

# Decision Schedule



## Cabinet

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**TO ALL MEMBERS OF NEWPORT CITY COUNCIL**

**Decision Schedule published on 17/01/2020**

The following decisions were taken on 15/01/2020. They will become effective at Noon on 27/01/2020 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 24/01/2020. 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 01/20**

**Revenue Budget Monitor – November 2019**

**Options Considered/Reasons for Decision**

The purpose of the report was to highlight the current forecast position on the Council's revenue budget and the risks and opportunities that present themselves within the November position.

The November 2019 position showed that the Council's overall net revenue budget forecast is finely balanced after utilising the entire revenue contingency budget.

The position had improved since the last update to Cabinet in September 2019 when an overspend of £723k was forecast. This improvement comes as a result of one off, unexpected grants into social care, reduced demand for SEN transport and Heads of Service implementing targeted reductions in service area spending, agreed by Cabinet in September.

Service areas, excluding schools, are forecasting an overspend of £2,614k, which is confined to a small number of budget/activity areas, with the majority of areas spending close to/within their approved budgets. Without the latest grants received in social care, the service area forecast overspend would be £2,978k.

There is continuing pressure on the budget from demand areas specifically within social care and the following three areas alone contribute £3,024k to the overall service area overspend shown above:

(i)	Adult community care	£1,634k overspend
(ii)	Children's out of area placements	£716k overspend
(iii)	Independent fostering agencies	£674k overspend

Forecast savings of £317k within Corporate Services have offset this bringing service areas overspending down to £2.6m.

Service area overspending has been mitigated by underspending against non-service budgets in respect of council tax surplus and council tax reduction scheme (£2,071k). Although this mitigation reduces the service areas overspend down to £543k, this includes full use of the revenue contingency budget.

In addition, budgets set by schools for 2019/20 will see them overspending against their available funding by £3,072k. Whilst this has no impact on the overall council's net budget because schools have their own reserves to fund this overspend, it does mean that the school reserves will come down, in overall terms, to 'nil' based on these forecasts.

The pattern of overspending and underspending is consistent with previous years, even after significant investments in these services, though a key difference this current year is no one-off income has been received, unlike previous years. The level of overspending in services and schools cannot be sustained at these levels and robust action must be taken to reduce service area overspending further.

As the Council continues 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 action agreed. The report contained:

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

The report's proposals asked Cabinet to:

- Note the overall budget forecast position including use of all the general budget contingency in addition to significant underspending in non-service budgets to mitigate, in part, the forecast overspends within service areas;
- Agree that Corporate Directors and the Chief Executive continue to work with Heads of Service to bring about targeted reductions in service area spending. These are forecast to show progress and monitor delivery and agreed with individual Cabinet Members in their regular briefings;
- 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 that the Strategic Leadership Team should continue to impose a targeted reduction in spend across service areas and continue careful review and management of key budgets and risks.

#### **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 to:**

- Ensure that there is targeted reduction in spend across service areas and forecasts/ financial dashboards updated;
- Manage undelivered savings as appropriate for 2019/20 and previous years;
- Promote and ensure robust forecasting throughout all service areas.

#### **Implementation Timetable: On-going**

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**CAB 02/20**

## **Capital Programme Monitoring and Additions – November 2019**

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

The report was submitted to Cabinet for:

- approval and requests for capital projects to be added to the Council's Capital Programme;
- To update Cabinet on the current available capital resources ('headroom');
- To update Cabinet on current spending against the Capital Programme Schemes highlighting the forecast outturn position for the programme as at November 2019.

The report confirmed the Council has an extensive capital programme, investing across the authority in areas such as schools, heritage assets, energy efficiency schemes, invest to save programmes and investing in the regeneration of the city centre. This report further builds on the investment already approved by Cabinet with an additional £1,962k being added to the programme to further enable the delivery of the Council's Corporate Plan priorities.

The November 2019 monitoring position highlights the following:

- Net forecast outturn for 2019/20 of £319k underspend.
- Requested slippage from 2019/20 into future years of £211k.
- Additions to the capital programme of £1,962k taking the overall programme 2018/19 to 2024/25 to £186,408k.
- New additions to the programme are funded either through external grants or where borrowing costs are covered by the savings the project achieves, therefore they have not impacted on the capital headroom available for future projects.

The report proposed that Cabinet:

1. Approve the additions to the Capital Programme requested in the report (Appendix A);
2. Approve slippage of £211k;
3. Note the available remaining capital resources ('headroom') until 2022/23;
4. Note the capital expenditure forecast position as at November 2019;
5. Note the balance of and approves the allocation of in-year capital receipts.

### **Decision:**

Cabinet:

- i) Approved the changes to the Capital Programme and noted the monitoring position as set out in the report, including the use of capital receipts;
- ii) 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**

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## **CAB 03/20**

### **Mid-year Performance Analysis 2019/20**

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

The report presented Cabinet with an update on the service areas' performance for the first six months of 2019/20 against their service plans in order to address any areas of under-performance before the year-end and to consider recommendations/feedback from the Council's scrutiny committees.

The report noted that the Well-being for Future Generations (Wales) Act 2015 requires Newport Council to have a Corporate Plan which sets out its vision for how it will improve lives of the current and future generations. Newport Council's Corporate Plan 2017/22 identified four Wellbeing Objectives (improving skills, education and employment opportunities; promote economic growth and regeneration whilst protecting the environment; enable people to be healthy, independent and resilient; and to build cohesive and sustainable communities). To support the delivery of the Corporate Plan, the Council's eight service areas have developed service plans which outline how they will support and deliver the Council's objectives.

For the first six months of this financial year (April to September 2019), 97% of the actions identified in the service plans were 'in progress' with 11% of actions completed. For the performance measures reported it was noted that:

- 43 out of 74 reported performance measures were 'on target' in achieving delivery against their annual target;
- 8 out of 74 performance measures were 'short of target' in achieving delivery of their annual target;
- 15 out of 74 reported performance measures were 'off target' the delivery against their annual target.

The report also highlighted some of the important developments being made by the service areas in the first six months of the year.

Cabinet was asked to:

1. Note the contents of the report;
2. Receive a further update on the year-end position once the data is available;
3. Take urgent action in conjunction with the Directors and Heads of Service to address areas of poor performance.

#### **Decision:**

Cabinet agreed the proposals.

#### **Consultation**

Chief Executive; Strategic Directors; Heads of Service.

**Implemented By:** Strategic Directors and Heads of Service

**Implementation Timetable: Immediate**

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**Information Station**

**Options Considered/Reasons for Decision**

The report sought Cabinet's approval to seek alternative commercial use for the ground and first floor of the Information Station, and the relocation of the Council's current staff and services to the Central Museum and Library.

The report set out the rationale for seeking alternative commercial use of the ground and first floors of the Information Station building, in order to improve the performance of the building both as an asset and as a stimulus for economic development. Whilst the Information Station had been an undoubted success in terms of service delivery, the high cost of the building lease means it is effectively a wasting asset.

Currently, Newport has a chronic lack of both large 'Grade A' premises and smaller flexible co-working facilities. This paucity of space has proved prohibitive to attracting high value and high growth occupiers, and has become a significant barrier to economic growth. The City Centre Masterplan highlights the provision of much needed flexible working spaces for start-ups and knowledge-intensive SME's of a tech and digital nature as a crucial ingredient for success.

Despite the strength of Newport as a location for office space, demand for space far exceeds supply. Improvements to infrastructure, as well as the high cost of accommodation in neighbouring cities, means that Newport is well-placed to capitalise on interest from potential office occupiers on the condition that space of sufficient quality can be made available.

In addition to supporting regeneration and economic development of the City Centre, sub-leasing areas of the Information Station to generate income and reduce the financial burden on the Council also aligns with the corporate commitment to rationalise and maximise the Council's asset portfolio and the more effective use of its buildings. Given the presence of the Cardiff University National Software Academy within the same building, the opportunity to co-locate with this institution is likely to attract market interest from the sector and operators of co-working and incubator space in particular.

To facilitate this objective, it is necessary to relocate the current Information Station building into alternative premises. This will have the dual benefit of maintaining provision of the current service within the City Centre as well as potentially reducing the cost of providing this service. The most opportune location at which the service can be accommodated is the Central Museum and Library building. The report was also seeking in-principle permission to relocate the Information Station on the ground and first floors of this under-utilised premises. In order for this to be achievable the Council would require additional funding from the Welsh Government Targeted Regeneration Initiative (TRI) to enable the fit-out works for the relocation. This is currently being applied for and a decision on its award expected in January 2020.

The proposals put before Cabinet were:

1. Proceed with seeking opportunities to commercialise the Information Station building;
2. Authorise officers to proceed with relevant processes to seek new occupiers for the Information Station and external finance required to deliver the project;
3. Subject to the successful acceptance of the external TRI funding, satisfactory commercial rent in line with the base financial appraisal for this project, relocation of existing staff and services from the Information Station to the Central Museum/Library and secure new occupiers for the Information Station;
4. Agree use of Invest to Save reserves to support this project subject to meeting a minimum payback period;
5. Approve the £350k Council capital cost funding required into the capital programme.

**Decision:**

Cabinet agreed to:

- i) proceed with opportunities to commercialise the Information Station building, on the basis that officers can secure new occupiers and external finance required to deliver the project;
- ii) relocate existing staff and services from the Information Station to the Central Museum and Library.

**Consultation**

Strategic Director – Place; Head of Finance; Head of Law and Regulation; Head of People and Business Change; Cabinet Members; Information Station Managers.

**Implemented By:** Head of Regeneration Investment and Housing

**Implementation Timetable:** Immediate

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**CAB 05/20****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

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**CAB 06/20****Presentation – City Centre Regeneration****Options Considered/Reasons for Decision**

Officers provided Cabinet with a presentation which explored a potential regeneration opportunity in the city centre focused on the Cambrian Centre, Phase 2.

Officers confirmed the following:

- 2013 - a 250 year lease granted to Scarborough Development Group (SDG) by Newport City Council;
- 2014 – SDG completed Cambrian Centre Phase 1: Admiral House – the sole Grade A office in the City Centre;
- 2016 – Planning consent granted for Cambrian Centre Phase 2;
- 2018 – Site identified as a key project in the City Centre Masterplan;

It was proposed that the Council would enter into an agreement with SDG to take a 25 year lease at an agreed rental and service charge in order to facilitate the development of Grade A offices on this site, in accordance with the detailed planning consent for Phase 2 of the Cambrian Centre redevelopment. The capitalised value of the Council's rental covenant would provide gap funding to enable SDG to undertake the development work. The Council would then be responsible for sub-letting the completed building to recoup the rental costs.

The Cabinet received detailed financial, legal and valuation advice regarding the risks and liabilities involved, the demand for Grade A office space in Newport and comparable rental figures.

Agreement was sought from Cabinet to:

- i) Approve the acquisition of a 25 year lease interest in Cambrian Centre Phase 2;
- ii) Approve the Developer's profit of 17.5%;
- iii) Approve the level of rent the Council will pay;
- iv) Agreement subject to satisfactory legal and financial due diligence;
- v) Authorise officers to negotiate detailed Heads of Terms and finalise Agreement for Lease.

**Decision:**

Cabinet agreed to proceed with the proposals as set out above.

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Signed: .....

Councillor Jane Mudd, Chair of the Cabinet

Date:

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