

Minutes



Cabinet

Date: 15 June 2022

Time: 4.00 pm

Present: Councillors Councillor J Mudd (Chair), D Batrouni, J Clarke, D Davies, Y Forsey, D Harvey, J Hughes, L Lacey and S Marshall

1 Apologies for Absence

None received.

2 Declarations of Interest

None received.

3 Minutes of the Last Meeting

Minutes from 28 April were confirmed as a true record.

4 Corporate Risk Register Update (Q4)

The Leader presented the Corporate Risk Register Update (Q4) report to Cabinet for their consideration. This was an update for the end of Quarter Four (1 January 2022 to 31 March 2022).

The Council's Risk Management Policy and Corporate Risk Register effectively identified, managed and monitored those risks which could prevent the Council from achieving its objectives in the Corporate Plan (2017-22) and to undertake statutory duties as a local authority.

The Quarter four risk report would also be presented to the Council's Governance and Audit Committee in July 2022 to review the Council's risk management process and governance arrangements.

At the end of quarter four the Council had 44 risks recorded across the Council's eight service areas.

The risks that were deemed to pose the most significant risk in the delivery of the Council's Corporate Plan and services were escalated to the Council's Corporate Risk Register for monitoring.

At the end of quarter three, 16 risks were recorded in the Corporate Risk Register; these being nine Severe Risks (15 to 25) and seven Major Risks (7 to 14).

In comparison to quarter three, there were no new and/or escalated risks and no risks were closed.

Twelve risks remained at the same score as quarter three.

Two risks (Safeguarding risk and In Year Financial Management) were de-escalated from the Corporate Risk Register to Service area risk registers for monitoring.

One risk (Pressure on Housing and Homelessness service) increased from 16 to 20.

Three risks (Covid-19 Pandemic outbreak, Demand for Additional Learning Needs and Special Education Needs support, and Schools Finance / Cost pressures) had their risk scores decreased.

The Leader went on to highlight further decreased risks, these included:

Safeguarding Risk (Children Services) and In Year Management (Finance).

At the end of the quarter, the Covid-19 Pandemic Outbreak (20 to 16) risk score reduced following Welsh Government's announcement on easing restrictions.

Cabinet agreed to an additional £.12M to address the discrepancy between the funding to statemented pupils and their actual costs, in relation to Demand for Additional Learning Needs and Special Education Needs support (16 to 12).

Schools Finance / Cost Pressures (12 to 9) decreased as those schools currently subject to the Deficit Recovery process were each demonstrating much improved financial positions. Two of these three schools were expected to end the 2021/22 financial year in surplus, and only one school is considered as likely to need to submit an application for a further licence for the 2022/23 financial year.

WG Covid related guidance in relation to Pressure on Housing and Homelessness Service (16 to 20) continued. There were consistently over 400 households in temporary accommodation, with less than 20 being rehoused each month due to the lack of availability of permanent accommodation. In the absence of the Covid-19 Hardship Fund for 2022-23, additional grant funding was awarded by WG to support the authority to continue to meet the requirement to accommodate a high number of homeless households. This funding, however, would not fully meet the additional costs of continuing to provide high levels of temporary accommodation and the associated staffing and property management expenditure. In addition, the introduction of the Renting Homes Act in July 2022 and the cost-of-living crisis were likely to increase the number of those presenting to the authority as homeless as it was anticipated that private landlords would exit the market and accommodation would become increasingly unaffordable. The pressures on temporary and move-on accommodation was likely to be exacerbated by the demand for housing for Ukrainian evacuees.

Comments of Cabinet Members:

- Councillor Davies referred to recommendation 10 and 15 which had moved down risk register. These were in relation to ALN and SEN support. Cabinet agreed £.12M towards education in relation to these areas of education and further funding would be provided for teaching advisors for pupils at risk of exploitation. An incredible amount of work from education finance officers had been undertaken and the Cabinet Member thanked all those staff involved in education services. The Leader echoed Councillor's Davies' comments and those that volunteered within Education Support.

- Councillor Hughes highlighted the improvement the Council was making in relation to safeguarding practices including charities and volunteers within the city maintaining a level of service at a time when cost of living crisis was hitting the community. Social Care staff in particular were working hard to support the vulnerable in community.

Decision:

Cabinet considered the contents of the quarter four update of the Corporate Risk Register.

5 Local Area Energy Plan

The Leader referred to Council in November 2021, where Council declared an Ecological and Climate emergency. As part of the declaration, the Council pledged to develop a city-wide Local Area Energy Plan. With this in mind, the Leader was pleased to present that plan to Cabinet.

Over the last year, the Council collaborated with stakeholders from the public, private and third sectors to develop the plan which set out a vision and route map for reaching a zero-carbon local energy system for the whole of Newport by 2050.

The plan built on the city's existing strengths, including our industrial heritage and our track record of innovation, and would enable us, as a local authority, to support residents and businesses in Newport to decarbonise heat, electricity and local transport and realise local renewable energy production.

This was another positive step on the way to decarbonising Newport and tackling climate change in our city.

The Leader invited the Cabinet Member for Climate Change and Biodiversity, Councillor Forsey to comment.

Councillor Forsey was pleased to see the final draft of this plan. It was an ambitious plan, of which the Cabinet Member would monitor progress closely and request regular progress updates to ensure that the Council continued to proceed at the speed that would be required.

There were some uncertainties on the pathway to 2050, but seven priority areas of work were identified and key actions for each of these areas would be undertaken for the first five years. Support from a wide range of stakeholders and partners was recognised, to deliver this plan and the Cabinet Member looked forward to working together across the city with residents, businesses and public and third sector organisations.

Comments of Cabinet Members:

- Councillor Davies mentioned that this was being implemented when the Cabinet Member portfolio was handed over to Councillor Hughes. It was exciting to be part of the first steps with Conwy. The key priorities to make the changes to Newport an innovative place to be and a credit was given to those involved in the plan. We were leading the way, in Wales to be carbon neutral by 2050 but could not do this in isolation therefore working with businesses and WG in tandem was important.
- Councillor Hughes paid tribute to those officers who were involved within the plan and, as Councillor Davies had previously mentioned, Newport had led the way on this and therefore fully supported the report.

The Leader thanked Cabinet Members for their valued contribution.

Decision:

Cabinet approved the draft city-wide Local Area Energy Plan for the whole Newport Local Authority area.

6 Information Station Project

The Leader reminded colleagues that Cabinet previously agreed to seek an alternative commercial use for the ground and first floor of the Information Station and relocate staff and services to the Central Library and Museum building. Officers were working on the delivery of this project and to date had managed to agree heads of terms with Tramshed Tech as the operator of the proposed tech hub and co-working space. The Council had also secured £1.3m of Welsh Government Transforming Towns funding for the refurbishment of part of the Central Library and Museum to provide a new face to face facility.

There was extensive and protracted negotiations with the landlord of the Information Station with regard to the sub-lease to Tramshed Tech, however the Leader was pleased to advise Cabinet a point was reached where those overarching consents were in place. What also occurred in the intervening period, however, was a global increase in price for construction projects. Unfortunately, this resulted in the cost of delivering this project increasing by £140,000.

Despite the cost increases, this project provided the Council with an opportunity to deliver new co working and tech hub space in the City Centre. This would build upon and improve current access to co-working space and strengthen our ambition to be a centre for data and tech. Furthermore, by co-locating our face-to-face service alongside our central library service, our residents would have better access to a wider range of support and services all in the same place.

Current tender prices were only held until the 30 June 2022 and any further delay in finalising the lease to Tramshed Tech and appointing contractors presented a real risk of costs increasing further. The Leader recognised that the increase in project costs puts added pressure on financial resources but given the amount of external funding secured and the benefits which flowed from this project for residents and businesses, the Leader proposed Cabinet endorse the report and support the increased budget requested.

Comments of Cabinet Members:

- Councillor Harvey welcomed the report and mentioned that there had been so many delays and was therefore behind the project and eager for the work to commence. The Leader shared the Cabinet Member's sentiment.

Decision:

Cabinet agreed to meet the increased costs of the project in order to allow the proposal to proceed.

7 Levelling Up Fund Round 2 - National Institute of Technology (Report to follow)

The Leader mentioned that Cabinet colleagues would recall that the UK Government launched a £4.8 billion Levelling Up Fund last year. Round 1 bidding took place last year and Newport put forward a proposal which focussed on public realm investment opportunities around the Newport Station area. Unfortunately, the Council was not successful with that bid but UK Government had now opened bidding for round 2. This remained a competitive bidding process and up to £20m of capital funding was available for regeneration and cultural projects. The deadline for the submission was 6 July 2022.

Newport was identified as a Priority 1 area and whilst this provided an advantage in terms of hierarchy of need, it remained a competitive process and funding would be awarded on the basis of the quality of the bid and not priority status.

The Leader was very pleased to present this report requesting Cabinet's approval to submit a round 2 bid which focussed on the creation of a City of Newport National Technology Institute. This new Technology Institute would be based in the City centre and would complement and build upon the delivery of the Newport Knowledge quarter. This facility would be delivered in collaboration with Cardiff Capital Region, Further and Higher Education, business and industry experts, and employers. The focus would be on delivering targeted and focused courses and qualifications where employer demand was greatest. It was expected to:

- significantly increase the number of learners with higher technical qualifications
- provide the skills that employers need, both now and in the future, which were crucial to local, regional and national productivity growth
- attract a diverse range of learners to address the lack of diversity in some parts of the technical workforce, to maximise their social as well as economic impact, and
- support adult learners, whether in employment or not, who want flexible access to higher-level education

This would be a different offer to existing Further Education and Higher Education provision and local partners were supportive of this bid. It was important to acknowledge that this bid was developed as a result of ongoing feedback from employers and representatives through our regional and local partnerships. Our employers and businesses were telling us that they desperately needed a pipeline of suitably qualified and trained people in the local area to meet their current needs and enable their businesses to grow. Newport had already seen how alternative offers such as the National Software Academy and the Cyber Security Academy could succeed, and this concept expanded on those offers.

The Leader reiterated that this was a competitive process, with no guarantee of success. There may or may not be a third round of funding and the Council needed to pursue all grant funding opportunities available in order deliver on ambitious regeneration plans for the City Centre.

Comments of Cabinet Members:

- Councillor Lacey, with an IT background herself, the Cabinet Member fully supported the report and felt it was an exciting move for the future generations in Newport.
- Councillor Davies also echoed the comments of Councillor Lacey and supported the report. The potential opportunities for children and students within Newport was phenomenal and would provide the qualifications to take children further.
- Councillor Hughes the potential for children to stay within their communities was also an asset there was exciting times ahead and therefore supported the report.
- Councillor Marshall mentioned as an LEA Governor he had seen children coding in school, which was fascinating and this would also benefit the not only the city as a whole but wider ranging for neighbouring cities.
- Councillor Harvey, moving forward, this was clean future for the next generation of children in Newport.

Decision:

- Cabinet approved the submission of a bid to the second round of the Levelling Up Fund relating to the provision of a National Technology Institute in Newport City Centre.

- Cabinet also approved a change in the capital programme, as outlined in the financial summary, to fund the potential 'match-funding' for this project.

8 Treasury Management Report

The Leader presented the report. Before Cabinet was the 2021/22 Outturn on Treasury Management. This report was reviewed by the Governance and Audit Committee, with no comments or observations requiring the Cabinet's or the Council's attention were made. From here, it would go to full Council who were responsible for setting the Council's Treasury Management strategy and the various indicators and limits that managed this activity.

The report explained the Council's borrowing and investing activities in 2021/22 and its position against the indicators and limits set.

Regarding borrowing, a substantial difference could be viewed relative to the expected position. The Council had a long-term requirement to borrow and in pursuing an internal borrowing strategy, should normally have minimal investments (spare cash) which it invested over the short term.

Due to the on-going impacts of the Covid pandemic, following a second year of significant capital expenditure slippage, the take up of expected borrowing did not materialise. The 'need' to borrow was there and would happen but slippage that this had not materialised as quickly as expected.

This second year of significant underspending and the resulting increase in reserves which have yet to be spent also meant that cash resources were much higher than expected. This allowed some small maturing loans to be repaid without re-financing and for spare cash levels to be high and invested.

As outlined in the report, this was a temporary position and as the Council worked to catch up on capital projects and with the financial support linked to Covid now ended, cash resources and investments would reduce, then borrowing resume, in line with requirements over time.

Officers were undertaking a detailed review of the capital programme to gain a better understanding of delivery timescales, and this would be reported to Cabinet in due course.

On the indicators and limits, the report highlighted one area where these were not met, which was unusual.

The indicator related to the Council's exposure to *interest rate changes*. Borrowing costs increased if the interest rate increased and our income from investing activities would reduce if the interest rate dropped.

It could be noted that the issue was highlighted due to a different interpretation of our LOBO (Lender Option Borrower Option) loans as variable interest loans rather than fixed interest rate loans. It was therefore more of a 'technical' issue as opposed to one caused by borrowing decisions made. Indeed, the report confirmed that given the nature of these LOBO loans, if the interest rate did increase; the Council would be more likely to make a budgetary saving rather than being exposed to the risk of costs increasing.

Regarding the limit, this breach occurred because amounts invested was much greater than that envisaged when setting the indicator. Again, this was of no concern as the Council's budget target for interest receivable had not changed and even if rates decreased; it would not impact on that budget.

It should be noted that managing the Council's cash-flows was particularly challenging over these last two exceptional years, therefore, the Leader thanked the Finance team for their work during this time.

Decision:

Cabinet noted the report on treasury management activities for the period 2021/22 and would provide comments to Council.

9 **Covid Update Report**

Since the last report in April, the Leader advised that the Welsh Government announced the removal of the last legal restrictions for people to wear face coverings in health and care settings.

People were still being asked to self-isolate if they displayed symptoms and/or test positive for covid. Vaccinations were offered to over 75s who could still receive the vaccine if they had not done to date. Further vaccinations would be offered in the autumn for residents in care home settings (including staff), frontline health and social care workers and adults aged 65 and over; and those in clinical risk group (16 to 65).

Covid financial support for those self-isolating and unable to work from home would be coming to an end at the end of June. Other financial support was continuing to be offered to households and businesses that were struggling post pandemic and through the increasing cost of living.

Various schemes were available from the Council and Welsh Government for households and businesses to access. On behalf of this Cabinet and Councillors across Newport, people were encouraged to contact the Council if they were struggling or required assistance.

Restrictions at Council buildings were removed in line with Welsh Government guidance. Office based staff were still encouraged to work from home and to only work at Council buildings if it was necessary.

The Council's New Normal project is finalising its policy and procedures to fully undertake hybrid and flexible working.

The Council welcomed new and existing Councillors following the local elections and successfully conducted its first hybrid Council meeting. Cabinet looked forward to future scrutiny and regulatory meetings using this technology.

The Leader invited Cabinet Members to highlight work in their portfolios:

Comments of Cabinet Members:

- Councillor Harvey stressed that members of the public must try to apply for some form of benefit if they were struggling and to contact the council as a matter of priority. The Cabinet Member thanked all the teams and officers for their help for the last two years, adding that people must never take their friends and family for granted and neither must Cabinet take officers for granted. The Leader echoed comments and thanked previous Cabinet colleagues in their responses and actions to the unprecedented situation.
- Councillor Davies also echoed the Leader's and Councillor Harvey's thanks. There was concern during last year that exams would not go ahead however, they were now in full swing and it was tough at the time for pupils as they did not have the opportunity to access education in the normal way. Supportive measures were in place by the WG and Councillor Davies was pleased to report that across Newport, exams were going really

well. The Cabinet Member thanked staff in Newport schools who helped pupils to take their next steps.

- Councillor Marshall attended a foster carers event and where he received positive feedback about the council over the course of the last two years.
- Councillor Lacey added that it was so nice to see the community out especially during the Jubilee celebrations and looking forward. LL thanked Cabinet for their hard work over the past two years.

Decision:

Cabinet considered and noted the contents of the report and would receive updates from officers as part of their portfolio.

10 **Post EU Transition Report**

The Leader presented to Cabinet an update on the post EU Transition and wider economic and global challenges impacting Newport's communities and economy

Since the last report in April, households and businesses were continuing to see increases in their general cost of living.

Inflation was reported at 7.8% to April 2022 and was expected to continue rising. Businesses were also having to pass on increased costs to the consumer.

Many low to middle income households were having to make very difficult decisions between food, utility bills and transport.

The UK energy regulator Ofgem already indicated that the fuel cap would rise to £2,800 in October.

The Council's Council Tax team encouraged households in bands A to D to claim the £150 cost of living payment.

A further announcement would be made by the Council on the provision of an additional £1.2m support for most vulnerable households.

The Welsh Government's campaign 'Claim What's Yours' was also available for people to access benefits to assist them with the help they needed.

Newport Council was also offering a £500 payment for unpaid carers who look after someone for 35 hours or more and were on low incomes.

Businesses in the City were also able to claim rate relief from the Council. Grants were also available to start up and existing businesses.

Council made £100k available earlier in 2022 to support the City's foodbanks. Newport Council was now working in partnership GAVO offering capital grants for foodbank and community organisations to deliver food security projects.

Cardiff Capital Region was leading on delivering the UK Government's Shared Prosperity Fund. Newport City Council was developing its local investment plan to support the delivery of local priorities for communities across Newport. A further announcement would be made in due course by this Cabinet on the Plan.

The Leader turned to the citizens of Newport, a city that recognised the contribution of its residents in making Newport a rich, diverse and inclusive place to live. Citizens had been

welcomed from across the world and supported those seeking refuge and safety in Newport and Wales.

The Council and its partners continued to support EU/EAA citizens with their Settled Status claims and ensuring citizens were able to access the services they need.

The war in Ukraine caused the displacement of many tens of thousands of Ukrainian people from their homes. Ukrainians arriving in Newport and Wales were being supported by the Council, health, school, and community groups to settle in the city. In the last month Newport Council and partners approved 80 visa applications issued in connection with 52 active Ukrainian placements across 22 sponsors.

Council services had undertaken additional responsibility, helping to process applications, complete necessary safeguarding checks and administer financial payments to host and Ukrainians.

The Council's schools also welcomed Ukrainian children into their school communities and helped them to settle into the schools.

The Leader thanked everyone that opened up their homes to accommodate Ukrainian families during this time of crisis. Also outstanding achievement from local charity and Leader was involved in this project and visited a celebration event from the Women of Newport and as Leader it was a great opportunity to be invited to open the doors of the Westgate Hotel that represented democracy in Newport. It was such a privilege and the Leader was truly humbled by the support from the people of Newport.

Comments of Cabinet Members:

- Councillor Hughes echoed comments of the Leader and referred to a recent event he and his Cabinet Member job share colleague, Cllr Marshall attended which supported the Hungarian Community in Newport. It was informative to see how well they had settled in Newport and their children were learning Welsh. The community also supported Ukrainian evacuees and they appreciated the support from Newport City Council.

Decision:

Cabinet considered and noted the contents of the report and would receive updates from officers as part of their portfolio.

11 **Work Programme**

This was the regular monthly report on the work programme.

Please move acceptance of the updated programme.

Decision:

Cabinet agreed the Work Programme.