

# Decision Schedule



## Cabinet

---

### TO ALL MEMBERS OF NEWPORT CITY COUNCIL

#### Decision Schedule published on 21/2/17

The following decisions were taken on 20/2/17 .They will become effective at Noon on 28/1/17 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 27/2/17 Reports relating to staffing issues/Confidential reports are not circulated to all Members of the Council as part of the consultation/call-in processes.

---

### CAB 07/17

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

##### Options Considered/Reasons for Decision

Cabinet received and considered a report prepared by the Head of Finance which referred to the change and efficiency programme and asked Cabinet to agree a number of key budget matters, for recommendation to Council.

The Leader of the Council offered thanks to all Cabinet colleagues and officers for the hard work in getting the budget to this point. The Leader stated that the grant settlement was very disappointing and had made work very difficult. During discussions on the draft settlement a credit gap was left in the budget to deal with any reductions in the final grant due to adjustments on council tax base and to deal with feedback from consultation. The Leader stated that, however, room for manoeuvre was reduced significantly when the final settlement confirmed a further large reduction in the revenue support grant for 2017/18.

The Leader informed Members that she had written to the Cabinet Secretary prior to the final settlement expressing concerns around any reduction to the draft position; and that she had again written to the Cabinet Secretary outlining the challenging position arising from the extremely disappointing settlement which had led to the Council facing a very difficult position.

However, following consultation, Cabinet had been able to deal with the key concerns of the public and other consultees and in the context of the financial position. The Leader confirmed that there would be a £1.1 million investment in schools and the deletion of the proposed saving item related to outsourcing of the support function at the Linc extra care scheme. Both issues had been highlighted in the consultation on the draft budget.

The Leader stated that as the consultation exercise was based on a 4% Council tax increase, there would be a budget 'in-hand' of £225,000. The proposed increase had raised some concerns in the consultation period; therefore the Leader stated she would be suggesting a reduction in the proposed increase by 0.5%.

The Leader referred to the Head of Finance's comments that the medium term financial outlook is very challenging and Newport, like others, must find a way through this, where reductions on funding comes at the same time as unprecedented pressures on budgets.

The Leader considered Newport's administration had managed very well so far, carrying on investing in our schools, our social care services and the city centre but options to find further savings will need to come from a thorough review of strategic options for key service areas and managing budget pressures wherever possible.

All Councils, across the UK, are in the same position and all would I have to find a different way to ensure we can meet the needs of residents. The Leader referred to her recent visit to the LGA where there were considerable concerns expressed by Leaders of English authorities.

In conclusion the Leader of the Council stated that the significant reduction in the final settlement presented a very difficult position, and left little room for manoeuvre around the budget to deal with pressures being highlighted during the consultation. While this is extremely disappointing, Cabinet had managed to address a number of concerns raised during consultation, and also looked to use the £225,000 budget in hand to reduce the council tax increase from 4% to 3.5%.

The Cabinet Member for Finance and Resources stated that the report dealt with three things,

- The Council's revenue budget for 2017/18 and the level of Council Tax required for the budget
- The final year of the current capital programme
- the Council's treasury management strategy

As to the budget, the Cabinet Member reminded Members that Cabinet would approve the detailed proposals but it would be the Council that will need to agree the Council Tax increase upon which the detail is based upon.

The Cabinet Member was pleased to note the significant increase in feedback from the public, plus of course, the feedback received from the usual bodies such as our Scrutiny committees, the Fairness Commission, the School's Forum, Unions and others.

The Cabinet Member stressed that room for movement was reduced significantly when the final settlement confirmed a further large reduction on our revenue support grant for 2017/18. He was, however, pleased to confirm the added investment for schools and the deletion of the saving item related to outsourcing of the support function at the Linc extra care scheme. These were both issues highlighted in the consultation on the draft budget.

The Cabinet Member informed Cabinet that the added investment for schools, at £1.1m, deals with three of those proposals where the public mainly disagreed with – being a (i) cash-flat settlement for schools, when we have new schools opening (ii) closure of the inclusion units in secondary schools and (iii) the inclusion unit at Llanwern. Schools could themselves decide how to allocate their funds, including using it to fund the inclusion units as well as providing additional 'general' funding for our schools. He stated that although this administration had been able to increase funds to schools every year over the last 5 years and, although it was becoming increasingly hard to achieve, it had been accomplished again this time.

The Cabinet Member informed the Cabinet that the additional budget would represent an increase in 1.2% in the base budget. It would assist by: allowing governing bodies flexibility in demanding time financially such as the work on attendance; assist in defraying the centrally driven apprenticeship levy coats and; assist with the additional pupil numbers in the primary sector

The Cabinet Member referred to the Council tax position and endorsed the Leader's proposal to use the budget 'in hand' to reduce the Council Tax increase by 0.5% to 3.5%, which will leave a balanced budget as required by legislation.

As to the Capital budget the Cabinet Member stated that 2017/18 is the last year of the Council's four year capital programme and schemes highlighted in the report were recommended for approval. The Cabinet Member was delighted to confirm that Welsh Government had formally approved the Council's bid for joint funding of the increased spending on the 21<sup>st</sup> Century schools building programme. He reported that the schools buildings programme in the current Band A now stands at £51m.

The Council would be working on its new capital programme, starting in 2018/19 over the next 12 months and the Cabinet member stated that the administration had already prioritised further significant spending on schools buildings as part of that, in the next phase B of the 21<sup>st</sup> Century programme.

The Treasury Management strategy would be for Council to approve formally, following the Cabinet's recommendation. The Cabinet Member stated that the Audit Committee had reviewed this in detail and the Cabinet Member was grateful for the Committee's input and review.

The Cabinet Member stated that the overall strategy is proposed to remain the same as current, and in line with most Local Authorities – which is to fund the capital programme from borrowing from the positive cash-flow and defer taking out actual new borrowings for as long as possible. This therefore means readily available cash resources would be held at a low level and the Council will only borrow and invest cash resources in the short term to manage cash-flow needs. This strategy is cost effective as well as minimising investment risk.

The conclusion of the Friars Walk sale process, currently in progress, will however impact on this core strategy, as described. The various prudential indicators which support this strategy allows for both the sale and a re-financing conclusion. The Council is currently assisting a sales process and is on-going.

In conclusion the Cabinet Member stated that:

- Cabinet had listened to the public and other consultation and will be investing in schools and deleting the saving in relation to the Linc extra care scheme.
- The Council can now proceed with confidence on our much expanded schools building programme where the funding package has now been confirmed
- The Cabinet would carry on taking a longer term view and approve the proposals set out in this report
- Cabinet needed to conclude on the budget by agreeing to reduce the proposed 4% Council Tax increase by 0.5% taking into account the balance in hand of £225k.

Cabinet Members spoke in favour of the proposals and echoed the Leader's concerns about the continuing reduction in available grant. The Chief Executive stated that from an officer perspective, the relentless budget reductions were a challenge. He stated that Newport has particularly challenges: Population growth at both ends of the spectrum – leading to increased costs; historic underfunding relative to other local authorities; and the fact that, although the city is growing, financial benefit from that growth took time to be allocated.

Cabinet members agreed the proposals in the report

## **Decisions:**

### Medium Term Financial Plan and Capital Programme:

- i. To note the formal consultation meetings on the budget and the feedback received, shown in the report
- ii. To note the equalities impact assessment summary on the budget proposals, shown in the report
- iii. To agree the implementation of the full 4 year change and efficiency programme, including all budget investments and saving options as summarised within the Medium Term Financial Plan and the remaining 1 year Capital Programme alongside noting the estimated programme envelope for the following 4 years. Noting they are subject to on-going review and updating.
- iv. To agree the 2017/18 fees & charges of the Council shown in Appendix 14

### Overall revenue budget and resulting Council Tax 17/18 :

- i. To note the Head of Finance's recommendations that minimum General Fund balances be maintained at £6.5million, the confirmation of the robustness of the estimates underlying the proposals, and the adequacy of the General Reserves in the context of other earmarked reserves and a revenue budget contingency of £1.5million
- ii. To note the current level of Council Tax for Newport City Council and the monetary value of various percentage increase and how this compares to levels of Council Tax at other Councils as shown in the report
- iii. To review changes to the draft budget proposals shown in the report, and which are included in the list of budget investments and savings in the report
- iv. To recommend an overall net budget for the City Council and resulting Council Tax to the Council, noting that a formal resolution including the Gwent Police and Community Councils' precepts will be presented to Council on the 2<sup>nd</sup> March. The recommended increase in Council tax is at 3.5%
- v. To approve expenditure and use of the Invest to Save reserve in line with summary shown in the report, noting they are based on detailed business cases reviewed by Cabinet in their December 2016 meeting.

### Capital budget & schemes 2017/18 and indicative future Capital Programme :

- i. To agree the capital expenditure budget for 2017/18 as shown in the report, being the final year of the current medium term capital programme noting that slippage on current schemes, whilst shown based on current forecasts, will need to be confirmed in June 2017.
- ii. To note an estimated future capital programme that could be afforded within existing resources, noting corporate priorities and programmes alongside the affordability.

### Treasury Management and Annual Investment Strategies, Minimum Revenue Provision Policies and Prudential Indicators :

- i. To recommend the Treasury Management Policies to Council
- ii. To recommend the Annual Investment Strategy to Council
- iii. To recommend the Council's Counterparty list (external bodies for Council investments) to Council
- iv. To recommend the Prudential Indicators to Council
- v. To recommend the Minimum Revenue Provision (MRP) policy to Council, and note the changes to the method of calculation of MRP for unsupported borrowing

## **Consultation**

Monitoring Officer; Head of Finance; Head of People & Business Change; Scrutiny committees, the Fairness Commission, the School's Forum, Unions, Business Community and others.

**Implemented By: Head of Finance / Chief Officers**

**Implementation Timetable: Details Immediate and some issues following a decision by Council**

---

**CAB 08 /17**

## **National Categorisation 2016-2017**

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

The Cabinet Member for Education and Young People introduced a report informing Cabinet that there were three steps to national schools' categorisation:

The Cabinet Member explained that the steps were:

- Step 1 which was a data driven calculation which describes 'standards'. This was communicated through a grading system
- Step 2 which described the schools capacity to self – improve through teaching and learning, leadership and management
- Step 3 which was indicated through a red -> green measure and shows the level of support which a school is perceived to need.

The Cabinet Member stated that Newport is ranked at 1<sup>st</sup> in Wales for the number of green and yellow category primary schools. All Cabinet Members were delighted with this outcome and passed on their congratulations to all involved, including governors; staff; parents and pupils. The Cabinet Member stated that Newport's Secondary Schools are ranked at 12<sup>th</sup> in Wales for the number of green category schools

Cabinet Members were informed that the number of green category primary schools is now at 52%, double that of Wales and 21% higher than the regional average

The Cabinet Members stated that the number of green category secondary schools in Newport is now 22%, this being slightly below the all- Wales average but 13% above the regional average. The majority of secondary schools in Newport are now categorised as either yellow or green

Newport has 5 amber category schools and three category red schools. The Cabinet Member and the Chief Education Officer stated that bespoke support plans are in place to ensure that each school is able to progress. Support plans and their impact are reviewed regularly. The Chief Education officer also described the range of support offered to schools in relation to

The Education Support Service Plan focuses on a range of priorities to reduce the number of schools placed in amber and red categories and improve the number of yellow and green category schools

Members were very pleased with this report and the outcomes of the categorisation and encouraged further progress.

**Decision:**

To welcome the outcomes of the categorisation and to congratulate Newport Schools on their achievements

**Consultation**

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

**Implemented By: Chief Education Officer**

**Implementation Timetable: Immediate and ongoing**

---

**CAB 09 /17****Key Stage 4/ Key Stage 5 Performance****Options Considered/Reasons for Decision**

The Cabinet Member for Education and Young People introduced a report informing Cabinet of the outcomes for Key Stages 4 and 5 as validated in December 2016

The Cabinet Member stated that the Leader of the Council had been a driving force and strong advocate in terms of performance and its impact on continuous improvement.

The Cabinet Member informed the Cabinet that Newport was ranked 16<sup>th</sup> in Wales in terms of its free school meals population, with first being the most affluent.

At Key Stage 4, the Cabinet Member reported that the outcomes were:

- The figure for Level 2 inclusive (Measuring 5 GCSE's at C and above, including English and Maths) had risen by 3.1%. This was faster than the all – Wales rate of progress which was at 2.4% Newport was ranked 15 in Wales for this indicator
- The number of English and Maths GCSE's had improved. There had been a 4.1% increase in maths. The Cabinet Member stated that this had been a specific focus of improvement for Newport, so it was good to the impact of specific support packages.
- The Level 2 indicator declined as did science. The Cabinet Member explained that this was linked to the change from science BTEC to pure GCSE. The majority of Newport Schools decided to convert to GCSE one year earlier than the statutory timeframe.
- The performance of pupils gaining level 2 inclusive ( see above) that are entitled to free school meals had improved significantly by 10%. The Cabinet Member reported this was stronger than the all- Wales average and the best outcome in the region.

Key Stage 5 outcomes were reported as follows:

- The percentage of A levels (A\*to E) achieved this year was 96.9%. The Cabinet Member informed Cabinet that whilst this percentage was a decline on last year, Newport students had gained 113 more A Levels collectively than in 2015
- The number of pupils gaining A or A\* grades at A level in Newport was at 20.1%. The Cabinet Member stated this was broadly in line with the rest of the region and the rest of Wales.
- The number of pupils achieving level 3 threshold had improved by 5.4% to 97.7%. The Cabinet Member informed the Cabinet that this was an important indicator which allows

pupils to move on to access higher education. Councillor Giles stated that this compares very well to improvement rates across the region and the rest of Wales

The Cabinet Member for Education and Young People informed Members that in response to the 2015/6 outcomes, the Education Service had ensured that science support is available to each of the secondary schools in Newport and that each secondary school has a bespoke plan to improve.

In conclusion the Cabinet Members stated that the current academic year presented new challenges owing to the new English, Maths and Science examinations. Schools were being closely monitored and supported to prepare for the changes and education professionals agree nationally that there are many uncertainties linked to the Key Stage 4 outcomes for 2016/7

**Decisions:**

To acknowledge the position regarding pupil performance and progress made.

To encourage continuing improvements in the coming year

**Consultation**

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

**Implemented By: Chief Education Officer**

**Implementation Timetable: Immediate and ongoing**

---

**CAB 10/17**

**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 for the coming municipal year 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**

---

Signed:.....

Councillor Debbie Wilcox, Chair of the Cabinet

Date:

---