

Minutes



Cabinet

Date: 10 November 2021

Time: 4.00 pm

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

1 Apologies

Councillor Mayer. The Chief Executive left the meeting early to attend another meeting.

2 Declarations of Interest

None received.

3 Minutes of the Last Meeting

The Minutes from 13 October were recorded as a true record.

4 Revenue Budget Monitor

The Leader presented the report, which highlighted the forecast position on the Councils revenue budget and the financial risks and opportunities that presented themselves as at September 2021.

Against a net budget of £316million, the September revenue position currently forecasted an underspend of almost £8million, representing a 2.5% variance against budget. This position was inclusive of the continued financial impact of the COVID-19 pandemic and assumes full reimbursement of all significant costs and lost income for the remainder of the year. Whilst Welsh Government confirmed the availability of the Hardship Fund for the remainder of the year, revisions were being made to the terms of the Fund as there was an expectation that local authorities and partners would start to move away from reliance upon additional financial support. As there was a possibility that the terms of the Fund continued to change in the coming months, dependent on the Covid position through the Autumn / Winter, this might require forecasts to change accordingly as and when these changes were known.

As shown in the report and its Appendices, the position was explained in the following way:

- Whilst service areas were reporting an underspend against budget resulting from difficulties/ delays in recruitment and covid related activities being reimbursed by the Hardship Fund, much of the underspend originated from non-service budgets.
- The non-service underspend came from savings against the (i) capital financing budget (ii) Council Tax Reduction Scheme and Council Tax collection (iii) the revenue contingency budget which was currently not needed and (vi) some other non-service budgets which were not committed currently. These together produced the £6m underspend.

Despite service areas reporting an overall underspend, there were some individual areas which continued to overspend against specific activities, details of which were set out within the report. In previous years, these overspends related to demand-led activity areas, such as Social Services, however the last couple of years were not a true representation of the challenges faced in these areas due to the pandemic and the reimbursement of additional costs that was received from the Hardship Fund. Given the volatility and uncertainty in these areas, there was an inherent risk that in year demand levels might change from current forecasts.

The key areas contributing to the £8million forecast position included:

- In addition to continued social care risks, there were issues that emerged during the year and would continue to be closely monitored. These included, but were not restricted to, increased costs in respect of dealing with 'ash die-back' and the remedial works required across the commercial and industrial estate. The anticipated overspend in areas of emerging risk was expected to be more than £600k by the end of the financial year.
- There was an anticipated shortfall against the delivery of 2021/22 and prior year savings of almost £600k, which was largely due to delays in progressing the necessary actions, some of which was a result of the pandemic. Whilst the level of unachieved savings in relation to the current financial year was lower than in previous years, there remained a need to ensure that all savings were delivered, in full, as soon as possible and officers continued to take action to ensure these were delivered from the earliest opportunity.
- Underspending against non-service budgets explained the key elements of the forecast. Firstly, there was a forecast underspend of £2.7million in relation to the Capital Financing budget. As part of the budget setting for 2021/22, the capital financing costs of the current capital programme, which ended in 2022/23, were funded up front. This resulted in a saving within the Minimum Revenue Provision budget and the interest payable costs, as this budget was not yet required. This underspend was known and understood at the point at which the budget was agreed in March of this year.
- Savings in the region of £900k were also expected against the council tax reduction scheme budget due to a lower number of council tax benefit claimants than expected and council tax collection. Clearly, there remained an element of uncertainty in this area surrounding the number of claimants and the impact on collection rates in future given that the furlough scheme had ended.
- Furthermore, given that an underspend position was anticipated at this stage of the year there was no requirement to utilise the council's general revenue budget contingency of £1.3million therefore adding to the non-service underspend.

The report also highlighted that, overall, schools were anticipating a net overspend of £2.2million, after allowing for reimbursement of eligible expenditure and lost income from the Hardship Fund.

Whilst schools were expecting to overspend against budget, it was noted that schools carried forward significantly higher balances at the end of the 2020/21 financial year, compared with previous years. This higher level of balances was primarily the product of Welsh Government grants issued towards the end of the last financial year, which offset spending that schools had already budgeted for. As a result, schools carried forward higher than anticipated balances, which, in most individual cases, would be more than sufficient in offsetting the overspends being reported.

In comparison to previous years, only three schools were projecting to hold deficit balances, totalling £879k, with two of those expecting to be smaller than the previous year.

The current position on school balances represented a significant change from the concerns evident in previous financial years. Now that an overall surplus position, projected to total £7.5million, was anticipated, and appeared set to continue for at least the next financial year,

it was important that there remained a focus on school budgets, to ensure that, as much as possible, a return to the previous position was avoided. This needed to be balanced with trying to avoid a situation whereby balances could be considered excessive and would, therefore, be a key consideration when setting future revenue budgets and reviewing the medium-term financial plan.

Comments from Cabinet Members:

Councillor Davies considered that Newport City Council should continue to take a supportive approach to its schools with regard to setting a budget framework in place to help them as well as providing additional funding to ensure teachers had a better understanding of the budget and monitor any potential deficits for the coming years.

There were only two schools in a deficit and it was felt that schools were in a good place, which was as a result of the officers at the council providing that additional support to school staff.

Councillor Cockeram referred to the social services underspend, although the funding from WG was paying for core services. The Council was not able to progress some packages of care because of the pandemic.

Looked after children showed a decrease, however there was the potential rise in mental health issues with children and families.

Decision:

That Cabinet:

- Noted the overall budget forecast position and the potential for an underspend position to exist at the end of the financial year.
- Noted the continued financial challenges being experienced by certain, demand-led, services and the need for robust financial management in these areas, as well as the level of currently unachieved budget savings.
- Noted the risks identified throughout the report and in the HoF comments, particularly in relation to future years and the lasting impacts of the pandemic.
- Noted the forecast movements in reserves.
- Noted the improved overall position in relation to schools, when compared to previous years, but also noted the remaining deficit positions for some schools and the risk of past issues re-emerging if good financial planning and management was not undertaken.

5 Capital Budget Monitor and Additions

The Leader presented the report, which provided the capital monitoring position as at September 2021.

The Council set an extensive capital programme that reflected seven years commitments. Table one in the report showed how that changed over the financial year and how the Council's capital commitments and spend in the city totalled £285m over the life of the programme, across all service areas.

The Council was also being asked to approve, as usual, new, or extended, capital projects to be added to the overall programme. Table two within the report detailed these new capital projects, which totalled £1.931m, and how each of the projects were funded.

Table three in the report showed the forecast position as at September 2021 which was the focus of this report. The current position showed a small, expected underspend of £216k and Appendix C within the report showed the details of this.

The table also highlighted that there was reprofiling undertaken since the last report totalling £6.550m. Details of where this reprofiling occurred was also contained within the report. However, when combining this and new additions/amendments to the programme, this still left a capital programme of £65.985m for 2021/22, which was extremely high, when compared with previous years. Further work on forecasting and reprofiling would continue throughout the remainder of the year to ensure that the capital programme reflected a more realistic timescale for the projects to be delivered and officers were asked to continuously review projects and update the project profile as schemes progressed.

In terms of monitoring spend, the report confirmed low spending of £16.465 million against a budget of £65.985m (25% to date). This pattern was not uncommon, as usually a lot of the cost was profiled for the last half of the year. However, this brought with it the risk of slippage, hence the need for robust monitoring throughout the rest of the year. In saying this, progress was being made on a number of projects, details of which were noted in the report.

The reported capital headroom (budget for which there was currently no committed expenditure), was £6.1m, which included £1.2m of unallocated Joint Venture monies. The demand for capital expenditure in Newport exceeded the level of resource and the Council needed to prioritise carefully where it would spend this capital resource accordingly

The report referenced a piece of work that the Leader requested in relation to the financial and delivery risks arising from the impact of the COVID-19 pandemic and Brexit. Whilst work in this regard continued, it was apparent that there was uncertainty within the construction industry at this time, with particular challenges being experienced in relation to the price of materials such as steel and wood, which were currently in high demand and short supply. Project and budget managers were requested to closely monitor the ongoing impact of this and manage their schemes robustly.

The report asked Cabinet to note and approve:

- the changes to the programme which occurred since the position was last reported. This included approval of the new capital projects and amendments, which totalled £1.931m and £132k respectively.
- the current available capital resources ('headroom') and prioritise future capital expenditure in order to maintain expenditure within the current affordability envelope.

Comments from Cabinet Members:

Councillor Harvey, important services such as flying start and violence against women came under this budget. There was a lot of services the council provided across the Newport, which residents might not be aware of and Councillor Harvey was pleased with the report and that the Council was still supplying and providing services to over 140,000 residents within Newport.

Councillor Cockeram, also referred to the cost of raw materials in terms of trade and the effect on the building projects within Newport, this may have caused delay in some works, however this was out of our control. The cost of wood and steel was on the increase but projects would continue to be delivered.

Councillor Jeavons referred to page 47 and the City Services Grants. Managers would have to work robustly work harder to get this in place by the end of the year. The reverse slippage against the new order of vehicles, which often took time to be in place.

Councillor Hughes mentioned the sheer scale of work carried out by the council in terms of supporting the environment and listed the many environmental projects within the city as well

as the recent Environmental award received, which was recognised nationally. The Cabinet Member also thanked officers for their contribution and hard work.

Decision:

That Cabinet:

1. Approved the additions and amendments to the capital programme (Appendix A), including the use of reserves and capital receipts requested in the report
2. Approved re-profiling of £6,550k into future years
3. Noted the update on the remaining capital resources ('headroom') up to and including 2022/23
4. Noted the capital expenditure forecast position as at September 2021

6 **Annual Report: Compliments, Comments and Complaints Management 2020**

The Leader advised Cabinet that this report was an update on the Council's performance on Compliments, Comments and Complaints during 2020/2021.

The Leader invited the Cabinet Member for Assets and Resources to present the report.

The Cabinet Member outlined the purpose of this report, which was to provide Cabinet with an overview of all Corporate and Social Services Compliments, Comments & Complaints received during 2020/2021. It provided a summary of complaints received and recommendations for improvement and an update of the statutory duties conducted in line with Public Services Ombudsman Act 2019, that received Royal Assent in July 2019. The report also shared the Ombudsman's 2020/2021 Annual Letter to Newport City Council.

Since the last annual report, Cabinet approved the amended Compliments, Comments and Complaints Policy which was aligned to guidance issued by the Public Services Ombudsman for Wales. The Ombudsman now had new powers under the Act which included accepting complaints verbally, not just in writing, the ability to undertake 'own initiative investigations' when the Ombudsman considered them to be in the public interest and gathering complaints data from public services in Wales on a quarterly basis for complaints only

During 2020/2021, a total of 162 compliments were recorded for Corporate complaints and 12 for Social Services. A total of 3104 Comments were received for Corporate services and 7 for Social Services. Comments were where an expression of dissatisfaction with a policy or decision made by the Council had been implemented or applied correctly. This was the highest number of comments recorded as a significant amount of quick decision making needed to happen during the pandemic to keep both the public and staff safe, such as introducing a booking system for waste and recycling. The Council received a total of 202 complaints, 14 of which went to the Ombudsman. The Ombudsman intervened with five cases. The Complaints team analysed all Comments and Complaints to identify trends and opportunities for further improvement and liaised with the relevant service areas. The Complaints Team continued to develop the service provided, to meet legislation and expectations of residents. The objectives of the team over the following 12 months would focus on continuing to raise the profile and understanding of the Public Services Ombudsman for Wales throughout Newport Council and their partners and continue to work with service areas in their continuous improvement plans.

Comments from Cabinet Members:

Councillor Cockeram was disappointed that children services did not have compliments and hoped that the three strategic directors would reiterate to senior managers the importance of recording compliments. The Cabinet Member considered that it was a very good report and thanked City Services for their hard work. The five complaints to the

ombudsman was also broken down by the Cabinet Member who explained that two of which were duplicate.

Councillor Hughes mentioned that the report highlighted that some staff were under pressure. The Cabinet Member thanked and acknowledged staff for their hard work.

Councillor Jeavons mentioned the importance of acknowledging the compliments as staff put themselves at risk working during to the pandemic, particularly the front line staff in City Services.

Councillor Harvey echoed the comments of colleagues adding that no one was infallible and staff acknowledged and rectified their mistakes. Staff worked hard during the pandemic and refuse collection had not been delayed. Staff had stepped up to the mark.

Councillor Truman also agreed with the previous comments and stressed that it was important to report the positive actions of staff. The Cabinet Member also mentioned that it was good to see what was being done well within the Council and it was right that the Council was being scrutinised .

Leader also thanked the public for their comments.

Decision:

Cabinet considered the contents of the report regarding the process and performance of the Council's corporate compliments, comments and complaints annual report 2020/21.

7 Covid Update Report

The Leader presented the report, which was an update on the Council's and its partners' 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 and Corporate Plan.

Since the last Cabinet meeting in October, case rates for Newport and other areas in Wales remained very high as restrictions were eased allowing people to socialise more and undertake more normal routines.

It remained, however, important for people to continue to adhere to the Welsh Government guidelines wearing face coverings, maintaining social distancing (where possible) and being aware of people whether that was friends or family, that there were still vulnerable people who were susceptible to the virus.

Hospitals in Newport and Gwent were continuing to see people being treated for Covid and while the numbers were not as high as those experienced during the last winter, they remained significant enough to impact on other NHS services. To reiterate the Welsh Government's position, additional restrictions could be reimposed if the NHS and new variants of concern emerged.

For people over 50 and the most vulnerable, boosters were being offered as well as the seasonal flu jab.

12 to 15 year olds were also being offered to receive the vaccination. It remained very important for residents to take up these offers and for those still unvaccinated in the other age groups, they too could still receive the vaccine.

Front line services still continued to be delivered and the Council has continued to follow the Welsh Government's advice for staff (where they can) to continue to work from home. This equally applied to Members and access to the Civic Centre and democratic functions would continue to be undertaken virtually.

The Council has also been finalising the technology requirements and the necessary protocols for hybrid meetings to take place in the Council.

Attendance rates across school settings were low due to Covid outbreaks. School catering services were reporting issues with supply chains to obtain food products. Schools across Newport were experiencing high levels of pupil absence due to Covid.

The Council's school meals provider reported challenges within supply chains and were experiencing difficulties obtaining certain food products and catering equipment.

Social services (Adults and Children) were also experiencing higher levels of demand and staff shortages.

The Council has been promoting and supporting organisations with employment opportunities in hospitality and HGV and carers, as well as supporting several job fairs in the City. Work on supporting businesses in their recovery also continued and housing development programmes and were continuing to be delivered.

Comments from Cabinet Members:

Councillor Davies referred to the Covid impact on education since the beginning of October when numbers were rising. There was a recent closure of a year group in Llanwern, fortunately there was technical support in place to provide blended learning. The Cabinet Member thanked teachers who worked so hard over the past weeks to ensure that lessons were still taking place as well as their looking after pupils' wellbeing. The school staff had provided an excellent calm atmosphere for children in the schools. Credit should therefore be given to all staff within Education Services.

Councillor Truman pointed out since last report, restrictions had reduced and contract tracing was concentrating on closed care settings such as schools, and enforcement officers were giving advice and assistance to hospitality settings. The Newport Centre vaccination facility was excellent and compliments had been received regarding NHS staff was very positive as they were doing outstanding work.

Leader thanked Councillor Truman and stressed that it was important to highlight work of partners such as Newport Live.

Decision:

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

8 **Brexit Update Report**

The Leader presented the report on the update of the post EU Transition arrangements since the UK left the EU in December 2020.

Since the previous report in October, Wales and the wider UK economy encountered several disruptions which impacted on households and businesses across Newport.

The Council had seen impact that the labour market was having across different sectors such as logistics disrupting food and fuel supply, social care, construction, farming and hospitality. This was also now impacting Council services, with disruptions to City Services, social care and other services.

The cost of energy (electric and gas) and fuel had increased which meant households on standard and pre-payment tariffs would see an increase in the energy costs. For low-income

households in Newport this would have a significant impact and put further pressure on those vulnerable households.

Food prices were also increasing as well as disruptions in supply resulting in certain foods were not reaching supermarkets but also impacting on food banks across Newport and Wales.

It was becoming clearer that the issues being experienced were a combination of Brexit, Covid and the wider global economic factors. These global and national factors were now impacting the residents and businesses of Newport.

In response, the Council's services were monitoring the financial and non-financial issues escalating any immediate areas of concern to the Council's Gold team. Working collaboratively with other public sector bodies as part of the local resilience forum had been effective managing and responding to the emerging issues.

There was a possibility that this winter could be tough for some of Newport's most vulnerable residents, businesses and services delivered by the Council and our Partners. It was important for residents and businesses to contact the Council and our Partners if they were concerned or required assistance, whether this was responding to any severe weather incidents, debt advice, housing, business support or other matters that the Council could assist or at least signpost to the correct service.

A couple of weeks ago, the Chancellor of the Exchequer announced the outcome of the Levelling Up Fund that was aimed at Levelling Up communities across the UK. Newport's bid was unsuccessful and the Council would be reviewing the proposals to see if alternative funding could be sourced.

The Council recently received confirmation that seven out of the eight projects were successful in obtaining over £2.8 million from the UK Community Renewal Fund. The Council contacted the relevant organisations and would be working with them to ensure their successful delivery.

For the City's EU/EAA citizens it was over four months since the deadline passed.

For a significant proportion of residents (over 10,000 applications) in the City they would have received either full Settled Status or Pre-settled status. The Council were aware that there was still over 1,000 residents awaiting a decision.

This Cabinet wanted to reiterate its support for EU/EAA citizens living and working in Newport and that they all had a part to play in making Newport a great city to live and work in and the Leader encouraged anyone who was still awaiting a decision or having difficulties to conclude their application to contact the Council and other organisations such as Citizens Advice Bureau.

Newport Council was continuing to work with community groups and third sector organisations to ensure EU citizens had access to the services and support they needed.

The Council was working with GAVO to make arrangements to support further food poverty work.

Community Cohesion officers were now focusing on post Brexit rights and making sure EU citizens, businesses and services understood their obligations to access services.

Comments from Cabinet Members:

Councillor Harvey expressed her sadness that Newport residents had to use food banks as highlighted by the Leader.

Councillor Cockeram referred to the one million job shortages in certain areas such as domiciliary care and HGV drivers which was a worrying trend.

Councillor Hughes also mentioned the increase in usage of food banks, which was an issue that could get worse unless changes were made. The Cabinet Member thanked everyone that supported food banks and the volunteers.

Councillor Jeavons referred to HGV drivers and thanked the Council's HGV drivers and employees' loyalty as some were being offered better pay in the private sector.

Decision:

That Cabinet considered the contents of the report and note the Council's Brexit response.

9 **Work Programme**

The Leader advised colleagues on their regular monthly report on the work programme.

Please move acceptance of the updated programme.

Decision:

Cabinet agreed the Cabinet Work Programme.