

Minutes



Cabinet

Date: 17 April 2019

Time: 4.00 pm

Present: Councillors D Wilcox (Chair), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, J Mudd, R Truman and M Whitcutt

1 Apologies for Absence

There were no apologies.

2 Declarations of Interest

There were no declarations of interest.

3 Minutes of the Last Meeting

The minutes of the meeting held on 13 March 2019 were confirmed as a true record.

4 Pay and Reward Policy

The Leader introduced the report and confirmed the Council's Pay and Reward Policy for the workforce is an annual report that requires adoption. The policy sets out the internal mechanisms for remunerating Council officers and provides any changes since the last adoption. The Leader confirmed that Cabinet are asked to approve the policy for recommendation to Council.

The Cabinet Member for Community and Resources explained the key changes in this year's Pay and Reward Policy update centre around the NJC pay structure and the updated gender pay gap reporting. The NJC workforce includes all officers other than centrally employed teachers, Soulbury paid staff and Chief Officers.

The national employers and trade unions agreed a pay award for 2019 which had resulted in a realignment of the spinal column points that staff are assigned to. Officers and local trade unions agreed a new collective agreement that implements the national pay award. As part of those negotiations an equality impact assessment was conducted which did not identify any significant issues. It was noted that no employees have been detrimentally affected by the realignment of the pay structure.

The Cabinet Member confirmed that Cabinet has previously committed to paying a supplement to the lowest paid employees to ensure that they received salary equivalent to the Foundation Living Wage. The 2019 pay structure brings the lowest spinal column point to £9.00 per hour, which is in line with the Foundation Living Wage. It was noted a pay supplement will not be required this year and those lowest paid employees will receive it as contractual pay.

The report confirmed the Pay and Reward Policy offers the opportunity to publish the Council's annual gender pay gap. This year the gap has increased to 4% as a result of a larger number of men at the lower pay points leaving employment and being replaced by women. This means that more women in the lower pay points brings the average salary down and increases the gap.

The Cabinet Member asked Cabinet to agree to recommend the updated Pay and Reward Policy to full Council for approval.

The Cabinet Member for Education and Skills welcomed the report which identifies the administration's approach to equality and fairness for all staff.

Decision:

Cabinet agreed to recommend the updated Pay and Reward Policy to full Council for approval.

5 Dying to Work Charter

The Leader introduced the report and explained the Charter is in relation to a TUC campaign to protect workers from dismissal by their employers when they are diagnosed with a terminal illness. The TUC are encouraging employers to sign the Charter and commit to supporting staff with such a diagnosis by not dismissing them for their condition. The Leader asked Cabinet to consider: a) signing the Charter and committing Newport City Council to its requirements, or b) not to sign the Charter.

The Cabinet Member for Community and Resources confirmed the report outlines the outcome that the TUC is seeking from the Dying to Work campaign; that a diagnosis of terminal illness is treated as a 'protected characteristic' and employees are not dismissed as a result of their condition.

Supporting vulnerable people is a key priority for Cabinet and making a decision to sign the Dying to Work Charter shows commitment to delivering this support. No employee of the Council who has been diagnosed with a terminal illness should be dismissed because of their condition or absence they have taken as a result of their condition. Managers should treat such staff with sensitivity and respect and work with them and their families to either maintain the ability to attend work at a future point, or allow the individual to best determine when they may wish to consider the right time to cease employment.

The Cabinet Member expressed confidence that in such situations currently, the Council's managers already treat staff and their families with sensitivity and respect. Officers explore all options that would be beneficial to the individual and their family, including ill health retirement and death in service. Where employment does come to an end, this is a mutually agreed outcome after considering all options and is certainly not an enforced action against the will of an employee with this type of diagnosis.

The Cabinet Member recommended that Cabinet agreed to sign the Charter to demonstrate the ongoing commitment to supporting vulnerable people from within the workforce.

The Cabinet were unanimous in their support for the Charter which demonstrates that Newport City Council is a compassionate and caring Council; the Charter also aligns with the Wellbeing of Future Generations Legislation. The Leader confirmed signing the Charter means Newport City Council will join a small number of Welsh Councils who have already signed the Charter, and will demonstrate the on-going commitment to supporting vulnerable people who are both members of the workforce and the local community.

Cabinet was asked to consider the following options:

- 1) To agree to sign the Dying to Work Charter

2) Not to agree to sign the Dying to Work Charter.

Decision:

Cabinet unanimously agreed to sign the Dying to Work Charter.

6 Children's Charter - The Young Person's Promise

The Leader welcomed a member of the Newport Youth Council to the meeting.

The Leader introduced the report and confirmed this administration talked about this in its manifesto, and set out in the Corporate Plan its intention to have in place a Children's Charter which sets out the administration's key commitments to children and young people.

The Charter is a set of promises that guide policy development and decision-making and set out what young people can expect from the Council. It was quickly understood that young people preferred the term Young Person's Promise rather than Children's Charter; this respect for young people's views reflects the participatory approach to developing the Promise.

The Cabinet Member for Education and Skills explained the Promise has been developed for young people by young people and shows how young people can be empowered to take ownership of something that will be so important for their futures, as it covers equalities, health and wellbeing, safeguarding and participation in public life. The Promise builds on the United Nations' Convention on the Rights of the Child, the National Participation Standards for Wales and also the 'involvement' duty of the Wellbeing of Future Generations Act.

The report outlines the young people of Newport have been instrumental in shaping the Promise by drafting the commitments, leading engagement with groups from a range of backgrounds, and working on the design of the document; this will have involved a lot of commitment and the Cabinet Member thanked them for this work. In particular Newport Youth Council has led this process from the beginning and has worked hard to involve seldom heard voices. As mentioned previously, the Cabinet Member was delighted to see representation from the Youth Council in attendance at today's Cabinet meeting as Cabinet considers the Promise and on behalf of Cabinet the Cabinet Member thanked Newport Youth Council for their excellent work on the Promise.

Going forward, the Promise will apply to all Council services, not just traditional children's services, and it will influence many aspects of the work of this Council. As part of the commitment there will be a need to ensure that it is taken forward through the Council's service planning and performance management arrangements. A delivery plan will be devised setting out how the Council will deliver on the commitments and how this will be measured, part of this will include involving young people in monitoring arrangements.

The Cabinet Member asked Cabinet to:

1. Consider the draft Young Person's Promise and the engagement work undertaken to develop it and;
2. Endorse the Promise as a set of commitments for how the Council will work with and for children and young people going forward.

This would mean the 'Children's Charter' becomes the first of the key commitments from this administration's Corporate Plan to be achieved and would also make it one of the first of its kind in Wales.

Work is being done on a fitting way to launch and promote this key milestone in young person's rights in Newport.

Cabinet agreed that young people are the future and it is important to invest in them. Cabinet thanked members of staff who had worked on bringing this Charter to a positive conclusion.

Decision:

Cabinet endorsed the Promise as a set of expectations for how the Council will work with and for children and young people.

7 Commercialisation Strategy

The Leader presented the report and asked Cabinet to consider this as a first report as part of a process to develop a commercialisation strategy for the council.

The report outlined the reasons for such a strategy, namely:

- Funding isn't keeping pace with the increase in the Council's costs – and there is very little evidence this will change in the near future.
- The demand for services is growing which is a consequence of Newport growing.
- The focus to date has been on finding savings. Whilst this has been successful, it creates ever growing pressure on the organisation and this approach isn't sustainable in the future.

Commercialisation activity has been ongoing for some time in the big English authorities, Birmingham, Manchester and the London Boroughs. Many authorities are looking at increasing income as part of a financial strategy to help deal with the impact of austerity, therefore this is a path well-travelled and Newport is able to learn from the experience of other councils.

The Leader appraised Cabinet of the challenge/risks ahead and highlighted:

- Generating income is not easy and there is a need to be very clear about attitude to risk.
- Investment will be required in developing the skills needed as this approach will require a different organisational approach.
- This report is the first step in the process and many more reports will be required to be considered by Cabinet in the future as the details emerge for this strategy.
- Cabinet are required to keep firmly in mind the very clear principles to guide their approach as the next steps in this process are considered.

Essentially, today's report outlines three strands to provide the foundations for future work:

- 1) Current services that could be provided on a more commercial basis;
- 2) New services that could be provided, e.g., energy services;
- 3) Property investment – commercial and/or residential.

Cabinet is asked to consider two main actions:

- 1) To undertake a feasibility study into the establishment of a Trading Company through which to manage this commercial activity;
- 2) Newport is becoming an even more attractive place to invest and there is a need to be able to explore the opportunity of commercial investment. The report proposes the establishment of an Investment Panel to undertake this work. No investment would be made without extensive due diligence and Council would be required to amend the Capital Strategy before proceeding further. However it is important we make a start and the report sets out how that can be done.

The Leader recognised there may be concerns about exposure to risk, hence the need to tread carefully.

However, the concern is that if a more commercial approach is not adopted, as part of the overall financial strategy, the choices being faced will be even more difficult with further cuts to jobs and services.

The Leader asked Cabinet colleagues to support taking this initial step and confirmed there will be regular progress reports as this approach develops further.

Cabinet understood the need to look at different ways to fund services as in future years further cuts to budgets/staffing levels is unsustainable. The administration is keen to ensure that any investment will be predicated on the social value associated with individual projects. It was noted this approach would have a positive multiplier effect on investment in the local economy and is about generating surplus that can be used to provide core services to the people of Newport. This approach again emphasises the Council's innovative approach and emphasises the Leader's comment that 'Newport is open for business'

The Chief Executive did not suggest that this will fund the budget gap completely but will, hopefully, give a more balanced approach. He also emphasised this is Step 1 of a long process and the need to tread carefully, and whilst there are risks associated with this, nothing inappropriate will be suggested to the Board. He also confirmed there are opportunities for generating income and a mechanism needs to be in place to consider the opportunities as they arise.

The Chief Executive confirmed the Capital strategy will need to be amended and subject to Cabinet's agreement today, a report will be taken to Council on the 30th April.

Cabinet was asked to consider the following proposals:

- Agree the outline approach set out in the report.
- Delegate operational decision making regarding the Commercialisation Strategy to the Chief Executive.
- Establish the Investment Board, as outlined in the report, with immediate effect to manage the property investment portfolio.
- Agree the principle of a Commercial Property Fund to be taken to the Council for approval within the Capital Strategy, including the approval of £50m for this purpose, noting that detailed terms of reference and investment guidelines and parameters for the Investment Board will be agreed by the Cabinet before any activity commences.
- Ask the Chief Executive to progress a Feasibility Study on the establishment of a Local Authority Company to manage the Council's commercialisation activity and approve up to £100k from the Council's Invest to Save Fund for this purpose.

Following consideration of the above proposals, Cabinet further considered the following options:

Option 1 – Agree the recommendations and framework set out in the report and work towards developing a detailed Commercialisation Strategy.

Option 2 – Reject the recommendations and retain our current approach to financial sustainability

Decision:

Cabinet agreed to approve Option 1 and to recommend to Council the proposed £50m investment fund and the commercialisation approach as an integral part of agreeing to the establishment of the fund which will be included in the revised Capital Strategy.

8 Work Programme

The Leader presented the Cabinet Work Programme.

Decision:

To agree the proposed programme.

9 **Part 2 Exempt or Confidential Items**

To consider whether 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 the Local Government Act 1972 and the exemption outweighs the public interest in disclosure.

10 **City Centre Presentation - IAC Mill Street**

Officers provided Cabinet with a presentation on IAC Mill Street.

The developer is South Wales based and has been established since 1995 with a growing presence in the local market, its portfolio includes a mix of vacant commercial stock primed for redevelopment. Developments have been achieved in Bristol, Swansea, Cardiff and other parts of South Wales. The Council is currently working with this developer on Chartist Tower.

This project will bring economic benefits to Newport including; growth in key knowledge-intensive business service sectors; jobs (via construction/new enterprise), new enterprises, investment, increase in revenue to the local supply chain, increase in Grade A office space as well as the re-use of a key building within the City Centre, public/private partnership working; elimination of anti-social behaviour currently linked to the building.

In order to take the project forward Cabinet was asked to:

To approve in principle the provision of a £4M loan facility to GB Estates Ltd for the purpose of the IAC redevelopment subject to:

- a) Provision of adequate security for the loan in the form of charge;
- b) Satisfactory completion of all financial and legal due diligence checks;
- c) Authorisation for officers to agree the final terms and conditions of the loan and relevant legal documentation.

Decision:

Cabinet unanimously approved the proposal.

11 **Date of Next Meeting: 22 May 2019 at 4pm in Committee Room 1**

The next meeting will take place on Wednesday 22 May 2019, at 4.00 pm in Committee Room 1, at the Civic Centre, Newport