

# Minutes



## Cabinet

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Date: 8 June 2015

Time: 11.00 am

Present: Councillors R Bright (Chair), P Cockeram, D Davies, G Giles, R Poole, J Richards, R Truman, M Whitcutt and D Wilcox

In Attendance: Mr W Godfrey (Chief Executive); Ms S Davies (Strategic Director); Mr M Rushworth (Head of Finance); Ms D Wood – Lawson (Head of People & Business Change)

Apologies: None

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### 1 Apologies

No apologies were received. All Cabinet Members were in attendance

### 2 Declarations of Interest

Councillor Deborah Davies declared an interest in Item 8: Library Transformation and did not participate in the debate or vote on that item

### 3 Minutes

The minutes of the meeting of the Cabinet held on 13 March 2015 were confirmed as a true record

### 4 City Deal

The Chief Executive explained the background behind the concept of city deals which are negotiated with UK Government as a way to provide funding for infrastructure investment.

The Government's stated aim of the City Deal programme is to devolve control to cities to:

- Take charge and responsibility of decisions that affect their area
- Do what they think is best to help businesses grow
- Create economic growth
- Decide how public money should be spent

The Cabinet was informed of the work which has taken place on a regional basis in South East Wales and the role Newport City Council could play in the negotiations to conclude a city deal for the Cardiff Capital City Region.

Cardiff Council will lead the work as they are the largest authority. This is in line with the process with other parts of the UK. The 10 Local Authorities in South East Wales had

expressed their interest in moving forward and the proposal was that each authority would contribute to an overall fund of £500,000 pro- rata. Newport's contribution was at £50,000.

If all parties agree to proceed, an outline proposal will be submitted to the UK Government that will provide a high-level proposition, outlining the key aims and objectives of the Deal, and an initial summary of proposed governance arrangements

The City Deal in Wales would be different to that in England. The City Deal in England was linked to a position where the growth in income from business rates is shared between the Central Government and the Cities. In Wales Business Rates are not devolved to Local Authorities so any growth would be allocated to Welsh Government and not to local authorities

Cabinet members supported this initiative but wanted to know the outcomes of discussions with the other local authorities. The Chief Executive stated that should the initiative progress; there would be regular updates to the Cabinet on the City Deal as all Local Authorities would need to agree the use of funds

The Chair stated this was a developing situation and recently the Secretary of State had invited leaders to discuss the City Deal. There was potential for benefits but Newport would need to be assured about safeguards

Amendments to the original proposals were agreed by the Cabinet

#### **Decisions:**

- I. To approve that officers, in consultation with the Leader of the Council, proceed with the negotiation of a City Deal with UK Government, Welsh Government and surrounding authorities and return to Cabinet with a further report before submitting a final proposal.
- II. Agree to use £50k from the 2014/15 revenue budget underspend, once agreement with all authorities reach agreement about funding to provide initial funding for this and delegate Authority to the Chief Executive in consultation with the Leader of the Council to work with other authorities to appoint specialist advisors to support delivery of a detailed City Deal proposal for South East Wales.

## **5 Improvement Plan Update**

Cabinet was presented with a report summarising progress towards meeting the ten Improvement Objectives in the Improvement Plan for 2014/15.

The overall assessment of progress towards achieving the Improvement Objectives set out in the plan was classed as 'Amber – Good.' Good progress has been made in a number of key areas.

Members were informed that Quarter 4 report shows steady progress in terms of delivery against targets. Progress against each objective was set out in full details within the report

Progress against outcome agreements was also improving. The results should allow the full award to be achieved. Newport had never failed to meet these targets but it was noted that targets were becoming more stringent

Statutory Recommendations from Welsh Government were also set out in the report. These would continue to be monitored.

Cabinet was pleased to note positive progress

### **Decision**

To note the progress made during the final quarter of 14/15 regarding key actions and measures

## **6 WAO Certificate of Compliance**

The Cabinet was informed that as part of the programme of regulatory activity the Auditor General had issued the Council with a Certificate of Compliance following an audit of the Improvement Plan 2015-16.

This was the first of two certificates that the authority will aim to achieve in each financial year, the second certificate will be as part of the Assessment of Performance Audit and the council's arrangements to secure continuous improvement.

### **Decision**

To note the positive outcome of the Certificate of Compliance in relation to the council's Improvement Plan 2015-16

## **7 Risk Report Update**

The Cabinet received a report which set out the latest update of the Corporate Risk Register.

There are eight risks identified in the register, 1 high risks and 7 medium risks.

Since the last update assessments three risks had been reduced: Social Services; Friars Walk and Total Reward

The Chair of the Cabinet mentioned that two separate risk tools were being used. It was agreed that the possibility of a single method across the authority would be examined

### **Decision:**

To note the contents of the Corporate Risk Register and request a further update at the September 2015 meeting

## **8 Library Transformation Project**

*(Councillor Deborah Davies declared an interest in this item and did not participate in the debate or vote)*

In 2014 the Scrutiny Committee established a Policy Review Group consisting of four elected members was established to work with an officer project group to challenge the current static library delivery methodology, investigate potential options and recommend a way forward. The findings of that group informed the proposal that was considered by Cabinet in December, together with a package of measures designed to reduce Council expenditure.

The proposal for Library transformation included closing the Central Library and establishing four community hubs at Rogerstone, Bettws, Ringland and Carnegie, with co-located service points at Caerleon and Tredegar House. This proposal included closure of Maindee and Malpas libraries.

Closure of the central library also meant closing the museum and art gallery, as the full saving could only be realised if the full premises costs were saved. The initial museum and art gallery saving proposal considered by Cabinet in December was also based on building closure.

Library provision is a statutory service and any decision to make a significant change to provision is subject to a period of public consultation. Consequently a period of public consultation was entered into for all measures within the medium term financial plan, including the reconfiguration of library services.

The plans to close the central library and museum and art gallery led to a large number of representations against closure from groups and individuals. Cabinet listened to the responses and sought an alternative proposal, and new business plans were submitted for the transformation of library services and an alternative operating model for the museum and art gallery.

The new business case set out an option for maintaining the central library building by closing the reference library and operating all library provision from the space currently occupied by the lending library. The business case included a proposal for a shared museum and library reception point to remove duplication of staff functions within the building.

Maintaining the central library meant moving away from the original concept of having four community based services. Therefore the amended proposal set out to:

- Maintain Bettws, Ringland and Rogerstone libraries;
- Provide co-located service points at Tredegar House and Caerleon.
- Close Carnegie together with Maindee and Malpas libraries.

Discussions with Malpas residents and elected members have led to a proposal to retain a 20hr provision based on a community management group taking over responsibility for the building. The new community management model would raise enough income from room and space hire to cover the operational costs of the building.

A second period of statutory public consultation was carried out. The Cabinet received full details of the outcome of that consultation process

The Cabinet thanked the Scrutiny Committee for the excellent work they had undertaken, recognising it had been an in – depth study by the Committee

The administration had listened and had made changes to the original proposals based on the outcome of discussions and consultation. Cabinet had taken account of the comments of the public during the consultation process

The Hub model of provision would as best as possible meet the needs of the population of the city, bearing in the mind the financial position. The Library service was valued and it was important to safeguard its future through this model

**Decision:**

To approve the proposal to transform the Library Service

## 9 Capital Programme Outturn

The Cabinet received a report which reviewed the outturn of capital expenditure for the 2014/15 financial year, and sought approval of budget carry forwards to fund slippage of expenditure into the new financial year.

The Cabinet was informed of an underspend of about £25,000,000. It was explained that much of the underspend was owing to slippage on schemes and that would be carried over to the current year. The true underspend was around £180,000 when slippage was taken into account.

Details of Capital Schemes and the outturn on each scheme were set out in detail and Cabinet Members were asked to approve a list of proposed changes to the programme. Progress on high value schemes was described to the Cabinet and set out in the report.

The position on Capital Receipts was also detailed in the report

### Decisions:

- I. To note the outturn position for the 2014/15 capital programme and to approve budget carry forwards requested to cover slippage into 2015/16.
- II. To note the balance of Useable Capital Receipts as detailed in the report.

## 10 Revenue Outturn

Following the completion of the majority of year end work, a draft underspend (subject to audit) on Council services of £3,139,000 was reported.

This represented a 1.2% under-spend against the Council's net budget. In addition, the Council had not had to use its 'contingency' budget' and this adds a further £1,973k which could now be credited to Council reserves and spent in 2015/16 onwards.

Although some overspends were reported, most service areas generated under-spends during the year, largely achieved by limiting the recruitment of staff wherever possible.

The reported underspend outturn was larger than the January reported forecast position. The position followed a general annual pattern of forecast overspending in first half of the year, which then reduces down to on-budget or slightly under budget by end of quarter three and then final outturn being more underspent. The Head of Finance and Chief Executive informed Cabinet they would work with Directors and Heads of Service to improve this position.

Cabinet was asked to consider how they wish to allocate the 14/15 underspend for future spending and there were a number of proposals set out in the report

The Cabinet was concerned that the under spending was not forecast more accurately throughout the year and asked for every effort to be made to be more precise in calculations and forecasts. Cabinet considered that it would consider the best use of underspent funds at a later date.

### Decision:

- I. To note the draft outturn, which is subject to audit and the major variances for the year

- II. To note the current level of general and specific reserves and approve the use of and contributions into reserves already made as part of the 2014/15 outturn and the extended risks now covered by the 'pay reserve' set out in the report
  
- III. To approve the allocation of the 2014/15 underspend into new/existing reserves as recommended and to allocate the funds proposed for the 'invest to save' and 'capital reserves-unallocated' reserve at a later date"

## 11 **Performance Board Minutes**

The minutes of the meeting of the Performance Board held on 23 March 2015 were received and endorsed

The meeting terminated at 12.40