed budget proposals were agreed, there was a further period of refinement and development following the announcement of the Welsh Government's revenue support grant. The Council had done this under difficult conditions, working remotely, with the significant uncertainty of developing budgets in the current challenging times. On this latter point, the Council was notified of its Revenue Support Grant very late in December; about two months later than 'normal' and looking ahead, the prospect for public sector funding was uncertain given that the Comprehensive Spending Review planned for 2020 was replaced with a one year budget. We awaited further information from the UK Chancellor as to how he would deal with the UK growing debt and the impact of that on public sector funding. Including the current route out of national lockdowns and how the UK, and indeed the rest of the world, would recover from the Covid pandemic; that remained unknown, as it was a fragile situation.

Notwithstanding all of this, however, a budget was produced and the Leader thanked her Cabinet colleagues and officers of the Council who worked hard to get us to this point; it had been a tremendous effort by all.

The Leader reminded those present that, as the 'Administration', decisions would be taken on where to spend the Council's resources and a key part of that was the Council Tax level required to fund that alongside the Revenue Support Grant. Council Tax only made up about 24% of the Council's revenue budget funding but was still an essential part of that. Full Council made the decision on the Council Tax and they would review and consider the recommendations made by Cabinet.

Our funding

The Councils Revenue Support Grant increased significantly, by nearly £13m, due, in large part, to a correction in the population estimates that drove a large part of the distribution of that grant to Councils. We consulted on a 5% Council Tax increase which added a further £3.2m to potential funding for next year's budget. In total, funding in our draft budget increased by £15.9m.

Budget savings

We had included £2.7m of new saving proposals for our draft budget. However, most of which; £1.8m, did not impact on services and implementing them increased our flexibility to invest more into front line services to the public and the city. We consulted on proposals that we considered improved services and were part of a wider transformation of those services. The results of the public consultation would confirm this as they agreed strongly with those proposals with the exception of one and the proposed increase in council tax. This was a very positive result and showed we were doing the right things. The increased Council Tax was also not popular in the consultation and we appreciated that in the current climate, this needed to be reconsidered. The Leader went on to say that the public had spoken and we have listened.

The current position and how we will use our current 'balance in hand'

As the report showed in Table one, we had £2.8m of available resources in hand at the draft budget stage still and further efficiency savings were added to that since then; as shown in Table one of the report. The balance in hand for resources to be allocated now stood at £3.98m.

Set out below was a summary on how this final element would be allocated and used first.

	2021/22 £'000
Revised balance in hand	(£3,988k)
New investments:	
<u>SOCIAL CARE</u>	
Provision for the potential risk of higher on-going costs in our Social Care sector, following challenges coming out of both Covid and Brexit at £828k, partly funded by the increase in our 'Social Care Workforce Grant'. Both had the real potential to create permanent cost pressures in this area and this would help in ensuring budgets are robust, help mitigate these risk and crucially, ensure we continue to fund the best care we can for residents.	£828k (£500k)
This would stabilise and help recruitment into our adult mental health social care teams which is an inherently difficult area in both retention and recruitment. A £40k provision for this would allow us to do this in what is a very challenging and increasingly important area of work.	£40k
We need to invest in our looked after children care budgets and child protection budgets due to growing demand and this would cost £116k	£116K
These are additional investments in our social care budgets and demonstrates the Administration's on-going commitment to this area as it deals with continuing demand and challenges. Looking after the most vulnerable members of our communities is a priority.	
<u>OTHER PRIORITIES</u>	
We would invest £911k in a number of priority needs and priorities. These include:	£911k
<ul style="list-style-type: none">- capacity in our project management and business improvement team to support services with projects that would deliver organisational and service changes?- capacity in our functions which would take forward the city's aspiration on sustainable development, highways and de-carbonisation initiatives. This would allow the council to deliver on key projects including any emerging projects and initiatives coming from the Burn's review- developing our workforce planning and capacity. This would include developing and implementing a policy for further traineeships, apprenticeships and similar training roles in our workforce and ensure our residents have the opportunities to develop skills, knowledge, experience and careers with the Council- provision to develop and implement a plan and initiatives to further increase pride in our city, find ways to support local communities within it and connect our communities and wider city.	
<u>ECONOMIC & CITY CENTRE REGENERATION AND SUPPORT</u>	
The situation in our city centre, like most others, are still challenging and would remain 'fragile' for some time to come. We would make a £1.9m provision in our	£1,820k

<p>budget to enable us to continue with key regeneration projects such as the refurbishment of the central market and other major projects. This provision shows our commitment to the city centre and the positive outlook, example and leadership the City Council needs to make</p> <p>This is part of a wider package of investment in support of the city’s future economic development and city centre regeneration, both in our capital programme and what we’ve already announced in our draft budget in January.</p>	
<p>REMOVAL OF SAVINGS PROPOSAL STR2122/02 - Charges for non-household waste</p> <p>The Cabinet have considered all the advice and feedback from the public consultation and would not be introducing charges for non-household waste taken to household waste recycling centre (HWRC).</p>	£20K
<p>COUNCIL TAX</p> <p>Cabinet consulted on a 5% increase in Council Tax. Newport still has one of the lowest rates in Wales, and indeed the UK. It means a reduction of £9m in funding compared to the average rate in Wales, and that has a number of negative impacts on the services we can deliver. However, Cabinet made clear their intention to listen to residents. They appreciated the tough times that the people of Newport were going through and the uncertainty that still exists. Cabinet, therefore, agreed to reduce the proposed Council tax increase to 3.7% and this would cost £753k.</p>	£753k
<p>Total remaining to allocate</p>	£0

How have we invested our increased resources?

There were three biggest areas of focus, which were:

For our schools, the budget allowed for nearly £5m of increased funding. This covered the assessed cost increases in our schools and we intended to fully fund that, up to the provision we have here. As that included an estimate for any pay increases, this element would be retained and considered when we had the final agreed position. The Cabinet intention was to **at least** meet the full amount of cost increases, up to the budget increases included here. Schools with accumulated budget deficits or with current in-year overspending budgets, would still need to resolve these issues with recovery plans and officers were working hard with schools on this and good progress was being made. Our history on schools funding continued to prove we prioritised schools. Excluding any increases in Welsh Government specific grants for schools, which had also grown over the last few years, we have increased schools core funding by some £15m over the last three years, an annual increase of around 5% average. Part of this was for our expanding and new schools as the city grew but also to ensure cost increases were funded.

Social Care services demand had continued to grow and we were providing nearly £2.5m of additional funding, over and above pay and pricing increases. In 2021/22, we would be investing nearly £2.5m into children’s and adult services. This included provision to meet potential increased cost in our care homes and domiciliary services resulting from Covid and Brexit risks.

We are also ‘committed to build back better’ as we led the way in helping the city recover from the last 12 months of impacts from the pandemic. A number of the proposals helped achieve this. Firstly, Cabinet were proposing to invest just over £2m into the financing of the capital programme. The Council’s capital programme was dealt with in another report on this meeting’s agenda but showed, amongst other projects, we were investing in our schools, the city centre, key cultural infrastructure such as the transporter bridge, and of course, a very

exciting new leisure facility which would also pave the way for a new learning campus in the city centre. Secondly, we made £1.8m provision to fund initiatives and regeneration projects in the city centre. Thirdly, as I've announced, we proposed to increase our current efforts to increase the numbers of apprenticeships and traineeships and other schemes in the Council. This would provide valuable opportunities for residents to gain work and training and help the Council grow and develop its workforce.

The detailed policy was nearing completion and the Leader would announce this as soon as she could. Fourthly, Cabinet were going to invest in more resources for those areas that planned and delivered on sustainable development projects, which would also include the emerging Burns review on traffic. The 'green agenda and de-carbonisation' was prioritised and the resources would begin to create the capacity needed to co-ordinate and deliver appropriate projects across the Council, which contributed to this. Lastly, Cabinet were investing resources into the marketing of the City and capacity to deliver more events and local initiatives, which would enable the City to raise its profile for all to engage with.

A key part of this last area was the use of one-off resources. Funding our capital financing budget requirement to the end of the current capital programme period all in 2021/22 was important and needed. It would also, over the next 2-3 years, generate some one-off funding; predicted at about £3m. Alongside the Council's forecasted underspending on this year's budget, it should generate a substantial one-off funding 'pot' which would be used to support this revenue budget and its priorities. This would also be used to invest in special projects to help with the sustainable development objectives highlighted and also would also improve the environment. This included clearing up eyesores, which current budgets could not fund, and improving green spaces as these were more important than ever. Officers were developing plans on these and more details would be announced when work was completed, and with more certainty on the level of one-off resources in the spring. Between the core funding being provided to create capacity and the capital programme and one-off funding, the Leader was confident that a real impact would be made to help instil more pride in our city and make it a better place to be.

The budget dealt with the current position on where day-to-day services and investment was required and it looked forward, starting to plan for the priorities for the environment. This not only included the wider agenda around climate and de-carbonisation but also the 'closer to home' city environment, neighbourhoods, parks and other spaces. And of course, undertaken with a lower Council Tax which was important at this time.

Comments from Cabinet Members:

Councillor Jeavons advised that the Waste Team was very effective and dealt with fly tipping as one of its roles, this area would benefit from investment and would help in its statutory duties some of which included:

- Fly tipping removal from PUBLIC LAND/ADOPTED HIGHWAY (removal of fly tipped waste on private land is not the responsibility of Newport City Council but the responsibility of the landowner.)
- Fly tipping investigations and enforcement action which include FPNs, prosecutions
- Illegal waste carrying and disposal including duty of care checks
- Monitoring of household waste collections and engagement with residents

In addition to this:

- Partnership work WG/National Resource's Wales and KWT - benchmarking - sharing of best practices
- Delivery of specific operations/action days with Gwent Police/SW Fire and Rescue to tackle fly tipping and ASB
- Support to volunteer litter picking groups
- We welcome litter picking activities – which are positive for communities and the environment
- Volunteer groups ARE being supported by NCC however:

- We would ask Volunteer groups to comply with rules set out in pre booking/collection agreements available on the Newport City Council website making the process seamless from end to end
- Some groups are currently disregarding rules, which:
 - Puts them at risk for many reasons which I don't need to go into including their own health and safety
 - This also Creates issues for the Council and other organisations dealing with litter/fly tipping/ASB/possible prosecution and collection

Some of these included:

- Not Adhering to social distancing as per government guidelines during this lockdown period
- Following H&S procedures
- Litter picking on private land
- Waste to be sorted into recyclables
- Bags only, with a limit – no bulky waste
- No sharps
- Safe collection points, these are laid out on Newport City Council s web site and include no bags to be collected on roads over 50mph

Littering/fly tipping is a big issue for us all and I urge people to dispose of their waste responsibly.

Councillor Truman noted that this was a listening budget considering the reduction the council tax for the public. Investment was also needed for the city centre. The budget was good news for schools and social services as well as addressing empty properties for the first time, which was outstanding.

Councillor Harvey echoed comments of Councillor Truman regarding the council tax, adding that it was a massive drop, although there had been negative responses from residents regarding the consultation. Councillor Harvey also commended teachers, support staff, back office staff and everyone that helped keep the schools running virtually; providing IT support for pupils, all of whom had not stopped working and wanted to make mention of this considering the public sector pay freeze. Councillor Harvey added that Newport residents should really look at the budget, which was very thorough and thanked the leader for a good budget under the circumstances.

Councillor Davies considered all the wellbeing objectives achieved in this report and money which was carefully allocated to address the needs. Vulnerable residents had been given consideration and support in relation to Covid. The was a collective duty by 2050 to be carbon neutral and we had duty as a city to deliver this, Councillor Davies also welcomed the plan to develop the climate emergency. The empty homes fund would help to develop beautiful homes and extend boundaries and give pride to residents in where we lived.

Councillor Rahman echoed comments from his colleagues about listening to residents. There had been a lower public consultation response than usual. However, reducing the council tax increase and withdrawing the proposed fees and charges for non-household waste meant that the council had listened. Councillor Rahman considered the challenges faced by council; loss of income and additional cost due to pandemic. The city had also changed since the last Census, and Councillor Rahman everyone get involved in the census. There was also still help available for those struggling in the community. This was therefore a budget that we could be proud of and on that would invest in communities and city infrastructure.

Councillor Mayer thanked the Leader on her excellent presentation and echoed Cllr Truman's comments. Cabinet and finance officers would be focussing on next year's budget, as they did every year; always looking forward to invest in Newport. Residents that took part in the leisure complex debate showed that they had trusted the council. Councillor Mayer also met with trade union representatives as in previous years and this year; there were few

comments because employees knew that the council were doing their best to deliver the best possible budget.

Councillor Cockeram referred to Councillor Harvey's comments, there were some negative comments however, he considered that the council had to dig deep and as a result, the budget produced was excellent. On the whole, as there were not as many comments from residents, the silence meant that they must be pleased with what had been achieved.

The Leader thanked Deputy Leader for his guidance adding that Cabinet owed a debt of gratitude to the Heads of Services having to deal with a pandemic and a sustainable budget and thanked them for the work they had put into the report.

The Leader also thanked the finance team for the time they had taken going through the finest points of this budget to help shape the aspirations for the people of Newport. The Leader thanked the Chief Executive for her leadership in relation to the green agenda and responsible recovery for citizens of Newport.

Resolved:

Cabinet noted/agreed the following:

Budget proposals and medium term projections

1. Noted formal consultation on the budget as outlined in section 4 and the feedback received, shown in appendices 1 to 4b.
2. Noted equalities impact assessment summary on the budget proposals, shown in appendix 9.
3. Reviewed and confirmed budget proposals (appendix 5 - 6), as currently summarised within the medium term financial plan (appendix 7) and allocate the financial flexibility shown in table 5. In doing so, agreed the implementation of the full medium term savings programme and the use of invest to save as noted in paragraph 6.4 to implement savings as part of the medium term savings requirement.
4. Agreed the 2021/22 fees and charges of the council shown in appendix 11.
5. Noted the budget investment in schools of up to £4,937k, was based on an assumed teachers/ NJC pay increase and provided for a fully funded increase in funding requirement in addition to the cost of new/ expanding school provision as noted in paragraph 3.7 – 3.12. Specifically, Cabinet agreed to confirm and finalise this when there was certainty on Teacher's pay from September 2021 with the intention of at least retaining the objective described above, within the funding provision available.

Overall revenue budget and resulting council tax 21/22

6. Noted the Head of Finance's recommendations that minimum General Fund balances be maintained at a level of at least £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, and the adequacy of the general reserves in the context of other earmarked reserves and a revenue budget contingency of £1.5million.
7. Noted the current level of council tax for Newport City Council and the monetary value of various percentage increase and how this compared to levels of council tax at other councils as shown in table 6.
8. Recommended an overall net budget and resulting council tax to full Council, noting that a formal resolution including the Police and Crime Commissioner for Gwent and Community Councils' precepts would be presented to Council on the 3 March.
9. Approved expenditure and use of reserves in line with summary shown in appendix 10b, noting they were based on detailed proposals reviewed by Cabinet in their January 2021 meeting.

6 Proposed Leisure and Wellbeing Facility

The Leader introduced the report. In December, the Cabinet agreed to consult with the public on proposals to build a new environmentally sustainable and energy efficient leisure and wellbeing facility on a brownfield site overlooking the River Usk, allocating the existing

Newport Centre land to Coleg Gwent for the purpose of relocation of their further education campus into the city centre.

The Leader invited the Cabinet Member for Leisure and Culture to present the report.

Councillor Harvey advised that it was clear from the over 1,000 separate responses received that the public was excited and engaged in the plans.

The existing Newport Centre building was suffering from a range of structural issues and required significant investment to bring it up to modern day standards.

The building configuration was neither efficient nor sustainable and changes in demand over the decades meant that it was no longer able to compete with modern facilities.

The plans put forward were for a modern leisure pool, with family friendly changing facilities, fitness suite and a roof garden / active roof. The facility would also encompass more informal relaxation areas and be seamlessly connected to the expanding active travel network.

The building of a new facility not only allowed us to provide an enhanced user experience, it also freed up land to re locate Coleg Gwent's further education provision into the city centre, close to the existing high education provision.

The proposals would bring increased footfall into our City Centre and help support retail and hospitality business as it sought to recover from the impact of Covid.

The project would cost £20M, but only £4.5M would come from council funds. Far less than the cost of refurbishing the existing centre.

A large part of the project would be financed from efficiency savings as a result of operating from a modern facility which would attract greater patronage. The council was also seeking capital investment from Welsh Government through its Targeted Regeneration and Investment Fund.

The last year was extremely challenging, but throughout the pandemic, we have not stopped working on plans to improve the City and the lives of our residents, particularly in supporting our City Centre to return stronger.

Based on the consultation feedback officers would now work with cabinet to develop detailed plans and deliver this project for our residents.

Comments of Cabinet Members:

Councillor Mayer noted that this was an exciting project and was shocked by the structural damage to the Newport Centre but was pleased that were we in a situation where we would have one of the best leisure facilities in Wales and possibly the UK. 94% of residents thought it was a great idea to build a new leisure centre and 85% agreed that Coleg Gwent should be part of the Knowledge Quarter.

Councillor Davies considered that the level of response from residents was outstanding. The Council was listening to residents, which was integral to what we did. It was pertinent to Councillor Davies' Cabinet Member role in Sustainable Development, that it was environmentally friendly and contributed towards the Council's commitment to reduce carbon footprint. Wellbeing objectives had also been achieved by independent and resilient communities as well as extending the knowledge quarter.

Councillor Truman added that this was fantastic news and welcomed by all residents. It was a logical decision to move further education and higher education into the same location and

would provide an opportunity to help regenerate the city. Councillor Truman welcomed the report.

Councillor Jeavons echoed colleague's comments adding that this was a responsible move to consider the recovery and wellbeing of Newport. In addition, there had been 30 Welsh responses received and overall, a high response rate, which was exciting and proved that we were doing something right for the city.

Councillor Rahman noted that the council clearly had wide ranging support and thanked officers for their contribution. Delivering this project on top of the budget discussed was outstanding, as well as supporting small businesses. Councillor Rahman highlighted that this was what the council tax was contributing towards and that the leisure centre benefitted us all.

Councillor Cockeram congratulated the Leader on the report and considered that the report summary highlighted the objectives succinctly and added that we must not forget the other partners involved in this project who had confidence in us.

The Leader added that the project seamlessly connected to our active travel work and thanked partners Coleg Gwent and Newport Live as well as thanking the Head of City Services and Acting Head of Regeneration, Investment and Housing for their hard work and ongoing contribution.

Resolved:

Cabinet agreed to the following:

- To proceed with the design and construction of a new leisure and wellbeing facility on the expansion land site, subject to obtaining all necessary consents.
- To approve the capital envelope and proposed funding of £19.7 million to deliver the scheme.
- To the re-appropriation of the Newport Centre site from Leisure provision to regeneration purposes and agree to the disposal of the site to Coleg Gwent by way of a 250-year development lease at net market value, taking account of all demolition and other allowable costs, and on such other terms and conditions to be agreed by the Head of Law and Regulation and Newport Norse, subject to all necessary consents.
- To authorise officers to agree and complete all necessary documentation in relation to the scheme and the disposal.

7 **Transporter Bridge Funding**

The Leader introduced the report. The National Lottery Heritage Fund approved the Council's application for funding to repair and restore the Transporter Bridge as well as provide a new visitor centre in December. The Council now needed to formally accept the award and fulfil a number of obligations before the Heritage Fund granted 'permission to start'. The award of 8.65 million was the third largest Heritage Fund award made in Wales.

The report sought permission to provide National Lottery with an agreed underwrite for the £365k of unconfirmed matched funding within the project budget. The unconfirmed funding was money that was expected to be raised over the life of the project from direct fundraising, sponsorship and further applications to grant bodies for packages of funding to support a range of events and activities. The maximum exposure to the Council was £365k and would only be required should not a penny more be raised.

The Leader invited the Cabinet Member for Leisure and Culture presented the report.

Councillor Harvey was pleased to inform colleagues on the result of the consultation. The Transporter Bridge was a historical and prominent part of Newport and thanked the Culture

and Continuing Learning Manager for his very hard work, even putting off his retirement to complete the project.

A stage 2 application to the Wolfson Foundation; following a successful stage 1 application was due to be submitted at the end of February. That application was for funding to help cover the existing gap and was not for a specific amount.

Key points

The project team submitted an application to Welsh Government for a further £1.5M support package for the project through Visit Wales' Tourism Investment Support scheme. Welsh Government officials were currently going through a due diligence process and had indicated the money required was available in their capital fund. Welsh Government also provided National Lottery Heritage Fund with a statement that provided sufficient support to enable NLHF to make the award. Welsh Government have indicated that the outcome would be communicated the week commencing 15 February 15, however a note received Thursday confirmed the necessary ministerial decision would not be taken until the week commencing 22 February. Nevertheless, it was important to proceed to confirm this with the underwriter, as it was important that permission to commence was granted for two reasons:

1. The capital works associated with the Bridge repairs and the new visitor centre were tendered, and any significant delay was likely to increase costs.
2. The target date for reopening was March 2023. There was some timetable contingency built into the project plan, however there was significant benefit to opening the bridge at the beginning of the season.

National Lottery Heritage Fund would not grant permission to start until Welsh Government agree their portion of the funding.

The project underpinned by a significant National Lottery Heritage Fund award would enable some much needed repair and restoration to the structure and would stabilise the structure. The new visitor centre and improved interpretation would offer visitor facilities and enabled the Bridge to develop new tourist markets that in turn would contribute to overall sustainability.

Comments from Cabinet Members:

Councillor Mayer commented that in the 'fifties, the Transporter Bridge was not valued and not even included in the murals at the Civic Centre. It had been a hard fight to keep the Transporter Bridge on the agenda. Original plans had been found in Gwent Archives two years ago, which was also an amazing find. Councillor Mayer mentioned that this pleased the Cabinet Member for Leisure and Culture, who cared greatly for the project.

Councillor Jeavons echoed comments and thanked all the officers involved as well as the Cabinet Member, for their hard work.

Councillor Cockeram mentioned that the lights of the Transporter Bridge added to the Newport Skyline and also gave Newport a personal history.

Councillor Truman added that the Transporter Bridge was in Newport's DNA, it was an iconic structure and intricate piece of engineering and also thanked the Welsh Government and Heritage Lottery Fund for their financial support.

Councillor Davies mentioned that the Transporter Bridge was an integral part of Newport and was pleased that Councillor Harvey, the Culture and Continuing Learning Manager and all officers involved who worked very hard to preserve the bridge for future generations to enjoy.

Councillor Rahman echoed the comments of his colleagues.

Cabinet member colleagues also gave their personal experiences over the years which involved the Transporter Bridge and once again thanked the Councillor Harvey and all officers for this positive report.

The Leader also thanked Friends of Newport Transporter Bridge (FONTB) for their passion and commitment and also extended her thanks to former councillor David Hando for his continued involvement and hard work, which had contributed to the restoration of the Newport Transporter Bridge.

Resolved:

Cabinet resolved to

- i) Accept the award of £8.7 million, subject to Welsh Government confirming the Tourism Investment Support Grant as matched funding; and
- ii) Provide National Lottery Heritage Fund with an agreed underwrite for the unconfirmed matched funding

8 **Guidance on Socio-Economic Duty**

The Leader introduced the report to Cabinet. The Socio-economic Duty as set out in the Equality Act 2010 required specified public bodies, when making strategic decisions, such as deciding priorities and setting objectives, were to give due regard to the need to reduce the inequalities of outcome that resulted from socio-economic disadvantage.

Inequalities of outcome were felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

The Leader invited the Cabinet Member for Sustainable Development to present the report.

Welsh Government had the powers to enact this part of the Act, and intended to do so on the 31 March 2021. The duty was intended to complement and not compete with, or override, other statutory duties, for example the Public Sector Equality Duty and the Well-being of Future Generations (Wales) Act.

The overall aim of the Duty was to deliver better outcomes for those who experienced socio-economic disadvantage by ensuring that those taking strategic decisions engaged with relevant communities, welcomed challenge and scrutiny, and drove a change in the way decisions were made.

This Cabinet Report proposed short and medium term steps in order to effectively embed the Duty across council decision making processes. This included amending our existing equality impact assessment, providing training to decision makers, and incorporating appropriate measures in our existing performance monitoring frameworks.

Key points

There were close links between the Duty and our existing Strategic Equality and Wellbeing Plans, all of which aimed to reduce inequalities for our most vulnerable or disadvantaged citizens. It also recognised the intersectionality that exists across socio-economically disadvantaged groups and people that shared protected characteristics, for example, we know that BAME and disabled people were also more likely to be experiencing hardship and financial difficulties.

We recognised the impact of socio-economic disadvantage on people's opportunities and life outcomes in terms of employment, health and participation. The Duty would ensure that we focussed on those people who were living in poverty in Newport, and took steps to lessen this divide which was more important than ever given the impact that COVID-19 had on our communities.

The report highlighted the importance of embedding the Duty in our decision making processes, avoiding tokenism, and ensured our engagement with the Duty is meaningful, with positive outcomes

The Cabinet Member reinforced to Cabinet that this Duty applied to strategic decisions, and was incumbent on those who make decisions at the highest level.

Cabinet Members were encouraged to familiarise themselves with the requirements of the Duty and engage with any training opportunities offered

Comments of Cabinet Members:

Councillor Mayer had been in discussion with the Cabinet Member for Sustainable Development regarding the report and agreed that the Welsh Government was forward thinking in introducing this Duty and was looking forward to seeing this in action to make sure that everyone done in Newport impacted on the disadvantaged more than it did at present. The difficulty was embedding this and how to undertake this Duty should not be a bolt on but second nature to everyone.

Councillor Davies wanted to thank the officers for their hard work and the support they would give Cabinet to ensure that the Socio-Economic Duty would be carried out going forward.

Resolved:

Cabinet approved the suggested recommendations included in this report.

9 **Covid-19 Recovery Update**

The Leader presented the report to Cabinet. The report was an update on the Council's and its partner's response to the Covid-19 crisis supporting the City (Residents and Businesses) to comply with the current restrictions and progress in the Council's Strategic Recovery Aims.

It was over a year since the UK first reported Covid-19 cases and eight weeks (20 December 2020) since Wales entered into the current Alert Level Four restrictions.

In this last year we saw the impact that Covid-19 had on our families, communities, businesses, schools and services delivered in the City.

Sadly, we continued to see our loved ones taken from us due to Covid but we have also seen the resourcefulness and resilience of our communities to support our most vulnerable residents.

In our response and recovery from this crisis, we endorsed four Strategic Recovery Aims that ensures we respond to immediate and future needs of our communities and businesses.

- Strategic Recovery Aim 1 – Supporting Education & Employment;
- Strategic Recovery Aim 2 – Supporting the Environment and the Economy;
- Strategic Recovery Aim 3 – Supporting the Health & Wellbeing of Citizens; and
- Strategic Recovery Aim 4 – Supporting Citizens post Covid-19.

Since the implementation of the Alert Level Four restrictions in December, Newport and the wider southeast region saw a reduction in the case rate of Covid-19 cases.

We understood the difficulty that these restrictions posed on our normal ways of life whether visiting close friends and family, children going to school, exercising in our local gyms or shopping in the City.

Without these restrictions, however, the Health service would have struggled and many more may have died or been affected by Covid and its new variants.

The rollout of the vaccine by the NHS in Gwent and Wales was remarkable with over 600,000 people receiving their first dose in Wales.

It was as important now than it was at the start of the current restrictions that we continued to follow the Welsh Government guidance to help the cases reduce further and ensure we can return back to normality.

The Leader went on to say that she was sure many families with young children were pleased to see the phased return of infant pupils back into school from today (22 February 2021).

Since December, it was difficult for both Teachers and parents to support their children with home schooling and schools supporting children of key workers and the vulnerable.

It was important that we continued to support the City's schools in returning back safely and help those children impacted by the restrictions to catch up and reduce any disadvantages over this last year.

The economy in Newport and Wales was impacted significantly by the Covid restrictions. This last year has been extremely difficult for retailers and traders on the high street, small to medium sized business and the hospitality / entertainment sectors seeing many people lose their jobs.

As highlighted in this report the Council and its partners (Newport Live) have been providing support to help those who have lost their jobs to re-train, find new work and gain new skills.

Also in the last couple of months, we launched the consultation (alongside Newport Live and Coleg Gwent) on the new Leisure and College development in the city centre; and received £8.75 million towards the Transporter Bridge Transformation project from the Heritage Lottery Fund.

The report continued to highlight the ongoing work, challenges faced by services and achievements being delivered by Newport Council.

Comments from Cabinet Members:

Councillor Cockeram thanked the vaccination programme service manager appointed to oversee the work involved for Newport Centre, which was exceptional.

Councillor Harvey added that the stark reality of figures from Public Health Wales remembering those people in Wales who died; Lockdown was to protect people from this. Councillor Harvey thanked residents for following the rules as well as carers and hospital workers who worked very hard.

Councillor Jeavons mentioned that Newport City Council staff were not Covid exempt, with some staff also shielding. Councillor Jeavons also mentioned the hard work of City Services staff, including the recent cold weather, with gritters out on the roads still continuing to maintain Newport roads.

Councillor Truman thanked environment health and trading standards officers under his portfolio, for their continued hard work.

Councillor Davies thanked staff for the preparation of these monthly reports and asked residents to read the reports which detailed what was being undertaken. The history from the monthly reports were also a vital record of importance going forward. Councillor Davies

encouraged people from all communities as well as BAME communities to take up the vaccine.

Councillor Mayer thanked City Services for their hard work and Waste Savers who never stopped during the pandemic. The Neighbourhood hubs also supported residents; Councillor Mayer thanked all those involved in providing these services.

Leader personally thanked the Chief Executive for the report and invited her to comment.

The Chief Executive thanked the Leader and added that the work carried out during the pandemic was a testament to the Senior Leadership Team and staff across the council. The Chief Executive also added that we would not be in this position today without each and every individual member of staff who also showed their emotional resilience, especially as staff were not immune to Covid. This was not business as usual and we might have to live with the virus for a very long time. The Chief Executive thanked the Corporate Management Team, Finance colleagues as well as those involved in the Leisure Project and Transporter Bridge, adding her gratitude towards the Cabinet Members and all of the Heads of Service.

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Resolved:

Cabinet considered the contents of the report and noted the progress being made to date and the risks that were still faced by the Council.

10 **Brexit Update**

The Leader presented the report to Cabinet. This was the Cabinet Report update of the new UK-EU trade relationship since 31 December 2020.

Trade Negotiations Update

- Since the last Cabinet Report (8 January 2021) the United Kingdom officially left the European Union (EU) and the Single Market.
- The UK and EU now had a trade agreement that enabled tariff free trade between both areas. However, UK and EU businesses had to comply with new custom rules that required importers and exporters to complete additional documentation.
 - Nationally, many businesses had voiced the difficulties faced in meeting these new requirements and in some instances goods failing to be delivered either in the UK or EU.
- Now that we had entered into this new relationship, it was important that Wales, Newport and the region positioned itself to ensure that existing businesses could sustainably thrive into the future; new, home grown entrepreneurs were supported and that we could promote new global investment into the area.
- The UK Government promised that regions across the UK including Newport and the South East Wales would receive investment through new frameworks such as the Shared Prosperity Fund and the proposed Subsidy Regime.
- As with many cities and towns in Wales, the gap between the rich and the poor was increasing, which had been made all too prominent during this pandemic.
 - With any additional funding that Wales received through the new frameworks, we must ensure that Newport was able to use this investment to support communities not just to 'level up' but to also ensure that communities were able to become more resilient and thrive in the long term.
- New immigration rules also came into place from 1 January which ended free movement between the UK and Europe.
- Newport had and always would be an inclusive city where people from all nations are welcomed to live, work and be part of our communities that contributed towards the sustainable growth of the city.
- For EU citizens, their families and friends already living in Newport it was important to apply to the EU Settled Status before the 30 June deadline.
 - The Council's and Welsh Government websites have all the necessary information to help people apply.
- It was also good to see how the Council and its partners over the last four years were working with EU communities to support the most vulnerable and ensure people were able to apply.
- As the report highlighted, many EU citizens were facing barriers and uncertainty over their rights, and issues of hostility. As representatives of Newport's wards it was important that we supported our communities, Council officers and partners raising any issues or concerns.
- The report also highlighted the UK enabling Hong Kong citizens to apply for Visas to live, work and study in the UK. As Newport is a multi-cultural city it was expected that we would welcome Hong Kong citizens into the City.
 - The Council alongside its Housing, Educational and multi-agency partners were already considering what support, resources and requirements would be needed to help people settle into our communities.

Progress Update as outlined in the Report

- In the first two months of the new arrangement, Newport Council's services did report any initial issues and/or concerns in the supply of goods and services.
- However, prices of some goods and services increased and the Council's Procurement / Finance teams would monitor the impact on budgets over the course of this and next year's budgets.
- Newport Council identified only one scheme (Inspire to Achieve) that directly received its funding from the EU and was due to naturally close in December 2023. After this date, the Council would support the Welsh Government with any new initiatives that would help people access the necessary training, support and work which the Inspire to Achieve programme already offered.
- The Council's Communications team continued to promote the EU Settled Status scheme to residents on social media (Facebook and Twitter) and the Council's own website.
- The Council's Regulatory Services were supporting businesses in Newport with necessary support to comply with the new requirements and ensured all necessary EU Health Certificate checks were completed.
- In addition to the Community Cohesion work that was highlighted earlier, the team continued to offer support to the vulnerable and communities where they had no resource to public funds. The Council would also be offering small grants to food banks / organisations that were impacted by Covid and Brexit.
- The table in Appendix 1 of the report provided full details across the areas covered by the Task and Finish Group.

Resolved:

Cabinet considered the contents of the report and noted the Council's Brexit preparations.

11 Work Programme

Cabinet accepted the updated work programme