

Decision Schedule



Cabinet

TO ALL MEMBERS OF NEWPORT CITY COUNCIL

Decision Schedule published on 18 July 2019

The following decisions were taken on 17 July 2019. They will become effective at Noon on 29 July 2019 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 26 July 2019. 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 33/19

Revenue Budget Monitor - May

Options Considered/Reasons for Decision

The purpose of the report was to give Cabinet an early indication of the revenue forecast position and the issues affecting financial management during 2019/20.

Whilst continuing pressure from demand areas on the budget are a challenge, the overall position, at this stage, is within the overall budget and manageable, with the vast majority of the Council's c160 budget 'service activities' being managed close to/on budget.

The monitor indicated there are continuing challenges within service areas (mainly children's and adults' services) amounting to c£3m, partially mitigated by underspending in non-service budgets, resulting in an overall projected overspend, before use of contingency, of £839k (0.3% of the net revenue budget). If there is no other specific call on the contingency budget and it is used to balance the current level of forecast service overspending, it gives an overall projected underspend of £634k.

In addition, budgets set by schools for 2019/20 will see schools overspending against their available funding by £2,594k, funded by their reserves. This would mean a small number of schools, mainly secondary schools, increase their existing deficit reserves. This projection assumes, in line with previous years, that additional funding/income of £1,500k will be received in year in the form of currently unknown in-year grants and other compensation. However, if extra funding is not realised the current school reserves will worsen. Secondary schools are already working on these budgets to bring forward savings and this work is on-going.

As the Council begins work on future year budgets, the current position highlighted in respect of continuing pressure on demand-led service budgets will need to be considered and appropriate provision/action agreed which could increase the existing budget challenge over the medium term. The report contained the following information:

- Appendix 1 Overall budget dashboard – May 2019
- Appendix 2 Revenue summary monitor – May 2019
- Appendix 3 Schools funding and balances
- Appendix 4 Planned movement in reserves

The report proposed that Cabinet:

- Note the overall budget forecast position including use of the general budget contingency to balance forecast overspends within service areas;
- Agree to instruct all areas of the Council to maintain robust financial management;
- Note the level of undelivered savings within each directorate and the risks associated with this;
- Note the forecast movements in reserves;
- Note the projected balances of individual schools over the next year and that work is on-going in respect of reducing school overspending in the secondary sector.

Decision

Cabinet agreed the report.

Consultation

Chief Executive; Strategic Directors; Heads of Service; Budget Holders; Accountancy Staff

Implemented By: Cabinet Members/Head of Finance/Senior Leadership Team/Corporate Management Team confirm plans to:

- promote and ensure robust forecasting throughout all service areas;
- reduce over-spending within Social Care;
- manage/mitigate those projects that are unable to deliver required medium term savings.

Implementation Timetable: On-going

CAB 34/19

Capital Budget Programme Outturn 2018/19

Options Considered/Reasons for Decision

The report gave the final outturn of capital expenditure for the 2018/19 financial year, and requested approval of budget carry forwards to fund slippage of expenditure into the new financial year. It also requested any additions to the 5-year capital programme since the report to February Cabinet.

The position showed an overall variance of £5,505k, which is broken down into slippage of £4,709k and an underspend of £799k. The report requested that the slippage was moved from 2018/19 into the 2019/20 budget.

Included within the report were capital additions of £588k and it was requested that these be added into the overall 5-year programme (these are funded through a variety of borrowing, grants and section 106 monies). The overall 5-year programme was detailed in Appendix C of the report. The report confirmed the additions are still within the affordability headroom for capital expenditure.

The report also updated Cabinet on the current position regarding capital receipts.

Cabinet was asked:

- To approve the additions to the Capital Programme requested in the report (Appendix C) and approve slippage from 2018/19 budget into 2019/20;

- To note the available remaining headroom over the life of the capital programme and the need to prioritise capital expenditure within this envelope to ensure the programme remains affordable;
- To note the capital outturn position as at March 2019;
- To note the balance of and approve the allocation of in-year capital receipts.

Decision

Cabinet agreed to approve the changes to the Capital Programme and note the outturn position as set out in the report, including the use of capital receipts.

Agreed to prioritise capital expenditure to maintain spend within the current affordability envelope.

Consultation

Heads of Service; Accountancy Teams for relevant Service Areas; relevant Service Area Project Managers; NORSE Property Services.

Implemented By: Assistant Head of Finance
Implementation Timetable: Immediate

CAB 35/19

Commercial Property Fund Investment Guidelines

Options Considered/Reasons for Decision

The reported confirmed that Cabinet approved an approach to commercialisation at the March 2019 Cabinet, which included, amongst other things, the establishment of a £50m Commercial Property Fund. The Fund would be invested and net returns, after costs, would contribute towards the solution to the Council's on-going financial challenge. Council approved the approach within the Capital Strategy and the necessary borrowing headroom at its full Council meeting in April 2019.

An investment Board, a sub-group of the Cabinet, is being set up to make decisions on the investment opportunities and the report recommended the 'Investment Guidelines' which will be used when reviewing and recommending investments from this Fund.

Cabinet was asked:

- 1) To review and comment on the 'Investment Guidance' appended to the report, which had been drafted after researching those used by other Councils undertaking this type of activity;
- 2) To approve the guidance for use by the 'Investment Board' when reviewing and recommending property investment opportunities

Decision

Cabinet agreed to approve the Commercial Property Investment Guidelines appended to the report when reviewing and recommending property investment opportunities and, which had been drafted after researching those used by other Councils undertaking this activity.

Consultation

Chief Executive; Strategic Directors; Head of Law and Regulation; Newport NORSE.

Implemented By: Head of Finance to distribute to Investment Board Members and Officer Advisory Group.

Implementation Timetable: Immediate

CAB 36/19

Newport City Council Brexit Preparations Update

Options Considered/Reasons for Decision

The report provided an update to Cabinet on the Brexit preparations that Newport City Council has taken.

The report confirmed that in 2017 the UK Government triggered Article 50 informing the EU that the UK was leaving on 29 March 2019. In the run up to that date, all public sector bodies, including Newport City Council, made preparations based upon whether there would be a transition period or a 'No Deal'. In 2018 the Council, in consultation with the Welsh Local Government Association and Welsh Government, established a Task & Finish Group of senior officers across the eight service areas to identify and make preparations to ensure key service areas had the necessary processes and resources in place. In addition to that activity the Council collaborated as part of the Gwent Local Resilience Forum monitoring arrangements to escalate any key issues/risks that may arise.

Following the Government's position of postponing the leave date to the end of October 2019, it was agreed to temporarily scale back the monitoring frequency of the Task & Finish Group and continue monitoring the situation until firmer information arises on the UK position. The Council is also monitoring the situation through the Council's Risk Management process with Brexit as a risk on the Council's Corporate Risk Register.

Cabinet was asked to consider the content of the report in terms of the Council's Brexit preparations and for Cabinet/Cabinet Members to receive updates from officers as part of their portfolio.

Decision

Cabinet agreed the report.

Consultation

Corporate Management Team; Internal Brexit 'Task and Finish' Officer Group.

Implemented By: Senior Leadership Team and Heads of Service.

Implementation Timetable: Immediate

CAB 37/19

Welsh Language Annual Report 2018/19

Options Considered/Reasons for Decision

The report confirmed the Council is 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 third 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.

The monitoring report attached to the main report is required to be published on the Council's Website in accordance with statutory deadlines.

Cabinet was asked to approve the final monitoring report and agree to publish it on the Council's Website, in accordance with statutory deadlines.

Decision

Cabinet approved the report and agreed for officers to publish the final Monitoring Report on the Council's Website.

Consultation

Cabinet Member for Equalities and Assets (Deputy Leader); the Council's Strategic Equalities Group; Welsh Language Implementation Group; HR Manager; Elected Member Champion for Welsh Language.

Implemented By: Head of People and Business Change; Heads of Service.
Implementation Timetable: Immediate

CAB 38/19

End of Year Performance Analysis

Options Considered/Reasons for Decision

The report presented Cabinet with an overview on service area's performance for 2018/19 against each of their service plans 2018/22. The report addressed any areas of under-performance and also considered recommendations/feedback from the Council's Scrutiny Committees.

The Council's Corporate Plan 2017/22 sets out a Mission Statement for 'Improving People's Lives' and to enable the Council to meet the Well-being goals set out in the Well-being for Generations (Wales) Act 2015. The Corporate Plan identifies four Well-being Objectives and four Themes (Thriving City, Aspirational People, Resilient Communities, and Modernised Council) to deliver on the Mission Statement. To support this, each service area developed their service plans for 2018/22 which outline how they will support and deliver the Council's commitments.

The report highlighted some of the important developments being made by the service areas in 2018/19. In terms of the progress made against their objectives in 2018/19, service areas reported that they have completed 36% of their actions with 59% reported as 'In Progress' of delivery and will be continuing into 2019/20. For the reported 86 National and Local Performance Measures reported at the end of the year:

- 50 out of 86 performance measures had met their target;
- 19 out of 86 performance measures were short of meeting their Target (within 15%);
- 17 out of 86 performance measures were 'off target' (over 15%).

Cabinet was asked to:

- 1) Note the contents of the report;
- 2) Take action in conjunction with the Directors and Heads of Service to address areas of poor performance.

Decision

Cabinet agreed the report.

Consultation

Chief Executive; Strategic Directors; Heads of Service.

Implemented By: Strategic Directors; Heads of Service
Implementation Timetable: Immediate

CAB 39/19

Cabinet Work Programme

Options Considered/Reasons for Decision

The Leader presented the Cabinet Work Programme.

Decision

Cabinet agreed the programme.

Consultation

Chief Officers; Monitoring Officer; Head of Finance; Head of People and Business Change

Implemented By: Cabinet Office Manager

Implementation Timetable: Immediate

CAB 40/19

Presentation – City Centre Investment

Options Considered/Reasons for Decision

Officers provided Cabinet with a presentation which explored a potential investment opportunity in the city centre focused on Kingsway Car Park.

Officers confirmed the Council owns the freehold of the car park, and there is a long lease in place to Kingsway Investments Newport Limited (KIN), with currently a ground rent paid to the Council.

KIN recently approached the Council as they were considering sub-leasing it to a car park operator in order to re-finance their borrowing, however the Council's express consent is required in order for KIN to proceed with that course of action. During the ongoing dialogue, KIN also queried whether the Council would be an interested party in investing in the asset.

Taking on the lease would be in line with the Council's Commercialisation Strategy. In order to take the project forward Cabinet was asked to consider whether or not the Council should take a lease on Kingsway Car Park, on the terms outlined, and to take on its operation.

Decision

Cabinet unanimously approved the proposal to take on the lease term for 35 years at a rent of £215K pa index linked.

Signed:

Councillor Debbie Wilcox, Chair of the Cabinet

Date:
