

Minutes



Cabinet

Date:	18 July 2018
Time:	4.00 pm
Present:	Councillors D Wilcox (Chair), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, R Truman and M Whitcutt
Apologies:	Councillors J Mudd

1 **Declarations of Interest**

There were no declarations of interest.

2 **Minutes of the Last Meeting**

The minutes of the last meeting were approved as a true record.

3 **Revenue Budget Monitor**

The Leader introduced the report, providing an update on the latest revenue budget monitor. As at May 2018, the Councils revenue budget was forecasting an overall underspend of around £1,828k, however this was in the context of a challenging position in terms of service area overspending in certain areas, particularly in demand-led areas. It was noted that these pressures were common across Wales and the rest of the UK, and while demand continued to increase from 2017-18 levels, this position was currently being managed within the overall budget.

The overall underspend noted above was created by some unexpected and one-off income received in April/ May – Leisure related VAT rebates (£773k), back-dated NNDR rebates (£467k) and additional income distribution from the crematorium (£385k). Without these, the position would be finely balanced.

It was noted that people services had plans in place as to how to reduce spend in out of county Special Education Needs (SEN) and Children's placements and were making progress in implementing solutions for children's placements by increasing its own provision, at lower cost. All aspects of the plan would be delivered as soon as possible.

The same pattern of overspending in 3-4 service areas, mitigated by under-spending / better income in non-service areas continued as last year. This pattern was anticipated when the budget was set, with a specific 'People's services' budget contingency of £2.2m agreed to contribute towards management of the risk of continued overspending in these areas, pending action to reduce costs. This, alongside continued underspending / better income in non-service areas – was deemed sufficient to maintain a deliverable budget.

In addition, budgets set by schools for 2018/19 would see them overspending their available funding by c£2.5m which would reduce a significant number of school's individual reserves to almost zero.

The level of forecast overspending within service areas had significant consequences for the Council's work on its medium term financial plan (MTFP). In the context of significant savings needed to be found, failure to stabilise and reduce spend permanently in these current areas of overspending would increase our budget challenge.

In speaking to the report, Cabinet Members noted the ongoing financial challenges facing the authority, and the difficult position of local government in general in terms of continuing to provide statutory services within the decreasing resources available.

Decisions:

1. To note the overall budget forecast position including use of all budget contingencies to balance current forecast service overspending;
2. To agree to instruct all areas of the Council to maintain robust financial management;
3. To note the level of undelivered savings within each directorate and the risks associated with this;
4. To note the forecast movements in reserves;
5. To note the projected balances of individual schools over the next year.

4 Welsh Language Annual Report

The Leader introduced the item in Welsh, before handing over to the Deputy Leader to present the detail of the report.

The Council was required to report annually on its progress in complying with the Welsh Language Standards under the Welsh Language (Wales) Measure 2011.

The report covered the second year of implementation, following the imposition of the majority of Welsh language standards in March 2016. The report provided Cabinet with an overview of the Council's progress in meeting the Welsh Language Standards.

In discussing the report, Cabinet Members praised the work that had been done to date in meeting the standards, on top of other pressures and limited resources, and starting from a more challenging point than other local authority areas.

Decision:

To approve the attached final monitoring report and publish it on the Council's website, in accordance with statutory deadlines.

5 Performance Update - Early Year End Performance Indicator Analysis

The Leader introduced the report, providing Cabinet with an early analysis of the council's year-end performance for April 2017 – March 2018. The analysis illustrated the year-end position of all performance indicators including measures which were reported nationally and within the well-being plan and improvement plan.

It was reported that the council's performance had continued to improve in 2017/18 against a backdrop of challenges and pressures including legislative changes, political uncertainty nationally, budget reductions and an increasing population. Overall performance indicates that 68% of the performance indicators have met or exceeded target and 54% of the indicators have improved when compared to last year.

It was noted that there had been changes to the set of measures that the council reports to Data Cymru for 2017/18. New measures and definitions had been introduced, making target setting challenging and reducing the amount of meaningful comparison to previous years.

Despite this the council had seen a year on year improvement in nearly 43% of its national measures and continued to demonstrate improvement in the priorities set in its Well-being Plan and Improvement Plan.

Cabinet Members expressed their appreciation of the staff in managing to push forward and maintain and improve high standards in very challenging times. Members also commented upon the process of target setting, and the need to ensure that targets were stretching and challenging, but still achievable.

Decisions:

1. To note the contents of the report.
2. To receive a further update on the final year-end position once the national data is available.

6 Strategic Equality Plan Annual Report

The Deputy Leader presented the report. Under the Equality Act (2010) the Council was required to report annually on the progress it had made against the 9 Strategic Equality Objectives contained within the Strategic Equality Plan. The Equality Act also asked local authorities to publish staff equalities data, which this report also contained.

The report was the second annual report on the progress Newport City Council had made towards meeting the Equality Objectives set out in the authority's second four year Strategic Equality Plan (SEP), as approved by Council 3rd March 2016.

In discussing the report, Cabinet Members commented upon the positive attitude of staff in this area, and the excellent work of the Strategic Equalities Group.

Decisions:

To approve the attached annual report and publish it on the Council's website, in accordance with statutory deadlines.

7 Improvement Plan Quarter 4 Update

The Leader presented the report, outlining progress in achieving the aims and objectives of the Improvement Plan 2016-18.

In April 2016 Council approved eight Improvement Objectives for 2016-18 as required by the Local Government Measure 2009. The Improvement Objectives aligned with and contributed to the achievement of the Well-being Objectives as required by the Well-being of Future Generations Act (2015) agreed by Cabinet in March 2017.

It was reported that this would be the final Improvement Plan update as this reporting would be superseded by the joint reporting of the Improvement Plan and Well-being Objectives as agreed by Cabinet in April 2018. An integrated year-end report would be presented to Cabinet for final sign off at full Council.

The report outlined progress towards delivering the actions set out in the plan and the performance measures that supported those actions in 17/18. The overall assessment of progress was classed as 'Green – Good.' The council continued to meet its obligation to demonstrate continuous improvement.

In conclusion, the Leader noted the excellent results in the area of NEETs in particular, and the additional funding that had recently been secured nationally for youth services.

Decisions:

1. To note the progress made during the last quarter of 2017/18 regarding key actions and measures.
2. To agree that corrective action be taken to address areas of underperformance.

8 **Work Programme**

The Leader of the Council presented the latest update to the work programme.

Decision:

To agree the updated work programme.

9 **Exempt or Confidential Item**

Exclusion of the Press and Public

Decision:

To exclude the press and public during consideration of the following item on the grounds that its consideration involved the likely disclosure of exempt information as defined in schedule 12 A of the Local Government Act 1972 (as amended) and the exemption outweighs the public interest in disclosure.

10 **City Centre Regeneration - Presentation**

Cabinet received a presentation from officers on proposals for development of the Newport Market building, asking Cabinet to give in-principle backing to a £12 million redevelopment proposal to regenerate and revitalise the historic Newport Market.

Simon Baston, managing director of Loft Co, was behind the transformation Cardiff's Tramshed, Barry's Pumphouse and Porthcawl's Jennings Building, and had approached the Council with plans to develop the grade-two listed market. The company planned to work in partnership with Welsh company WRW Construction on the project which was expected to be completed in three phases over 18 months. The plans included creation of a 24-hour working/living space with a tech hub, apartments and performance space while retaining market units and a food hall.

Cabinet were being asked to grant his company a 250-year development lease with the council receiving a 15 per cent share of the rental income following completion and a maximum loan facility of up £8.9 million at a commercial rate of interest. These agreements would be subject to satisfactory legal and financial due diligence. Cabinet were also being asked to authorise officers to negotiate detailed heads of terms and finalise the lease and funding agreement.

If the scheme went ahead following those checks, and the granting of planning permission, the work would be phased so businesses in the market could continue to operate during the construction period.

Decision:

Subject to satisfactory legal and financial due diligence:

1. To approve a 250 year development lease and 15% geared rental for the Newport Market building;
2. To approve a maximum loan facility of £8.9m at a commercial rate of interest;
and
3. To authorise officers to negotiate detailed heads of terms and finalise the Agreement for Lease and Funding Agreement