

# Decision Schedule



## Cabinet

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### TO ALL MEMBERS OF NEWPORT CITY COUNCIL

#### Decision Schedule published on 21/12/16

The following decisions were taken on 21/12/16. They will become effective at Noon on 30/12/16 with the exception of any particular decision(s), which is (are) the subject of a valid "call-in".

The deadline for submission of a 'Call-in' request form (Available from Democratic Services) is 4.00 pm on 29/12/16. Reports relating to staffing issues/Confidential reports are not circulated to all Members of the Council as part of the consultation/call-in processes.

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#### CAB 66/16

#### 2017/18 Budget & Medium Term Financial Plan

#### Options Considered/Reasons for Decision

The Cabinet Member for Finance and Resources introduced the budget report and stated that the adoption of the recommendations in the report would begin the period of formal consultation on the 2017/18 budget and Medium Term Financial Plan (MTFP) and would run until 20<sup>th</sup> January, 2017.

The Cabinet Member stated that he would welcome comments and asked people to respond and to let the Cabinet know what they think of the proposals or with any alternatives so that all points made could be considered before the final budget is set.

He stated that the Cabinet will finalise its proposals in its February meeting, having taken feedback from residents, key partners and interest groups and internally, feedback from our scrutiny committees, unions, school's forum and, of course, the fairness commission.

The Cabinet Member informed colleagues that the draft proposals had been developed in challenging times. He said that essentially, it comes on the back of over £45m of savings found in previous years and the pressure created by a reducing Revenue Support Grant, which continues into next year, and probably into the future.

The Cabinet Member stated that the provisional grant settlement confirmed a £230,000 reduction in this Council's rate support grant next year. He informed members that this grant is used to fund 80% of our net costs, meaning that savings need to be found to cover basic inflationary cost increases, cost pressures from increased demand for our services and the cost of policy changes such as the Apprenticeship Levy, which we have no choice over.

He and Cabinet Colleagues acknowledged the small increase in Local Government funding overall across Wales for 2017/18 – the Welsh Government is aware of pressures facing the sector, in particular from Social Care demands. But this Council's individual settlement was not as good in relative terms across the sector, than previous years, when our annual grant change was amongst the best across all Councils. The reasons for this were explained in the report.

As to the budget proposals, the Cabinet Member stressed that it was important to note that it was not all about savings. He mentioned the Council was investing significantly in social care, to meet increased demand for these services and was also continuing to invest in the pay of key partners' staff by funding increases in the Foundation Living Wage. The draft budget also contained investments to deal with national policy changes and to those budgets which require 'right -sizing' so that the Council can set a robust budget which is deliverable. The Cabinet Member stated that this needs funding and savings have to be found to do this.

The cabinet would be consulting on over £1m of savings and the report provided full details on other new savings of about £2.5m which do not require consultation as they have minimal impact on services and can be implemented by Heads of Service. The report also gave details of those savings already approved and underway, from previous years. All proposals could be viewed and accessed.

The Cabinet Member stated that schools had been protected from savings and will be 'cash-flat' in 2017/18; though the cabinet appreciated schools will need to absorb their own pressures. The cabinet member stated that the cash-flat proposal was on top of the 19% increase in budget they have had over the last 5 years.

The Cabinet Member stated the desire was to continue to protect services wherever possible and develop proposals which have the minimal impact on services as possible.

On Council Tax, the Cabinet was consulting on a 4% increase. To put things into context, Newport enjoys the second lowest rate of Council Tax in Wales and remains amongst the lowest in the UK. The City Council spends about £7m less than its Standard Spending Assessment (SSA) and therefore, for what is delivered and achieved, provides very good value relative to other areas. The Cabinet Member explained that the SSA was the amount that the Central Government had assessed was needed to run our services. Other Local Authorities benefitted from spending up to, and beyond SSA

The Cabinet Member stated that as the MTFP shows, we have some budget 'in hand' (a surplus) showing for 2017/18 and this was because the Cabinet and Officers had been prudent and allowed for potential further reduction in our grant.

The cabinet member passed on thanks to Cabinet colleagues who had all played an important part in developing these draft proposals and to Council officers. He reiterated his hope that people would provide feedback on what they think the Cabinet could we can take account of people's views.

The Leader thanked the Cabinet Member and Cabinet colleagues for their efforts in putting draft budget proposals together for next year. She stressed that the financial climate is challenging but a lot had been done to minimise impacts on services over the previous 5 years and for next year too.

The medium term outlook as shown by this MTFP looks extremely challenging and a key issue for the Council in Newport is the unavoidable financial impact of a growing city. The Chief Executive explained that the City is growing at both ends of the age spectrum so the cost of delivering services was therefore increasing. The increase in costs was not being met. The formula used, which was impacted upon by the growing city, also worked against the ability to meet cost pressures

The Leader stated that there had been announcements in England that Councils will be able to charge an additional Council Tax levy of 3%, on top of the basic limit of 3% for the next 2 years to fund increased social care costs. She considered that many Councils would be increasing Council Tax by close to, if not, the full 6% for the next 2 years in England. The cost pressures are very real. The Leader considered there was a need to address the fundamental issues around how much we invest in key parts of our public services and how they are paid for. These are fundamental questions for public services in going forward in the UK and here in Wales.

The Leader stated that Newport is a very small part of the national picture but, as a growing city, in many ways, has all the issues – the usual consequences of a growing city on public services, a focus for economic development and enabling as many of our residents to enjoy the benefits of that, developing cohesiveness, creating a vibrant and attractive place, in particular our centre and of course, a growing older population.

The challenge locally would be to develop even more innovative ways of delivering public services and to keep our ambitions for this city alive, in difficult times, and deliver sustainable change. It will not be easy, but in working better and collaboratively across all public services, the challenges of our MTFP can be met.

The Leader stated that when the final budget was set in February, it would show how the finances of this Authority will enable it to meet the on-going challenges in delivering essential service to our residents as well as meet aspirations and plans for the city. She considered these draft budget proposals to be a key part of that and the Leader joined the Cabinet Member in encouraging as many people as possible to comment on them and let us know what you think. The Leader also expressed a wish that sensible discussions could be held with the Opposition Leader to discuss any alternatives proposed by the Opposition Group.

The Deputy Leader referred to the continuation of austerity, he feared for local government. He said as many front line services and jobs as possible would be protected. He was concerned about the impact of reducing budgets and the lack of resources. Some very difficult decisions were to be taken and it was important that people responded to the proposals

The Cabinet Member for Adult Social Services and Housing referred to the dramatic increase in the older population and the need to meet the increased costs that this presented. He referred to cost pressures brought about by decisions elsewhere that were not funded.

The Cabinet Member for Regulatory Functions referred to the significant impact on funds available to provide social care. He made the point that a percentage increase in Newport was less in cash terms than a smaller percentage increase in other local authorities.

The Cabinet stated they were open to discussion and consultation and would welcome any comments that would help formulate the final budget.

## **Decisions:**

- I. To agree the Medium Term Financial Plan, noting that it will be subject to on-going review and updating, in particular on future changes in Welsh Government revenue support grant.
- II. To agree the new, 4 year draft budget investments and saving options as the basis for consultation, along with the outline business cases showing further details on savings
- III. To note the new, 4 year draft budget saving options which are being implemented under delegated authority by Heads of Service for information.
- IV. To note the budget savings which were agreed by Cabinet in February 2016 and consulted on then
- V. To agree the proposed increases in fees & charges as the basis for consultation.
- VI. To note, within the overall budget position, the position regarding the proposed school funding for 2017/18 and medium term

## **Consultation**

Monitoring Officer; Head of Finance; Head of People & Business Change

**Implemented By: Head of Finance; Head of People & Business Change**

**Implementation Timetable: consultation process for report in February 2017**

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**CAB 67/16**

## **Corporate Assessment: Update on the action plan**

### **Options Considered/Reasons for Decision**

The Leader of the Council introduced a report setting out the progress made in addressing the recommendations and proposals for improvement made by the Wales Audit Office. (WAO)

The WAO presented their most recent review of the Corporate Assessment at the October Cabinet meeting, it contained four recommendations which was a reduction from the seven recommendations that the Council previously had.

The action plan presented to Cabinet allowed for monitoring of progress in addressing the remaining recommendations and proposals for improvement. The Leader stated that good progress is being made towards achieving the actions and embedding the changes made into our everyday work.

The Leader stated that the report also included progress made against proposals for improvement from previous corporate assessment reviews and other WAO reviews – there are 14 of these and 10 are now considered closed. The remaining four are on-going although good progress has been made and further actions will continue to be monitored.

Cabinet was reminded that Newport was the first authority to go through this process and this probably contributed to the original number of recommendations. The improvement was continuing despite financial and legislative pressures

### **Decisions:**

- I. To note the progress made towards meeting the recommendations and proposals for improvement
- II. To receive further quarterly monitoring reports on the progress towards meeting recommendations and proposals for improvement.

## **Consultation**

Monitoring Officer; Head of Finance; Head of People & Business Change

**Implemented By: Head of People & Business Change**

**Implementation Timetable: Immediate and ongoing**

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## **CAB 68/16**

### **Certificate of Compliance**

#### **Options Considered/Reasons for Decision**

The Leader of the Council informed the Cabinet that the Wales Audit Office. (WAO) carries out two reviews of the Improvement plan each year the first is to assess whether the Improvement Plan complies with legislation the second is to assess whether the year-end review of the previous improvement plan complies with legislation and that we have met our obligation to demonstrate continuous improvement.

The Leader stated that the first certificate was achieved and presented to Cabinet in June. The Leader informed Members that this was the second certificate of compliance which also includes a letter recommending that national comparative data is used more in the assessment of performance. National data has already been entered into the new performance management system and has been considered when assessing progress towards the Improvement plan objectives in quarter 2.

#### **Decisions:**

To welcome the positive outcome of the second Certificate of Compliance in relation to the council's Improvement Plan Annual Review 2015-16

#### **Consultation**

Monitoring Officer; Head of Finance; Head of People & Business Change

**Implemented By: Head of People and Business Change**

**Implementation Timetable: Immediate and ongoing**

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## **CAB 69/16**

### **Improvement Plan 16-18 Update for Quarter 2**

#### **Options Considered/Reasons for Decision**

The Leader of the Council introduced a report which informed Cabinet that overall progress against the Plan is good and improving. The overall assessment for quarter 2, of progress towards achieving the Improvement Objectives set out in the plan is classed as 'Green – Good.' meaning that good progress is being made overall.

All Wales data is used as part of the assessment for each objective to ensure that our assessment takes into account how we are performing against other councils for national measures.

The Leader stated that three objectives are improved from 'Amber – Acceptable' in quarter 1 to 'Green – Good' in quarter 2.

- Ensuring people have the right social service to meet their needs
- City Regeneration and Development
- Increasing recycling

Members welcomed the report and progress.

**Decisions:**

- I. To welcome the progress made during the second quarter of 16/17 regarding key actions and measures
- II. To agree that corrective action be taken to address areas of underperformance

**Consultation**

Monitoring Officer; Head of Finance; Head of People & Business Change

**Implemented By: Head of People & Business Change**  
**Implementation Timetable: In line with required timeframes**

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**CAB 70/16**

**Mid-Year Performance Analysis**

**Options Considered/Reasons for Decision**

The Leader of the Council introduced a report setting out the Council's performance analysis for September 2016

The Leader stated there had been some changes over the first half of the year including the revocation of the National Strategic Indicator as well as the Social Services and Wellbeing (Wales) Act which has introduced new measures for Social Services. The Leader stated that this means that there have been changes to the data so a much smaller set of measures can be compared to previous year performance and Wales Average

The mid-year analysis shows that the council is meeting its obligation to demonstrate continuous improvement as 63% of measures reported through service plans have improved in performance since this time last year.

The Leader stated that 71% of national measures have improved since the end of 2015/16 year and 53% are meeting or exceeding the Wales average.

At the end of 2015/16 a small set of measures were selected for extra focus because they had been in the lower quartile for the past few years. The Leader reported that 4 out of 5 of these measures are now meeting or exceeding targets and one is slightly below and work would be done to move forward on this.

The Leader and Cabinet Members considered that overall this is a positive picture reflecting efforts of staff in service areas when faced with cuts to council budgets, more challenging targets and a set of measures which has changed, leading to new challenges. Cabinet Members and the Chief Executive recorded their thanks to all Council staff for their efforts

**Decision:**

- I. To receive a further update on the year-end position once the data is available
- II. To take urgent action in conjunction with Heads of Service and Directors to address any red measures

**Consultation**

Directors, Heads of Service, Monitoring Officer, Head of Finance, and Head of People & Business Change

**Implemented By: Head of People & Business Change**

**Implementation Timetable: Immediate and ongoing**

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**CAB 71/16****Risk Register****Options Considered/Reasons for Decision**

The Leader of the Council introduced a report that set out the latest update of the Corporate Risk Register.

The Leader stated that there are eight risks identified in the register, and all are medium risks. Since the last update all risk scores remain unchanged, the actions have been updated to reflect the continued work to mitigate the risks contained in the register.

The Leader mentioned the impact of Brexit which had now been identified as a risk. This – and the City Deal- are heavily reliant on external factors so where there is uncertainty regarding the future direction of the UK and Welsh Governments means there is little action that can currently be taken.

**Decision:**

To request a further update at the March 2017 meeting

**Consultation**

Directors, Heads of Service, Monitoring Officer, Head of Finance, and Head of People & Business Change

**Implemented By: Head of People & Business Change**

**Implementation Timetable: Immediate and ongoing**

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**CAB 72/16****Friar's Walk****Options Considered/Reasons for Decision**

The Leader stated that the Cabinet wanted to be as open and transparent as possible but needed to respect the commercial confidentiality of the proposed deal between two private organisations.

The Leader referred to recent press reports and comments and welcomed a balanced contribution from the Editor of the South Wales Argus. Some comments in the original article were unhelpful. The article mentioned the Cabinet had agreed to 'buy' the centre if the deal falls through. The default position always had been that the Council could re-finance the existing funding.

The Head of Law and Regulation stated that the Cabinet had never agreed that the Council should 'buy' the asset itself if the sale to Talisker did not go ahead. If the sale did not proceed, then there would be a default in the repayment of the loan and the Council would have to take steps to enforce its security over the asset. There were a number of options that Council would need to consider but they would all involve using the rental income to finance the outstanding debt charges until the scheme could be sold. The Chief Executive stated that there was no reason at this stage to consider the deal would fall through.

The article also says a plan was agreed at a confidential meeting. It was explained that the report to the previous meeting was confidential only because of the commercial confidentiality for two private firms. The report today informed people of the default position which had not changed since the funding agreement was agreed by Council in 2013.

Members received a report referring to options for the sale or re-financing of Friars Walk. Having considered the detailed legal and financial implications of the various proposals, Cabinet agreed that there were only two viable options at the present time – a sale to the Talisker Corporation, a Canadian equity investment company, or a re-financing of the loan by the Council.

Cabinet agreed that the preferred option was a sale to Talisker, on commercial terms, which represented the best market price obtainable for the scheme at the present time. This was clearly demonstrated by the market testing carried out by QRE and comparability with proposed sale terms offered by other potential investment purchasers. The Talisker proposals would enable the Council to discharge the primary loan debt and interest charges. Therefore, officers were instructed and authorised to agree the detailed terms and finalise the necessary documentation for the delivery of the proposed sale to Talisker, with a target completion date early in the New Year.

However, Cabinet recognised that, if the Talisker deal did not complete, for whatever reason, then the fallback position for the Council would be to take control of the asset itself, re-finance the debt and utilise the net operating income from the scheme to service that debt until such time as a new buyer could be found.

Such a decision to re-finance the Council debt and take control of the property would be a decision for full Council, not Cabinet, because it would fall outside the terms of the original funding approved for this scheme, which was to secure the completion of the development. Therefore a report would need to be taken to Council in due course, should it be necessary, to consider the default position.

#### **Decision:**

To endorse the default position of reporting back to full Council with a recommendation that the Council takes control of the asset and re-finances the loan itself, in the event that the preferred sale does not proceed.

#### **Consultation**

Directors, Monitoring Officer, Head of Finance, and Head of People & Business Change

**Implemented By: Head of Law and Regulation**

**Implementation Timetable: As set out in the report**

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**CAB 73/16**

**Work Programme**

**Options Considered/Reasons for Decision**

The Corporate Assessment suggested to the Council that it should consider strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

In response to that suggestion, Cabinet had previously agreed that the Head of Democratic Services will regularly ask Chief Officers to update the Cabinet work programme and an update will be reported to Cabinet each month.

An updated work programme suggested by Chief Officers was discussed. This was, of course, a working document and will be subject to change.

**Decision:**

To adopt the suggested programme and provide an update at the next meeting

**Consultation**

Directors, Heads of Service, Monitoring Officer, Head of Finance, and Head of People & Business Change

**Implemented By: Head of Democratic Services**  
**Implementation Timetable: Immediate and ongoing**

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Signed:.....

Councillor D Wilcox, Chair of the Cabinet

Date:

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