

Minutes



Cabinet

Date: 12 July 2023

Time: 4.00 pm

Present: Councillors J Mudd (Chair), D Davies, D Batrouni, J Clarke, 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 14 June 2023 were accepted as a true record.

4 2022/23 Revenue Budget Outturn

The Leader introduced the first report on the agenda, which explained the Council's outturn for its 2022/23 revenue budget and the key issues arising.

Against a net budget of £343million, the 2022/23 revenue outturn produced a net underspend, after planned transfers to and from reserves, of £5.1m, which represented a 1.5% variance against budget.

This final position represented an improvement on the position previously reported to Cabinet, mainly due to late, unexpected grant funding, additional income and a slight reduction in demand in certain areas.

The Leader explained that the 2022/23 the underspend of £5.1m, was due to the following:

- (i) Underspends against non-service budgets, specifically the general and covid contingency budget. The contingency budgets were temporarily increased for 2022/23 following Covid, these were not required to balance the budget this year.
- (ii) Overachievement of interest receivable due to interest rates rising, higher than anticipated investment balances and increased savings on interest payable due to the delayed need to undertake borrowing, caused by slippage in the capital programme. Additionally, there was underspend on the Council Tax reduction scheme.
- (iii) These underspends were, however, offset by overspending in service areas due to increased demand and rising costs resulting from the high inflationary environment.

Emergency placements within Children's Services and demand for temporary accommodation within Housing and Communities were the two most significant areas of additional demand. The higher than anticipated pay award for NJC staff across the council also significantly contributed to this position.

Detailed explanations of the over and underspending against budgets can be found in section 2 of the report.

Whilst the outturn overall was positive for the Council's finances; there were specific issues which had the potential to impact on the forthcoming year. A number of these issues were addressed as part of the 2023/24 budget setting process, although some remain that could impact during the year. These risks were explained in detail within section 4 of the report and continued to be monitored by the Executive Team.

As school variances were managed via individual school's balances, the overall underspend of £5.1m did not include the schools' position. For 2022/23, schools collectively overspent by £1.3m which saw school balances reduce from £15.7m to £14.4m as at 31 March 2023.

In light of the significant level of savings that schools needed to make during the 2023/24 financial year, officers continued to closely monitor school balances over the medium term as part of the Council's deficit avoidance and prevention strategy.

As part of this meeting, Cabinet, were being asked to approve the use of this underspend.

Before moving onto the considerations, the Leader invited colleagues to give their general comments on the report.

Comments of Cabinet Members:

- Councillor Davies thanked schools for their hard work setting the balance budget during these incredibly challenging times. School staff also work very closely with officers in finance to ensure that those budgets were set and were determined this year to spend wisely and carefully going forward.
- Councillor Batrouni added that whilst the underspend was welcome the Council still faced challenges going forward. Interest rates, pressures on council services and households meant more pressure on the Council going down the line. There were already overspend pressures in housing, social care, social services and out of care placement and this was not going to abate. There was also a forecast across Wales of a shortfall between £300 and £400 million and we should therefore be mindful of a bleak picture.

Having this one-off funding available was extremely helpful both in the current year, and future years, to support the Council in delivering its corporate priorities but Cabinet, as mentioned by the Cabinet Member for Organisational Transformation suggested, we should be mindful that there were still challenges.

Section 5 of the report detailed how the £5.1m was proposed to be used:

- £947k to support service delivery, including the provision of transport for pupils of St Andrews and Millbrook primary schools and empty homes enforcement interventions, financial assistance, and debt recovery,
- £1.9m to manage operational risks in the context of reduced contingencies and pressure on budget, and

- The residual balance of £2.17m be allocated to the capital reserve to boost the overall level of capital headroom and, in doing so, provide additional capacity to be able to support several one-off projects in relation to the capital programme.
- Clarify the projects in due course, Cabinet was committed to ensuring that at least half of this was prioritised for highways department to address the most problematic areas of potholes and other issues.

Given the current external environment, the Leader was also seeking Cabinet's approval to move a proportion of that money to third sector partners in order to help alleviate holiday hunger for the next six weeks across Newport, the final figure was yet to be determined.

The total reserves balance on 31 March 2023, following the transfers set out within the report, would reduce to £138.9m from the balance of £151.9m a year ago. The significant movements were summarised within section 5 of the report.

Comments of Cabinet Members:

- Councillor Harvey mentioned that holiday hunger was a real thing and 95% of families were in work poverty, which was going to get worse, therefore the Cabinet Member for Community and Wellbeing fully endorsed the funding.
- Councillor Davies also fully supported the proposed. Families in Newport were used to receiving school holiday vouchers, children had become reliant on Free School Meals (FSM) and families budgeted accordingly for it. As Welsh Government were no longer able to provide these vouchers, there was a desperate concern to all. It was a priority and therefore excellent news that the Council would support these families.

Decision:

That Cabinet

1. Noted the outturn position, which was subject to audit; and the major variances for the year (sections 1-3);
2. Approved use of the underspend and other reserve transfers as set out in section 5 of the report, noting the resulting level of the Council's general and earmarked reserves;
3. Noted the school's outturn and the position on the individual and total school reserves (section 3).

5 2022/23 Capital Outturn and Additions

The next report presented by the Leader was the Capital Programme Outturn report for 2022/23. This was the final report of the year on capital activity which provided an overview of the final amount of capital expenditure incurred in the year, compared with the allocated budget. As part of this, the report outlined the level of slippage and underspend incurred and provided an update on the level of available capital headroom.

In addition to this, the report outlined the additions to the programme that were identified and requested authorisation as Cabinet, for their inclusion.

- o The first section outlined the movement in the capital budget since the last report was presented to Cabinet, in February.
- o The total value of additions and amendments was £51m, however more than half of that was formally approved as part of agreeing the Capital Strategy for 2023/24. Therefore, the value of additions that required approval, the majority of which were externally grant funded, stood at £18.5m. These additions took the total budget for the year to £91.8m.

- o A further breakdown of these additions was given in Appendix A.

Against the revised budget, total expenditure of £61.2m was incurred, resulting in a variance of £30.6m.

This variance comprised a net underspend of £47,000 and more significantly, slippage totalling £30.553m. It was necessary for this slippage to be carried forward into future years in order for ongoing and previously approved schemes to be completed.

The overall value of slippage increased by £3m since the last report. Relatively speaking, this was a small increase compared to that seen in previous years. This was mainly due to the fact that a number of large schemes were now underway but also because of reprofiling undertaken in previous months.

It was noted, however, that the overall level of slippage was still significant and was something that needed to be managed robustly in future years.

In addition, a further review of the 2023/24 capital budget was required, to ensure that it reflected a realistic profile. Currently, the budget stood at nearly £95m and would be a challenge to deliver. It was, therefore, necessary to reprofile this across the remainder of the programme to increase the chances of delivering against the budget and minimising the level of slippage reported in future years.

The report also detailed the level of capital headroom currently available, which could be used to support new schemes.

This now stood at £9.774m, after allowing for two pre-commitments against this funding.

The majority of the balance was held within the capital expenditure reserve, following Cabinet's decision in February to transfer the full value of the residual 2021/22 revenue underspend (£7.9m) to that reserve.

Whilst the headroom recently had a significant boost, there remained a need to tightly control its use, so that it was available for only the most critical issues, as and when they emerged.

In addition, any opportunity to further increase in the headroom would need to be taken, so that it was possible to support as many priorities as possible and also ensure that sufficient funding existed to respond to any cost increases in relation to existing schemes, driven by rising construction industry costs.

Comments of Cabinet Members:

- Councillor Batrouni welcomed the headroom element in the report. Interest rates were high, and with this in mind, it was prudent to increase the headroom to give the Council space and flexibility going forward, therefore report was welcomed.
- Councillor Davies agreed with comments of her colleague regarding the capital headroom as well as showing prudence for projects going forward.

Decision:

That Cabinet

1. Approved the additions to the Capital Programme requested in the report (Appendix A).
2. Noted the capital expenditure outturn position for 2022/23.
3. Approved slippage of £30,553k from the 2022/23 budget into future years.

4. Noted the available remaining capital resources ('headroom') and the earmarked usage of that resourcing.

6 Welsh Language Annual Report

The Leader was pleased to present the annual report which detailed the Council's progress in complying with the Welsh Language Standards as part of the Welsh Language (Wales) Measure 2011.

The report provided an overview of the Council's progress in meeting the Standards, included information required to be published on an annual basis, a summary of key achievements during the year, and priority areas for future work.

Whilst this was a Newport City Council report, engagement, development, and co-production was at the heart of all activities and events. Da iawn pawb.

Members noted the key highlights from the year, including:

- o The significant increase in delivery of Welsh Language Awareness sessions for the council's workforce with 99 members of staff being trained.
- o The adoption of the Welsh in Education Strategic Plan (WESP) 2022-2032 Council and approval by Welsh Government.
- o The launch of the Council's Welsh Language Skills Policy demonstrating the Council's commitment to the Welsh language through recruitment and training.

The report also identified the key priorities for 2023-24, including:

- o Building on the creative partnership arrangements developed outside the public and voluntary sector to better raise the profile of the Welsh language across Newport with opportunities at Dragons rugby and Newport County AFC.
- o Delivering a cohesive approach to Welsh language skills development across our OneNewport partners through the Right Skills Board.
- o An even greater focus on recruitment, retention, and development of Welsh speakers across all services areas within the council, and
- o Facilitating and supporting events throughout the year and looking at the cross-cutting themes around equality, diversity, and inclusion.

The Leader invited the Cabinet Member for Organisational Transformation and lead for Equalities and Welsh Language to comment. If happy with this, officers will update the Cabinet Member with the below words.

Councillor Batrouni thanked the Leader and remarked that as the Cabinet Member lead for Welsh language, I welcome this Annual Welsh Language Monitoring Report which reflected on our achievements, performance, and compliance with our statutory duties.

This year has again demonstrated the council's commitment to the Welsh language whilst we have readjusted to the relaxation of restrictions of the global pandemic and the ongoing financial budgetary demands to make unequivocal progress against our commitments towards the Welsh language in the city. The Cabinet Member for Organisational Transformation added that the Council could not do this alone and needed the support of the community and the Welsh speakers within the city with community groups coming together,

which they could not during the pandemic. Councillor Batrouni remarked that going forward, along with the partnership worked it was hoped to see this progress accelerated.

The Leader thanked Councillor Batrouni and also took the opportunity to thank Councillor John Harris for supporting the work in his role as Welsh Language Champion. Diolch yn fawr iawn'.

Comments of Cabinet Members:

- Councillor Hughes addressed his Cabinet Colleagues in Welsh and English.

Mwy na ugain blynedd yn ol pan gyrhaeddais I yn Gasnewydd, roedd bron lawn popeth iw ymnweud ar iaith gymraeg yn frwydyr I fynyr allt.

Erbyn hyn yr ydym yn gweld yn awr ymwybyddiaeth or Ddinas yn tyfy— a chyngor rhagweithiol yn gystylltu ar gymuned

Maen gywir y bydd ein focws y flwyddyn nesaf ar bartneriaethau a datblygu staff ein hunain.

Maer gwaith hwnnw-a gwaith ein ffrindiau yn y ddinas yn gwneud gwahaniaeth mawr.

Ysgolion gymraeg, bandiau cymraeg, gwyliau gymraeg fel Mari Llwyd a gwaith gwych y menter a capel Seion ac eraill yn ganol y ddinas.

Diolch ir aelod cabinet ai swyddogion am ei gwaith I paratoi yr adroddiad a thrwy gydol y flwyddyn am ei gwaith I helpu sicyrhau dyfodol llwyddianus ir iaith gymraeg yn ein cyngor.

More than Twenty years ago leader when I first arrived in Newport almost everything in relation to the Welsh language was an uphill struggle.

What we are seeing now is a city whose awareness is on the rise supported by a council that is proactively engaging with the community. It's right that our focus in the coming year will be on partnerships and developing our own staff in all our service areas.

The work we do as a council and with our friends and partners has an impact on the city. We have seen Newport's commitment to Welsh education, we see our pubs putting on welsh bands and festivals like Mari Llwyd bringing the old traditions and songs to the streets of our city. I'm proud as a Welsh speaker to be part of a council that is embracing the positives of our beautiful language.

I thank our cabinet members for organisational transformation, leader and our officers for their efforts in producing this report and throughout the year in supporting the language grow in our city.

- The Leader thanked Councillor Hughes and was delighted to hear him deliver his response in Welsh.
- Councillor Davies mentioned that last year the Welsh Strategic Plan had been adopted. The Cabinet Member for Education and Early Years had recently met with the Welsh Minister for Education and what was recognised by Welsh Government was our strength and strategic focus within the report; specifically in support of developing opportunities for teaching Welsh throughout Newport. This would be developed over the next 10 years and was a strong plan to be proud of. It was noted that key priorities within Newport schools ensured that all families were made aware of Welsh medium education options as well as understanding the importance of a bilingual education. The Cabinet Member had seen first-hand parents being invited to school and participating in the learning opportunities, such as support with homework and learning themselves to speak Welsh.

It was excellent to see this year's Welsh Annual Report and Councillor Davies looked forward to next year's report, which would be better.

- Councillor Marshall added that it was an interesting report and there was also other means and opportunities to promote the Welsh language. Councillor Marshall recently attended an event for Hungarian Children in Maindee where there was a mix of languages including Welsh. There was an increase in the use of the Welsh language by young people in the city. Moving forward with the one million Welsh Speakers plan, it was about those that spoke Welsh in a formal capacity also being able to speak Welsh socially. As elected members, we should look at effects in our own wards and abilities and opportunities moving forward.
- Councillor Forsey agreed that it was a very interesting report and that there were different promotional activities to support the Welsh language such as singing, cooking and family activities. An important aspect of promoting the Welsh language was promoting the Welsh culture. There were a number of links to videos in the report and these should be watched. Additionally, there were a very low number of complaints about the Welsh language; only three for Newport City Council and two to the Welsh Commissioner and it was good to see actions being taken and resolved. The Council was also working with partners to promote Welsh, such as Newport Live, who provided flash cards in Welsh for their staff.

Decision:

That Cabinet approved the attached final monitoring report and published it on the Council's website, in accordance with statutory deadlines.

7 Corporate Risk Register Update (Q4)

The Leader provided an update of the Council's Corporate Risk Register for the end of Quarter 4 (1 January 2023 to 31 March 2023).

Cabinet Members were asked to consider the contents of this report and the monitoring of these risks in the Corporate Risk Register.

The Council's Risk Management Policy and Corporate Risk Register enabled this administration and officers to effectively identify, manage and monitor those risks which could prevent the Council from achieving strategic priorities and undertake statutory duties as a local authority.

The Quarter 4 risk report would also be presented to the Council's Governance and Audit Committee later this month to review the Council's risk management process and governance arrangements.

At the end of Quarter 4 Newport City Council had 45 risks recorded across the Council's eleven service areas.

Those risks 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 3, 14 risks were recorded in the Corporate Risk Register.

- 8 Severe Risks (15 to 25).
- 6 Major Risks (7 to 14).

In comparison to Quarter 3, there was one risk, *Eliminate Profit from Social Care* which was escalated from Children Services:

- o The Council was commencing a significant programme of work to support the Welsh Government's policy to eliminate profit from Children's social care.
- o In response, the Council saw providers withdrawing from the market which meant the Council was having to make placements with practices 'operating without registration' which was a criminal offence under the Social Services Act.
- o The Council was fully aware of the risk being raised here and agreed this was a corporate risk. The Council was working very hard with providers, Care Inspectorate Wales and other partners to ensure children were being looked after with the best providers for their needs.

One risk, *Ash DieBack* disease was also de-escalated from the Corporate Risk Register to the Environment and Public Protection risk register at the end of Quarter 4.

- o Following the identification and assessment of Ash DieBack disease across Newport, the Council took immediate action to remove trees with Ash DieBack from high-risk areas.
- o Funding allocated by the Council was also used to replace the trees removed, ensuring its ecological commitment was met to protect and enhance Newport's environment.
- o The service area would continue to monitor and report against this risk and the work to remove infected trees and its replacement programme.

The Risk Report also showed two risks in relation to the stability of social services providers and pressure on adult services improving since Quarter 3.

- o Both risk scores decreased from 25 to 20 at the end of Quarter 4.
- o The Stability of Social Services providers with adult services saw improvements to the flow of brokered packages of care.
- o Provider services however remained in a very precarious position and the Council continued to monitor the situation closely in 2023/24.
- o The pressure on adult services also improved following the recruitment to key posts within the service. It was important that support for social workers and supporting officers within social services continued as they provided a pivotal role to safeguard the most vulnerable residents and carers in Newport.

The remaining 12 risks were reported with the same risk score as quarter three.

To conclude, Cabinet colleagues, were asked to agree the contents of the Corporate Risk Register (Quarter 4), to continue monitoring of these risks and the actions being taken to address the risks identified in the report.

Comments of Cabinet Members:

- Councillor Marshall highlighted the difficulties experienced within Childrens Services, which was a challenging environment. Managers provided the best possible care for children and with that in mind, the Cabinet Member for Social Services (Children) wanted to thank staff for everything they did to support children.
- Councillor Davies referred to the school finances in the amber position and was aware of the risk increase in relation to budgets and that it was a key responsibility for everyone involved to support schools with their financial decisions. The demand for ALN and SEN

support remained a focus as these needs were increasing. These issues were being addressed and an example of this was seen in the recent expansion at Ysgol Bryn Derw, which was specifically set up for children with ASD. There was also a new ALN provision to be opened soon school at Llanwern School in the Autumn. Hopefully, we could continue to address these issues by addressing these risks. Out of school placements always remained a concern and unfortunately the Council did not have the ability to support those with extreme needs. Overall, these risks would be constantly monitored.

- Councillor Harvey echoed Councillor Marshall's comments in relation to staff working very hard. With regard to the out of county placements, this was out of the Council's control as a judge in a courtroom would have to make this decision.
- Councillor Hughes also highlighted that the decisions and pressures that teams were under was mainly due to external pressures.

Decision:

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

8 NCC External Pressures - Cost of Living

The final report on the agenda presented by the Leader was the monthly report providing members with an update on the main external pressures facing the council, our businesses, residents, and communities.

The cost-of-living crisis remained one of the main areas of concern for our residents, businesses, and services. For the second month, the UK's inflation rate in May was 8.7% with prices for food and non-alcoholic drinks rising between April and May.

Within the report there was a link to a Citizens Advice survey finding as many as one million people had their broadband cut off in the last year as the cost-of-living crisis left them unable to afford internet access. The impact as a result of this was quite significant in terms of accessing the support that families needed.

The Leader of the Council and Chair of OneNewport, continued to advocate for partnership working as being vital in supporting residents and businesses and the Leader urged residents experiencing difficulties, to contact the council for information and signposting on the advice and support available, either in person, by phone or by visiting the support and advice pages on the website.

The report provided information on how officers from across the council and its partnership agencies continued to work together to coordinate and provide residents with support, advice, and guidance.

Cost of Living events were taking place across the city to provide opportunities for residents to access free help, support, and advice on managing debt and maximising income.

From September 2023, Newport schools would have implemented the Welsh Government's Universal Primary Free School Meals across Key Stage 2, meaning that all primary aged pupils would be able to benefit from this initiative.

As part of the Council's commitment to the Ukrainian communities, with the planned closure of the super sponsor scheme, officers were focused on developing housing initiatives. Cabinet colleagues were encouraged to promote the opportunity for residents across Newport to come forward as 'hosts'.

Comments of Cabinet Members:

- Councillor Harvey agreed that the cost-of-living crisis was horrendous, and that people were maxing out their credit cards instead of avoiding asking for help and this was not the way forward. Councillor Harvey encouraged people to touch base with their local councillor as well as highlighting the community events put on by the Council to help families. Families could also ask for a food parcels for the extra support. In addition, families were also using pay day loans. Councillor Harvey urged residents not fall into the trap of extra debt but to contact the council who would provide help and advice.
- Councillor Marshall mentioned that it was positive to see a number of events taking place within Newport from carers support from social services to an event at Tesco, Cardiff Road. This was a reinforcement that help was in place, there was also a community connectors café at the Riverfront, where carers could receive help and advice, and this went a long way to help people become independent.
- Councillor Davies focussed on Newport education's priority of tackling all aspects of poverty. There was universal school provision, which was being rolled out to all schools at the start of Autumn Term. The Council was ahead of Welsh Government's expectations and Councillor Davies wanted to thank officers who worked incredibly hard to ensure that this would happen. The uptake of children wanting Free School Meals at foundation phase had dramatically increased. The Council was also supporting those children in poverty in schools by developing a strategy of tackling poverty, which was progressing with enthusiasm and would continue to develop over the next three years as part of the service plan. Teachers had welcomed this level of commitment and support and was also receiving support from Children in Wales, as well schools looking into reducing the cost of resources. A partnership was recently developed with the Bank of England, bringing financial awareness into the curriculum, as well as working with other financial partners in the future. A newsletter for all Head Teachers and Governors was also being distributed to raise awareness of the key priorities in relation to tackling poverty.
- Councillor Batrouni added that it was wonderful to hear all the amazing efforts of Cabinet colleagues and Council and hoped that the pressures faced by the Council and residents would be addressed as a matter of priority.

Decision:

That Cabinet considered the contents of the report on the Council's activity to respond to the external factors on Newport's communities, businesses, and council services.

9 **Work Programme**

This was the regular monthly report on the work programme.

Decision:

Cabinet agreed the Work Programme.