

Agenda



Cabinet

Date: Wednesday, 15 January 2020

Time: 4.00 pm

Venue: Committee Room 1 - Civic Centre

To: Councillors J Mudd (Chair), R Jeavons, P Cockeram, D Davies, G Giles, D Harvey, D Mayer, M Rahman and R Truman

Item		Wards Affected
1	<u>Apologies for Absence</u>	
2	<u>Declarations of Interest</u>	
3	<u>Minutes of the Last Meeting</u> (Pages 3 - 10)	
4	<u>Revenue Budget Monitor</u> (Pages 11 - 28)	All Wards
5	<u>Capital Programme Monitoring and Additions - November 2019</u> (Pages 29 - 50)	All Wards
6	<u>Mid-Year Performance Analysis 2019/20</u> (Pages 51 - 64)	All Wards
7	<u>Information Station</u> (Pages 65 - 74)	All Wards
8	<u>Public Services Board (PSB) Summary of Business</u> (Pages 75 - 76)	All Wards
9	<u>Work Programme</u> (Pages 77 - 84)	
10	<u>Exclusion of the Press and Public</u> 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.	
11	<u>Presentation - City Centre Regeneration</u>	
12	<u>Date of the Next Meeting: 12 February 2020, 4pm Committee Rm 1</u>	

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Date of Issue: Wednesday, 8 January 2020



Minutes

Cabinet

Date: 20 December 2019

Time: 10.00 am

Present: Cllrs Jane Mudd (Chair); P Cockeram, D Davies, D Harvey, R Jeavons; D Mayer, G Giles, M Rahman, R Truman

In attendance: Ms S Davies; Mrs B Owen; Mr G Price; Mr M Rushworth, Mrs C Humphrey.

Part 1

1 Apologies for Absence

There were no apologies.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes

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

4 Revenue Budget and MTFP: Draft Proposals

The Leader presented the report which outlined the 2020/21 draft budget report for consideration and agreement. The Leader reminded her Cabinet colleagues that this is the draft budget and wanted to impress on the meeting that the proposals contained in the report will be going out for public consultation prior to finalising the budget at the February 2020 meeting.

Due to the late publication of the draft revenue grant settlement, the report had been compiled on planning assumptions since the report had to be published prior to the announcement of the settlement figure. The report confirmed the planning assumptions were:

- That Newport City Council would get a 1% increase in its revenue grant settlement and growing tax base – approximately £2.1m;
- That the Council would also get a further £5.7m of either permanent or continuation of specific grants to cover the costs of teachers' pay/pensions and social services sustainability (funding which the Council is currently receiving this year as one-off grants).

The draft settlement confirmed the Council will receive more than envisaged – in total further funding of £7.1m. This allows some flexibility to either:

- (i) invest in more budget investments and priorities and/or;

- (ii) reduce/take out some of the budget saving proposals identified in the report.

The Council's revenue support grant, in cash terms, will increase by approximately £14m; to £228m in total. After taking account of current specific grants transferred into it, mainly related to the teachers' pay/pensions grant mentioned above, the increase is c£9m.

Newport had the highest increase of any Welsh Council – the first time this has happened. All councils will be receiving relatively high cash increases in their grant funding next year. There are particular reasons for this:

- The substantial increase in the overall Welsh Government Budget has meant it has been able to continue to invest in the NHS but not at the expense, this year, of other parts of the public sector. Therefore, Welsh Government were able to increase the overall revenue grant settlement budget by about £200m for 2020/21- to a total of nearly £4.5bn. This has benefited all Councils in Wales who receive a share of this. This kind of increase has not happened for many years and is very welcome. The Leader expressed Cabinet's thanks to Welsh Government for taking Newport's situation into account and making this increased allocation.
- Newport has received a better settlement this year as funding, like all councils, is determined by a complex formula which distributes that total revenue grant settlement of £4.5bn to every council. Key 'needs based' data drives that and includes things such as population numbers, the number of school aged children, older people numbers, etc. This year, the Welsh Government took account of some significant changes in population estimates which confirmed that in previous years Newport's population estimates were too low and some others too high. The update and re-basing of this, alongside the continued increase in pupil numbers, 'shifted' more of the available funding to Newport.

The Leader gave some context to the budget proposals:

Councils continue to be under significant financial challenges, coming from increased demand for services, in particular adult social care and increasingly, children's social care. This demand comes from societal issues and affects all parts of Wales and indeed, the UK; Newport in particular also has a growing demand arising from the growth of the city. This generates real pressure in Newport's school capacity and the cost of increasing that to meet demand for places. There is no doubt that local councils have been at the sharp end of financial austerity over many years. Together this 'perfect storm' has been incredibly challenging.

This is the context within which the administration continues to plan its medium term projections and the annual budget for next year.

The report confirmed the cost of unavoidable pay and inflationary cost increases which are, including schools, nearly £7m. This is a large figure but is, in reality, a standstill position. Consideration has to be given to the need to consider the increased costs of demand in order to set a realistic budget, these amount to approximately £6m; of which social care makes up about £2.2m and the cost of expanding our school places is £1.9m. In total, cost pressures amount to approximately £13m, of which schools' pressures are £4.38m.

The Leader was pleased to confirm that schools are not being asked to find any additional savings from this budget and the £4.3m is the full amount of their calculated cost increases next year. School budgets are under considerable strain (as they are across Wales, indeed, the whole of the UK), and they will need to continue to deal with their current levels of overspending and good progress is being made on that. Crucially this budget will not add to the challenge that schools face. Indeed, alongside some significant increases in Welsh Government specific grants that schools receive, such as the 'Pupil Deprivation Grant', we can expect even further increases in school funding next year.

Given these levels of cost increases and pressures, the need to find savings is crucial. Some savings are being implemented by Heads of Service under delegated authority whilst others, those with policy

and service impacts, are for this Cabinet to approve first. The need for appropriate public consultation has been reviewed for all proposals and where required, that will happen first, irrespective of where the decisions are being taken.

Just over £5m of new savings are listed in the report, of which about 50% are being implemented by Heads of Service and decided by Cabinet. In terms of consultation, Appendix 2 lists those proposals for consultation and Appendix 5 has the detail for each of the proposals.

The Leader asked her Cabinet colleagues to consider approving these for consultation with immediate effect. Consultation will be done widely, both internally in the Council, through scrutiny committee, schools' forum, etc., and externally with the public and fairness commission and key stakeholders. The Leader encouraged the public and all partners to engage in the consultation process.

Clearly, Cabinet has some real choices this year given the better settlement, however, no decision will be taken today, reasons being:

- We only received the settlement on Monday and there is still a lot of work to do to ensure we understand all aspects of it, especially the specific grants, which we are still waiting on further details.
- We need to take a considered and strategic approach, and look forward to the medium term as to how we deal with this. This requires time and careful thinking.
- We want to be informed by our key stakeholders, the public in particular and others before we make our final decisions.

We will therefore go to consultation on all the proposals and consider the responses carefully, taking a strategic and long term approach, making final decisions on proposals, including Council Tax, at the February meeting.

The report highlights that a 7.95% increase in Council Tax is being consulted on. The Leader mentioned a few key facts which provided some important context to this:

- The percentage increase is not the best way to think about it. About two thirds of the homes in Newport are in Bands A-C and the increase, in cash terms, is between £1.14 and £1.52 per week. It's an increase but in cash terms more modest than the percentage might suggest.
- Whilst Council Tax makes up a relatively small part of the Council's overall funding and which gives rise to its own problems, it can't be ignored either. Newport's tax level is relatively low compared to others in Wales and indeed, the UK. If Newport was at the Welsh average level – the Council would have £10m more funding, for example. After many years of austerity and increased demand from the growing city, this fact can't be ignored as options to make further significant cuts in budgets are becoming increasingly challenging in the impacts and the increased risks that would come from them.
- This increase needs to be looked at in the context of the overall budget. The budget challenge is not just being solved by increasing council tax. There are savings too and we have sought to find a balance of dealing with the budget challenge through a mixture of council tax and budget savings.
- The increase is an investment in services. Careful consideration has to be given to the level of investment in social care and schools.
- Council Tax is the Council's only source of income it has direct control over.

- In the distribution of the revenue grant settlement, Welsh Government makes an assumption for a 'standard level of Council Tax' when it calculates the standard spending assessment for Councils. That standard council tax level has increased by just of 7% for 2020/21. Newport will fall further behind its standard spending assessment than current levels if the council tax increase is lower than this.
- Lastly, the Leader emphasised that support for paying this bill, through the Council Tax Reduction Scheme, will still be available to help those who are eligible for reductions in their bills. The Council's budget for this will increase in line with the Council Tax increase and accommodate the same level of support that is already in place.

Whilst the better settlement allows for some choices, the Leader hoped residents will see the Council Tax increase in perspective and take that wider and longer term view. Newport will still have one of the lowest Council Tax levels in Wales and the UK.

The Leader welcomed comments from her Cabinet colleagues and commended the draft budget for further consultation in the knowledge that there are some flexibilities which need to be considered very carefully.

Cabinet colleagues reiterated the Leader's comments and encouraged the public, stakeholders and partners to engage with the budget consultation process.

Decision:

Cabinet agreed the draft proposals contained in the report which will now be subject to public consultation prior to finalising the budget in February 2020.

5 Treasury Management 6 Monthly Report

The Leader presented the report which provided a review of the Council's Treasury Management activities, i.e., the management and planning of its 'cash resources', including loan and investing activities, for the first half of this financial year.

The report had already been reviewed by the Audit Committee, and reported to Cabinet for information; following the Cabinet meeting it would go to full Council for approval.

The report confirmed all borrowing and investments undertaken during the first half of the year were expected and within the Council's agreed limits.

Key points of note are:

- The Council's £40m Bond was re-financed in April - this saved the Council a very significant amount of money which was taken as a saving in this year's budget, as the interest rate on the loan taken out was substantially lower than the interest paid on the Bond. The Council's 'internal borrowing' strategy meant this had to be re-financed as opposed to paid off and this strategy is currently saving the Council over £2m annually in interest charges, it was noted the Council's capacity to be internally borrowed will reduce in relation to future spend of the PFI and other reserves.
- The report confirmed the Council borrows funds from the Public Works Loan Board – essentially the Government. During this period interest rates were suddenly increased by an unprecedented 1%. The Head of Finance and the finance team are reviewing options with the Council's Treasury Advisers on other borrowing alternatives and this will be reported in future reports as required.

Decision:

Cabinet noted the content of the report and agreed to provide comments to Council.

6 Corporate Risk Register Update (Quarter 2)

The Leader presented the report which provided an update of the Corporate Risk Register for the end of Quarter 2 (30th September 2019).

Cabinet was asked to consider the content of the report and note the changes to the risk register for the end of quarter 2.

The report confirmed the Council's Risk Management Strategy and Corporate Risk Register enables the administration and its officers to effectively identify, manage and monitor those risks which could prevent the authority from achieving its objectives set out in the Corporate Plan 2017-22 and its Statutory Duties as a local authority.

The report further explained that every year, as part of the Council's planning arrangements, service areas review their current risks and look at new or emerging risks that would prevent the administration from achieving its objectives as part of the Council's Corporate Plan.

The Quarter 2 risk report will be presented to the Council's Audit Committee in January 2020; Audit Committee review and monitor the risk management and governance arrangements.

The report noted 12 risks have been escalated to the Council's Corporate Risk Register requiring monitoring from Cabinet and the Senior Leadership Team.

The remaining risks will continue to be monitored through the Council's service areas and Corporate Management Team. Mechanisms are in place to escalate any new or existing risk to the Corporate Risk Register.

At the end of Quarter 2 (1st July 2019 to 30th September 2019) the Council had 9 High risks (15 to 25) and 3 Medium Risks (5 to 14). In comparison to quarter 1, there were no new risks and no risks were closed. However, 2 risks had increased from Medium to High level risks. The scores of risks that increased were:

- **Demand for Additional Learning Needs (ALN) and Special Education Needs (SEN) support (Risk score increased from 12 to 20)**
 - This risk relates to new legislation being introduced and unknowns in relation to its potential impact on Education services and school support in the city.
 - ALN funding models were reviewed in a local authority and headteacher working group during quarter 2. It was evident that due to a rise in the general school population there has been an increase in ALN pupils which has put additional pressure on the existing ALN funding.
 - There is an expectation that schools supplement their allocated ALN funding, however, due to the increase of statemented and funded pupils the per pupil ALN funding does not reflect the amount required.
 - A one year funding model was agreed with further meetings to take place during summer 2020 to develop a long term funding model.
- **In-year financial management (Risk score increased from 8 to 12)**

- The Council's Finance Service at the end of September shows a forecast overspend of £700k.
- Whilst the impact of an in-year overspend will have a detrimental effect on the level of reserves, it is not something the Council could not cover in the short-term.
- These overspends continuing in the medium term will need to be brought under control to prevent an impact on the financial resilience of the organisation.
- Appropriate action will be needed to bring this overspend under control; however, a risk remains that demand and cost for services continues to increase by more than is currently projected.

Cabinet Members were asked to agree the contents of the Quarter 2 Risk Report and continue to monitor progress of actions taken to reduce the impact of the risks in the report.

Decision:

Cabinet approved the contents of the Quarter 2 Risk Report and agreed to continue to monitor progress of actions taken to reduce the impact of the risks contained in the report.

7 Wales Audit Office – Assessment of Performance Certificate

The Leader presented the report which confirmed this is the second certificate of compliance which is issued by the Wales Audit Office (WAO) following an audit of the Council's 2018/19 performance in accordance with the Local Government (Wales) Measure 2009.

The Wales Audit Office are the Council's external auditors and have a duty to ensure that public bodies, such as Newport Council, have the necessary arrangements in place for securing economy, efficiency and effectiveness in the use of its resources to deliver Council services.

The work completed by the Wales Audit Office also supports the Well Being of Future Generations (Wales) Act 2015 by ensuring that public bodies are undertaking sustainable developments to meet the needs of future generations and adhering to the five ways of working principle.

The Leader welcomed Gareth Jones, Performance Audit Lead WAO to the meeting. Mr Jones provided an overview of the work required by the Council to receive the second certificate of compliance and confirmed the requirements had been met and the certificate had been issued.

The Leader thanked the WAO for their partnership approach and work with Newport City Council.

The Leader proposed that Cabinet accept the conclusion contained in the Auditor General's Certificate of Performance Assessment.

Decision:

Cabinet accepted the conclusion contained in the Auditor General's Certificate of Performance Assessment.

8 Revised Contract Standing Orders

The Leader presented the report which set out proposals to update and make changes to the Council's Contract Standing Orders. Full Council will make a final decision on the report but Cabinet's view is required before it's finalised and sent through to the next available Council meeting.

Contract Standing Orders (CSOs) form part of the Council's Constitution and are the rules for buying goods, services and works that have to be adhered to by all employees.

The report confirmed that CSOs are required to be reviewed every three years to take account of changes to legislation, Council policy and strategic direction, as well as wider Welsh Government Policy that needs to be incorporated into the Council's rules. The proposed CSO's, which were appended to the report, introduce changes designed to improve the Council's procurement practices and ensure changing legislation, other Council Policy and procurement practices are adhered to.

The review had been undertaken in consultation with the Head of Law & Regulation, Head of Finance and the Chief Internal Auditor, as well as the Strategic Leadership Team and Corporate Management Team.

As a result of that consultation key changes have been made in a number of areas, most noticeably around;

1. Compliance - a new section covering responsibilities around probity, standards, compliance with regulation and Codes of Conduct.
2. Social Services - a new section covering individual service contracts for clients which may be awarded under a set of certain circumstances within Social Care.
3. Procurement Tendering Process - in particular more flexibility to be able to approach local and other Welsh suppliers for tenders up to £75k in value, up from the current £25k.
4. Code of Practice, Ethical Employment in Supply Chains - a new section covering the Council's commitment to consider a range of actions to ensure our internal and external supply chains operate under legal and ethical employment practices.
5. Contract Management - a new section to cover how contracts should be managed following award of such contracts, to ensure the contract remains effective in delivering its required outputs for its full duration.
6. Waivers - a new section to ensure officers understand the process should it be deemed necessary to request that CSO's be set aside in certain circumstances.

The report further confirmed the importance that the Council's processes and rules reflect the latest developments which affect local authorities; the Leader specifically referred to confirmation that the Council is embedding important updates such as the ethical employment in its supply chains and changing process which makes it easier to engage local and Welsh suppliers, whilst still ensuring value for money in how the Council purchases its goods and services.

The Leader commended the report to Cabinet and also that the updated CSO's are reported to Council for approval.

Decision:

Cabinet approved the report and for it to be reported to the next Council meeting.

9 Director of Social Services' Annual Report

The Leader introduced the report and confirmed the Regulation and Inspection of Social Care (Wales) Act 2016 (R&I) and the Social Services and Wellbeing (Wales) Act 2014 (SSWB) sets out the requirement for the Director of Social Services to produce an annual report setting out the performance of Social Services.

The intention of the report is not to detail process but to provide information for publication to a wide audience. The report covered the year 2018/19 and set out the Director's assessment of how well the

Council had promoted and delivered social care services for Newport's citizens and carers in need of care and support.

The Leader introduced the Cabinet Member for Social Services to talk through some of the headlines of the report to demonstrate the progress being made in the development of early intervention and prevention services and the work around integrating health and social care to build much needed additional capacity.

The Cabinet Member was pleased with the report which highlighted a lot of positive initiatives that Newport has made over the past year.

The Leader asked the current Director of Social Services, Chris Humphrey for her thoughts. Mrs Humphrey confirmed the report showed the continuing journey that Social Services has been on for the last few years. She commended the performance by all staff which reflects a huge amount of hard work that has been undertaken.

Cabinet Members applauded the hard work of all staff.

The Interim Chief Executive commended the collaborative work carried out with Education and Health to ensure joined up services to make lives better for some of the most vulnerable people in our society.

The Leader thanked the Cabinet Member for the leadership shown in this role and the Leader emphasised the difficult and challenging circumstances people find themselves in, Social Services colleagues work at the frontline of this.

The Leader confirmed she had attended the Looked after Children's Christmas Party; she congratulated the staff, all of whom show such empathy and compassion in the work they do.

Decision:

Cabinet endorsed the report.

10 Cabinet Work Programme

The Leader presented the Cabinet Work Programme.

Decision:

Cabinet agreed the updated programme.

11 Date of Next Meeting

The next meeting will take place on Wednesday 15 January 2020, at 4.00 pm in Committee Room 1, at the Civic Centre, Newport.



Report

Cabinet

Part 1

Date: 15 January 2020

Subject **November Revenue Budget Monitor**

Purpose To highlight the current forecast position on the Council's revenue budget and the risks and opportunities that present themselves within the November position.

Author Head of Finance (HoF)

Ward All

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

This position has 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, and this 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 councils 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.

- 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

Proposal Cabinet is asked 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 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.

Action 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.

Timetable On going

This report was prepared after consultation with:

Chief Executive
Strategic Directors
Heads of Service
Budget Holders
Accountancy Staff

Signed

1 Background

- 1.1 Despite the difficult circumstances the Council has faced, the overall revenue budget has been managed well in the past reporting relatively small levels of under-spending. As a growing city, Newport continues to be under significant pressure from increasing demand for essential services and lower funding. The Council has had to deal with the pressures associated with this growth and therefore the additional costs of delivering services.
- 1.2 The September position reported to Cabinet showed a forecast overspend of £723k, however this has improved to a finely balanced position. The main changes include one off, unexpected grant income into social services (c£300k) and a reduction in the level of demand that we are currently experiencing for SEN transport (c£400k). Whilst service areas continue to experience demand pressures the vast majority of the Council's c160 budgeted 'service/ activities' are managing close to/ on budget.
- 1.3 Continuing challenges within service areas amount to £2,614k with almost the entire forecast overspend originating from Adults and Children Services. The underlying issues within Social Services would be in the region of £4m if all one off funding were excluded. These overspends have been partially offset by underspending against non-service budgets resulting in a balanced budget position. This is after using the entire contingency budget of £1,473k.

2 Key areas contributing to position

- 2.1 The following section highlights the key areas that contribute to the overall Council position:

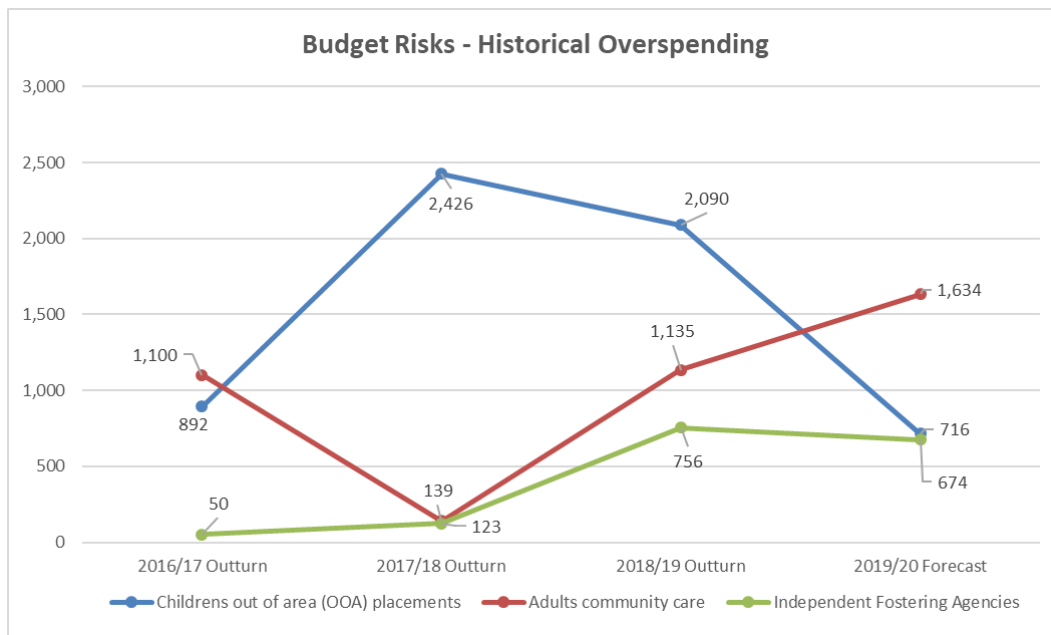
- (i) Ongoing budget pressures on a small number of Council activities;
- (ii) New, emerging issues that have arisen during 2019/20;
- (iii) Delivery of agreed 2019/20 budget savings.

(i) Ongoing budget pressures

- 2.2 It has been well documented, throughout this year and last, that there are three main areas that contribute to service area overspending:

- Children's out of area placements
- Independent fostering agencies
- Adult community care

- 2.3 These are recurring issues and demand in most of these areas have been increasing over the last 2-3 years. These areas received significant investment in 2019/20 but demand continues to accelerate beyond the budget available. The chart below demonstrates that despite investment over the years the increasing demand for essential services continues to put pressure on budgets in these areas. Forecast demand in children's out of area residential placements and independent fostering has remained relatively consistent over the last couple of months whilst the costs of delivering community care continues to accelerate.



- 2.4 Children's out of area placements** – Following the purchase of a new residential home the budget has now been split to reflect internal and external placements. After significant investment of £2,206k, over and above inflation, in the 2019/20 budget, this budget can support 19 out of area placements. In November, the number of out of area placements are at 24 and this is expected to reduce to 18 by the end of the year based on the known cohort of children and proposed plans for their care. Whilst work continues to reduce the number, and therefore costs, of out of area placements and bring them back 'in house', the current projected numbers will result in a forecast overspend of £716k.
- 2.5 Children's independent fostering** – Investment of £719k, over and above inflation, in 2019/20 enables the budget to support 50 placements which is reasonable given the level of increasing demand that was experienced in 2018/19. In November, the number of independent fostering placements are at 68 and this is expected to increase to 71 placements (15% increase since July) resulting in a forecast overspend of £674k.
- 2.6 Adults community care** - £654k has been invested into the adult's community care budget for 2019/20, over and above inflation. The current position shows that there are currently over 1,700 service users within community care, which is a 3.7% greater than at this point last year.
- 2.7** Given the inherent nature of this budget risk, numbers in this area could change through the rest of the year as has been the case over the last 2-3 years and this therefore represents a risk, given that no further contingency is available within the overall revenue budget at this point. As we approach the end of the financial year, however, there should be greater certainty in the numbers forecast.
- (ii) New, emerging Issues
- 2.8 Adults & Community Services** – Further increases in demand and contract overspending has led to significant increases in the forecast service overspending at c£600k. Discussions are on-going with social care managers and providers to reduce contract costs as soon as possible.
- (iii) Delivery of agreed 2019/20 budget savings:

- 2.3 The position on delivery of savings is shown in appendix 1. The performance on forecast delivery of 2019/20 savings is projected to be good with 93% of the £6.6m savings to be delivered in full. In addition to the £481k shortfall this represents, there remains £91k of undelivered savings from 2018/19, which is to be addressed by the Education service.
- 2.4 Whilst these areas are considered as part of our future financial planning and budget process, they contribute £572k of overspending against the current year's budget and the current overall overspending of the Council's budget.

3 Schools

- 3.1 Appendix 3 highlights that all but eight schools will have much reduced reserves as at 31st March 2020 due to current forecasted net overspending of £3,073k. This position has recovered slightly compared to the last update to Cabinet, however, it should be noted that schools budgeted in year overspending is £4,344k with forecasts including a further £1,271k of additional funding/ income (grant and other compensation), including the Welsh Government 2019/20 teacher's pay grant, therefore reducing the in-year overspend to £3,073k. Whilst the pay grant will be allocated to individual schools in time for the next update, the Chief Education Officer along with the Head of Finance will need to consider options around the allocation of the contingency budgets so not to detract from the true extent of schools overspending as this will be a key consideration in setting next year's budget. A summary table is shown below:

	Reserves balance 31/03/19	In year Under/(overspend)	Reserves Balance 31/03/20
	£	£	£
Nursery	2,871	(56,706)	(53,835)
Primary	3,667,584	(2,031,913)	1,635,671
Secondary	(629,461)	(2,091,221)	(2,720,682)
Special	89,470	(163,705)	(74,236)
Total	3,130,464	(4,343,545)	(1,213,082)
Grant and other compensation		1,270,985	1,270,985
Total	3,130,464	(3,072,561)	57,904

- 3.2 Fifteen schools are anticipating a negative balance position at the end of the current financial year, one from the nursery sector, eight from the primary sector, five from the secondary sector and one from the special sector. The cumulative forecast deficit for these schools is £3.541m and officers continue to work closely with those schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. This work is on-going. The level of in year overspending was highlighted as a risk in 2018/19 and continues to be a significant area of concern. The forecasted overall school reserves position, being close to zero needs to be resolved as the current spending levels in school is not sustainable and has the potential to cause very significant and adverse impact on the Councils overall finances if it continues.
- 3.3 Whilst the Scheme of Financing for Schools sets out that the Authority will, under exceptional circumstances and with the prior written approval of the Chief Education Officer, make provision for schools to plan for a deficit budget, these licensed deficits are subject to a number of regulations set out within the scheme. The regulations which cause concern are set out below:
- (i) Deficit balances will only be approved to fund specific projects or short term cash flow difficulties at individual schools;
 - (ii) The level of licensed deficit authorised by the LA is set at a maximum of 5% of total budget;
 - (iii) The maximum proportion of collective balances held by the Authority to back the arrangement is 25%

3.4 According to the scheme, the maximum proportion of collective balances to back the scheme would be £782k however; the projected cumulative deficit balances for 19/20 are £3,541k of which the deficit balances for six out of the fifteen schools exceed 5% of their total budget.

3.5 Based on the forecast overspending schools will have utilised all but £58k of the schools reserves by the end of this financial year. The current level of overspending is not sustainable and there is no contingency budget available to mitigate this.

4 Use of reserves

4.1 Appendix 4 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31st March 2019, forecasted planned transfers in/ (out) of reserves in 2019/20 and the forecast balance as at 31st March 2020. Current projections suggest that 17% of the Council reserves will be utilised by the end of the financial year, which is in line with planned and expected use. The general fund reserve is at the minimum level required (£6.5m) representing 2% of the overall net budget.

4.2 The above position on reserves is based on planned use of reserves. It does not include the impact of un-planned use resulting from funding any revenue budget overspending and 'making good' school reserves. As the general reserve is at the minimum level and other reserves are earmarked, any un-planned use will require the Cabinet to approve use of current earmarked reserves for these, which could affect future finances of the Council.

Timetable

Ongoing

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Risk of overspending	H	M	Regular forecasting and strong financial management Revenue budget contingency	
Poor forecasting	M	M	Better forecasting in non-service areas where large variances occurred in 18/19 Review and refinement in service areas of risk based modelling CX/HoF setting out clear expectations	Asst. HoF SFBP's and budget managers CX / HoF

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Strong financial management underpins services and medium term financial planning.

Options Available and considered

In terms of the overall forecast position and financial management, there are no options – the Council needs to operate within its overall budget. Given the current forecast suggests that the position is finely balanced, even after utilising the general contingency budget, action must be taken to ensure that the outturn is within budget. Schools must also take action to ensure that they manage within available funding as the current forecast overspend uses the entire reserves that the schools have available.

Preferred Option and Why

SLT continue to impose a targeted reduction in spend across service areas and continue careful review and management of key budgets and risks.

Comments of Chief Financial Officer

The forecasts here paint a challenging picture and the Cabinet should approve a continued review of budgets and spending plans to ensure a balanced budget position at year-end.

The pattern of service overspending is not sustainable in going forward and will cause real challenges to the Council's overall financial position and financial sustainability in due course, unless it is controlled.

The school's current level of overspending is very challenging with the real prospect of school reserves being completely utilised, even after significant in year additional funding from WG. This will also now impact on the overall Council finances and as above, the financial sustainability of the Council, in due course, unless action is taken.

Comments of Monitoring Officer

There are no legal issues arising from the Report.

Comments of Head of People and Business Change

There are no direct HR implications associated with this report. The report does not show any specific staffing issues, although clearly issues will arise if robust monitoring and management of budgets does not take place.

The Well-being of Future Generations Act requires public bodies to apply the five ways of working to any financial planning, which will address short-term priorities with the need to safeguard the ability to meet long-term needs. This report gives an update on the revenue forecast position and the issues affecting financial management during 2019/20 and notes that any future reductions in funding will need to reflect and be consistent with the five ways of working.

Comments of Cabinet Member

The level of overspending against service area budgets is concerning and we need all Cabinet Members with Heads of Service to bring forward actions to address.

Local issues

N/A

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

This update is against a backdrop of prolonged pressure on public services as a combination of reduced income, rising demands on services, increased expectations, compliance with new legislation and the increasing costs of running services, which has seen the delivery of significant budget savings over the last five years. Any future reductions in funding will need to reflect and be consistent with the five principles underpinning the Wellbeing of Future Generation (Wales) Act 2015.

Wellbeing of Future Generations (Wales) Act 2015 forms an integral part of the financial management of the Council and the MTFP process of which the outturn of the Council is an essential part. Analysis and review of reserves are an important aspect on the future generations and the Head of Finance reviews and assesses the robustness and adequacy of these reserves as part of this report.

Consultation

N/A

Background Papers

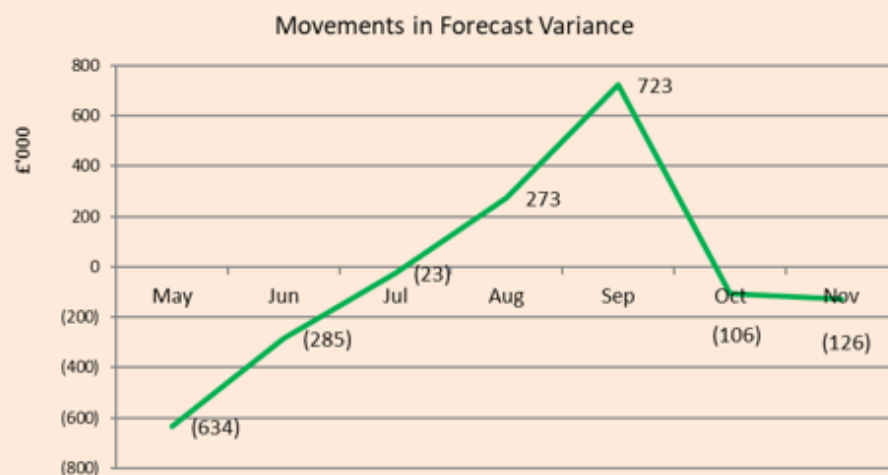
Dated:

Budget Monitoring Position – November 2019

Position by Directorate	Current Budget £'000	Forecast £'000	Variance £'000
People (exc Schools)	85,418	88,043	2,625
Place	33,716	34,021	305
Corporate	18,405	18,088	(317)
Service Area Budget	137,538	140,152	2,614
Schools	96,545	99,617	3,072
Service Area Budget (inc Schools)	234,083	239,769	5,686
Schools - transfer from reserve	0	(3,072)	(3,072)
Non Service	45,055	43,788	(1,267)
Total Budget (excluding contingency)	279,139	280,485	1,347
General Contingency	1,473	0	(1,473)
Total Budget (including contingency)	280,611	280,485	(126)

Detailed explanations can be found within service area dashboards

Forecast History – High Risk Areas



Position Summary

- This months forecast shows that a forecast underspend of £126k is anticipated after utilising the contingency budget.
- Movement of £849k since September Cabinet relates to:
 - Unanticipated ICF funding received £293k
 - Reduction in numbers of OOA placements £97k
 - Reduced forecast SEN transport £394k
- Without the contingency a forecast overspend of £1,347k would be anticipated.

Key areas contributing to position

- Forecast undelivered 19/20 savings of £481k
- Significant overspending in three key areas:

Children's out of area placements	£716k
Adults community care	£1,634k
Children's independent fostering	£674k

- Mitigated by non service area underspends:

Council tax surplus and Ctax reduction scheme	(£2,071k)
Interest payable – refinanced at lower rate	(£250k)
General contingency	(£1,473k)

Risks

- Service areas are overspending at unsustainable levels therefore HoS must continue with targeted spending freeze as approved by Cabinet
- No contingency budget available for any further unavoidable risks
- 86% of schools forecast to spend more than their funding in 19/20

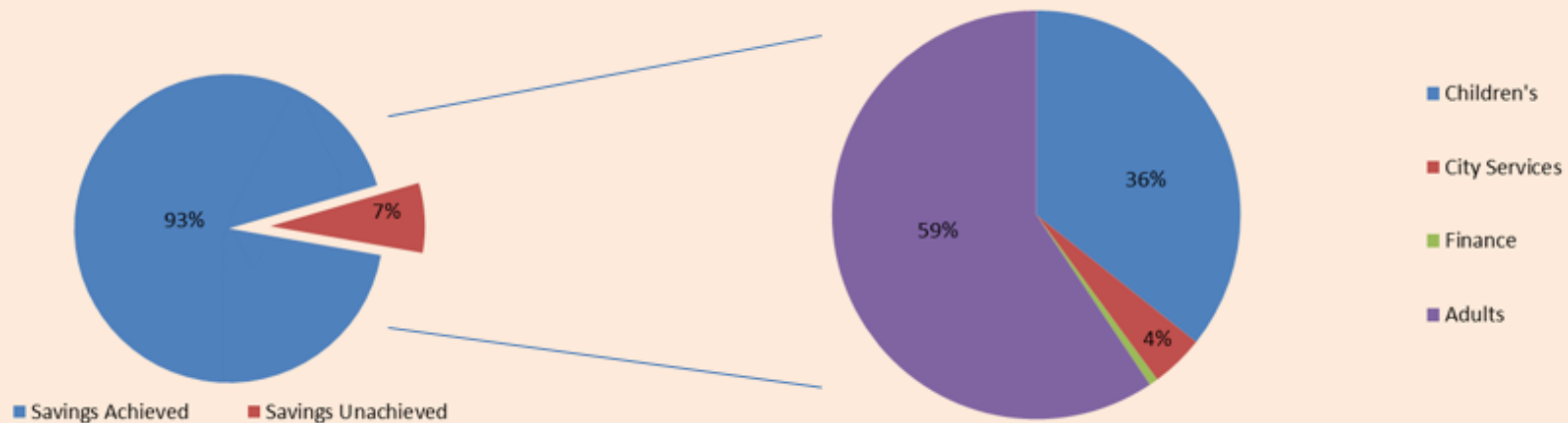
Budget Monitoring Position – November 2019

Staff Forecasts

Overall Staffing	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	59,615	59,615	59,491	59,418	59,462	58,929	59,571	59,571	59,571	59,571	59,571	59,571
Forecast (£'000)	59,615	60,767	58,734	58,454	58,504	57,545	57,888	57,681	57,681	57,681	57,681	57,681
Variance (£'000)	0	(488)	(758)	(963)	(958)	(1,384)	(1,683)	(1,890)	(1,890)	(1,890)	(1,890)	(1,890)

- Staff budgets account for a fifth of the Councils net budget

2019/20 Delivery of Savings (Forecast)



- The first chart shows that 93% of the total savings are forecast for full delivery in 2019/20
- The second chart illustrates the areas where savings are forecast not to be delivered (7% of overall target)
- 2019/20 balance of £481k undelivered savings remains significant in financial terms
- This is in addition to £91k undelivered savings dating back to 2018/19

Overall Summary	People	Place	Corporate	Non Service	Total
2019/20 MTRP Target (£) Total	1,775	1,107	352	3,319	6,553
Total Savings Realised by Year End 2019/20	1,317	1,087	349	3,319	6,072
Variation to MTRP Target	(458)	(20)	(3)	0	(481)
Variation % to MTRP Target	-26%	-2%	-1%	0%	-7%

Budget Monitoring Position – November 2019

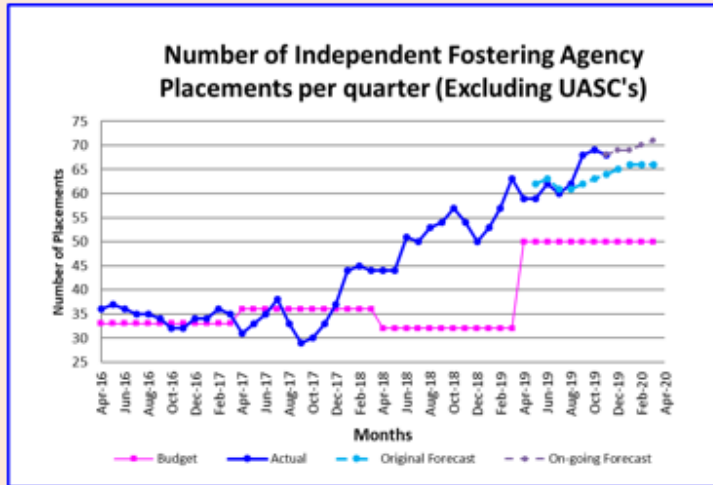
Risk Based Areas	Budget £'000	Forecast £'000	Variance £'000	Graph Reference
Children & Young People				
Independent Fostering Agencies	1,935	2,609	674	i
Out of Area Residential	2,668	3,384	716	ii
In House Fostering	2,921	3,014	93	
Looked after Children (LAC) Remand	0	(5)	(5)	
Legal fees	505	960	455	
Adult & Community Services				
Community Care - Residential	21,096	21,808	712	
Community Care - Supported Living	8,796	9,648	852	iii
Community Care - Non Residential	9,824	10,699	875	iv
Community Care Income - Residential & Non Residential	(7,513)	(8,248)	(735)	
Education				
SEN Out of County - Local Authority	2,343	1,214	(1,129)	v
SEN Out of County - Independents	2,261	2,957	696	v
SEN Local Provision Development	497	609	112	
SEN Equipment & Resources	29	191	162	
SEN Transport	1,510	1,693	183	
Special Home to School Transport	232	316	84	
Bridge Achievement Centre	1,258	1,186	(73)	
Regeneration, Investment & Housing				
Homelessness - B&B Costs	546	656	110	
Commercial & Industrial Properties Income	(1,330)	(1,335)	(5)	
City Services				
Commercial/Asbestos Income	(1,185)	(1,256)	(71)	
Home to School Transport - Primary	951	916	(35)	
Home to School Transport - Secondary	1,064	1,193	129	
Home to School Transport - College	113	130	17	
Law & Regulation				
Licensing - Hackney carriages/ private hire	(355)	(458)	(103)	
Total Net Budget	48,165	51,880	3,715	

- Currently, in 2019/20, there are over 20 budget areas identified at the start of the year by HoS as those areas that have the potential to be high risk or highly volatile. This list is reviewed on an on-going basis
- Although some of these areas are currently forecasting an underspend against budget, they continue to be monitored
- There are six budget 'hotspot' areas within the risk based monitoring which demonstrate the significant financial impact and risk that only a small number of areas pose to the financial position of the Authority (graph ref i – v)
- These areas alone contribute £2.7m to the service area overspends
- These overspending areas are consistent with last years position despite significant investment in 2019/20 therefore it is critical that managers make a concerted effort to manage demand and to reduce spend wherever possible

Budget Monitoring Position – November 2019

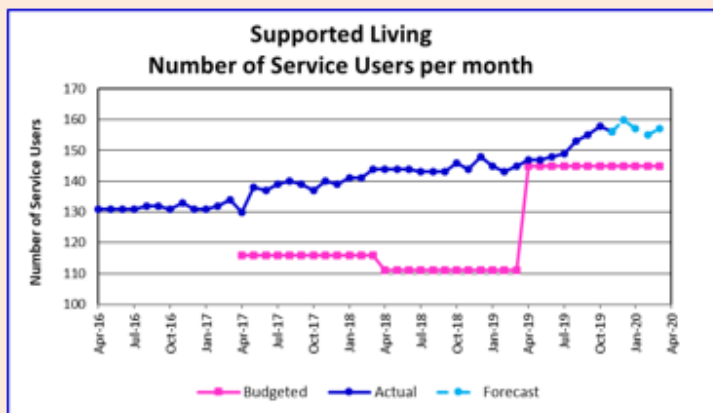
Risk Based Monitoring graphs

(i) Independent Fostering Agencies

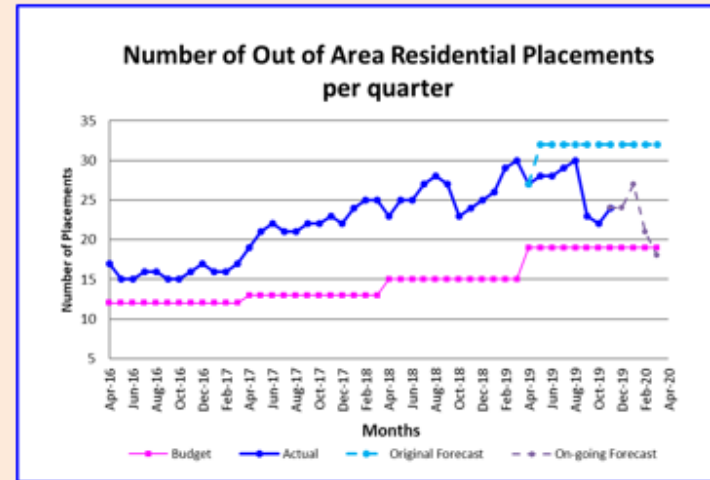


- The 2019/20 budget can afford 50 placements per month at an average cost. The current forecast assumes 71 placements at year end resulting in an overspend of £674k.

(iii) Community Care – Supported Living

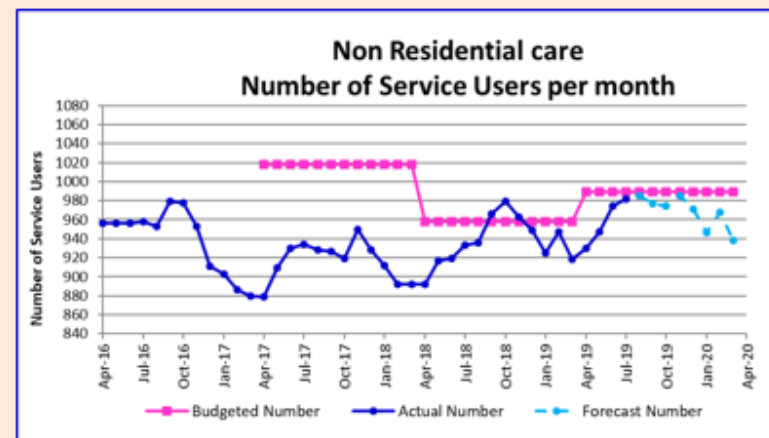


(ii) Out of Area (OOA) Residential Placements



- Budget can afford 19 placements per month at an average cost. Current forecast assumes 18 placements at year end resulting in an overspend of £716k.

(iv) Community Care – Non Residential

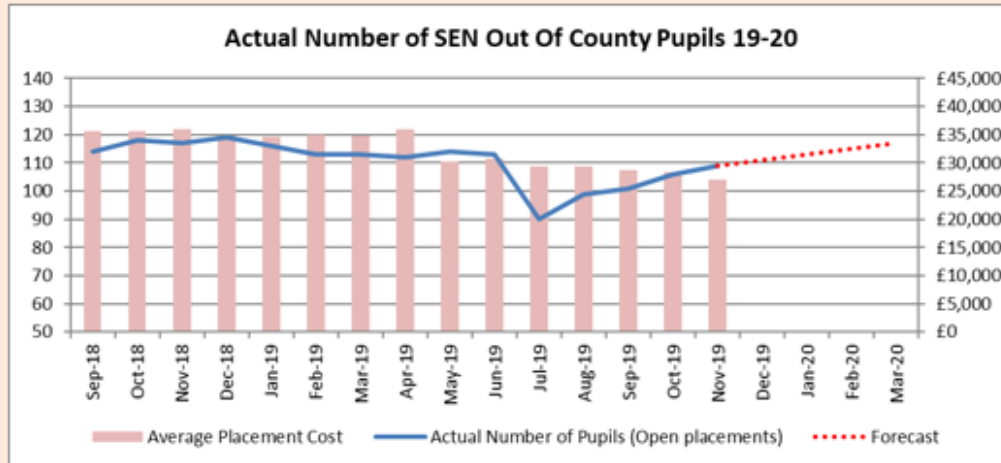


** Due to changes in reporting average budget data is unavailable prior to April 2017.

Budget Monitoring Position – November 2019

Risk Based Monitoring graphs

(v) SEN Out of County Placements – Local Authority and Independent



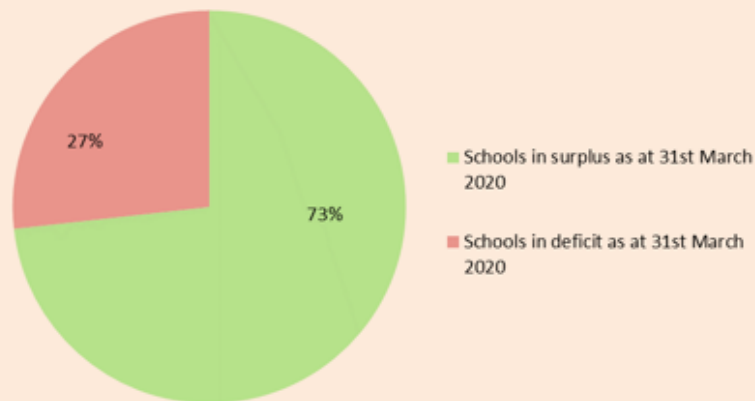
- SEN OOC budget can accommodate 132 placements at an average cost of £27k. This is 30 additional placements based on £920k additional funding awarded for 19/20
- Placements ranging between £20k and £30k account for 19% of the total number of placements and one placement in particular costs the Authority £108k due to the complex needs of the individual

Budget Monitoring Position – November 2019

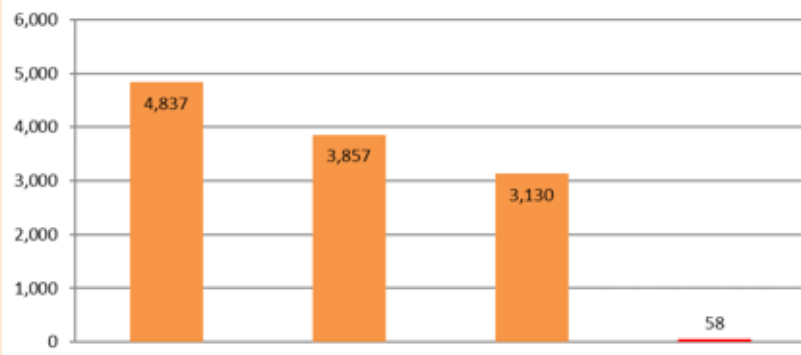
Schools

- Budgets set by schools for 2019/20 will see them overspending against their available funding by £3,072k. This projection includes additional income of £1,271k that is yet to be allocated to schools in respect of in year grants and other compensation, including the 2019/20 teachers pay grant.
- Currently 15 schools are anticipating a negative balance position at the end of the current financial year, one from the nursery sector, eight from the primary sector, five from the secondary sector and one special school. The cumulative forecast deficit for these schools is £3.5m.
- Officers are working closely with these schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. Schools must take appropriate action to match costs to their available funding, as this level of overspending is not sustainable

Proportion of Schools Forecasting Deficit as at 31st March 2020



Balances held by Schools as at 31st March



Schools Forecasting Budget Overspends	October
Kimberley Nursery	(56)
High Cross Primary	(71)
St Woolos Primary	(42)
Jubilee Park	(39)
Maesglas Primary	(11)
Llanmartin Primary	(1)
Ringland Primary	(3)
Glan Usk Primary	(10)
St Andrews Primary	(20)
Newport High	(222)
Caerleon Comprehensive	(1,239)
Lliswerry High	(750)
Llanwern High	(503)
St Julians	(423)
Maes Ebbw	(151)
Total Net Budget	(3,541)

Schools are forecasting an in year overspend of £3,072k therefore reducing the school balances from £3,130k to £58k as at the end of March 2020. This is a significant area of concern.

APPENDIX 2 Revenue Summary Monitor – November 2019

	April 19 Approved Budget	Current Budget	Projection	(Under) / Over
	£'000	£'000	£'000	£'000
Summary Revenue Budget 2019/20				
People				
Children and Young People	24,523	24,467	25,776	1,309
Adult and Community Services	46,417	46,742	48,208	1,466
Education	14,243	14,209	14,059	(150)
Schools	96,545	96,545	99,617	3,072
	181,728	181,963	187,660	5,697
Place				
Regeneration, Investment and Housing	9,994	9,994	10,094	100
City Services	23,722	23,722	23,927	205
	33,716	33,716	34,021	305
Chief Executive				
Directorate	592	501	456	(45)
Finance	3,265	3,267	3,158	(109)
People and Business Change	7,271	7,397	7,348	(49)
Law and Regulation	7,511	7,239	7,126	(113)
	18,639	18,405	18,088	(317)
Capital Financing Costs and Interest				
Capital Financing Costs MRP	7,489	7,489	7,489	(0)
Interest Payable	7,085	7,085	6,835	(250)
Interest Receivable	(127)	(127)	(127)	-
PFI	8,543	8,543	8,543	(0)
	22,990	22,990	22,740	(250)
Sub Total - Service/Capital Financing	257,073	257,074	262,509	5,435
Contingency Provisions				
General Contingency	1,473	1,473	-	(1,473)
Centralised Insurance Fund	570	570	570	0
Non Departmental Costs	-	-	-	-
Other Income and Expenditure	109	110	1,256	1,146
	2,152	2,152	1,826	(326)
Levies / Other				
Discontinued Operations - pensions	1,563	1,563	1,460	(103)
Discontinued Operations - Ex Gratia Payments	2	2	3	1
Levies - Drainage Board, Fire service etc	8,282	8,282	8,291	9
Non distributed grants	-	-	-	-
CTAX Benefit Rebates	12,611	12,611	11,290	(1,321)
Extraordinary Items	-	-	-	-
Charity Rate Relief	-	-	-	-
	22,458	22,458	21,044	(1,414)
Transfers To/From Reserves				
Base budget - Planned Transfers to/(from) Reserves	(1,072)	(1,072)	(1,072)	0
Earmarked reserves: Queensbury Loan	-	-	-	-
Earmarked reserves: Transfer to/(from) Capital	-	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	-	(3,072)	(3,072)
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-	-
Invest to Save Reserve	-	-	641	641
Invest to Save Reserve (from)	-	-	(641)	(641)
	(1,072)	(1,072)	(4,144)	(3,072)
Total	280,611	280,611	281,235	624
Funded By				
WG funding (RSG and NNDR)	(214,343)	(214,343)	(214,343)	-
Council Tax	(66,268)	(66,268)	(66,268)	-
Council Tax Surplus	-	-	(750)	(750)
Total	(0)	(0)	(126)	(126)

APPENDIX 3 – Schools Funding and Balances

	Opening Balance 2019-20	Funding 2019-20	In year under/(overspend)	Closing Balance 31/03/20
School	£	£	£	£
Bassaleg school	287,615	7,060,482	(233,617)	53,998
Newport High	(45,927)	4,894,366	(176,098)	(222,025)
Caerleon Comprehensive	(736,609)	6,280,018	(502,796)	(1,239,405)
The John Frost School	132,839	5,893,655	6,535	139,374
Llanwern High	28,467	4,420,511	(531,020)	(502,553)
Lliswerry High	(547,907)	4,188,762	(202,893)	(750,801)
St Josephs R.C. High	180,341	5,729,970	(99,934)	80,406
St Julians School	(5,495)	6,949,627	(416,099)	(421,594)
Ysgol Gyfun Gwent Is Coed	77,216	1,564,095	64,703	141,919
Total Secondary Schools	(629,461)	46,981,487	(2,091,221)	(2,720,682)
Alway Primary	75,420	1,443,653	(60,619)	14,801
Caerleon Lodge Hill	77,708	1,021,321	(68,601)	9,107
Charles Williams CIW	213,471	1,670,434	(113,336)	100,135
Clytha Primary	13,564	741,867	11,711	25,274
Crindau Primary	169,709	1,261,344	(50,012)	119,697
Eveswell Primary	239,228	1,439,564	(57,169)	182,059
Gaer Primary	135,308	1,485,533	(10,436)	124,872
Glan Llyn (sept 19)	0	517,137	34,022	34,022
Glan Usk Primary	12,432	1,948,750	(22,342)	(9,910)
Glasllwch Primary	62,351	720,127	(53,452)	8,899
High Cross Primary	(19,886)	849,234	(50,007)	(69,893)
Jubilee Park	58,759	968,804	(102,821)	(44,062)
Langstone Primary	107,041	1,013,614	(88,786)	18,255
Llanmartin Primary	39,477	700,472	(40,189)	(712)
Lliswerry Primary	106,366	1,979,256	38,984	145,350
Maesglas Primary	3,662	904,611	(14,259)	(10,597)
Maindee Primary	66,444	1,594,359	(39,223)	27,221
Malpas CIW Primary	109,276	1,058,087	(82,353)	26,923
Malpas Court Primary	110,510	1,130,569	(99,141)	11,369
Malpas Park Primary	19,332	794,250	(18,122)	1,210
Marshfield Primary	89,475	1,256,944	(44,582)	44,893
Millbrook Primary	121,722	953,971	(87,542)	34,181
Milton Primary	63,550	1,448,130	(47,308)	16,242
Monnow Primary	233,067	1,393,245	(120,777)	112,290
Mount Pleasant	2,263	790,966	17,142	19,404
Pentrepoeth Primary	52,693	1,347,715	(45,711)	6,982
Pillgwenlly Primary	143,263	2,016,045	(100,522)	42,741
Ringland Primary	73,200	994,131	(76,646)	(3,446)
Rogerstone Primary	91,153	1,886,149	(66,551)	24,602
Somerton Primary	83,358	667,294	(26,992)	56,366
St Andrews Primary	67,471	2,110,168	(86,979)	(19,508)
St Davids RC Primary	58,427	684,708	(48,734)	9,693
St Gabriels RC Primary	48,690	599,496	(30,412)	18,278
St Josephs RC Primary	47,488	644,601	(29,738)	17,750
St Julians Primary	206,343	2,022,398	43,217	249,561
St Marys RC Primary	57,891	1,182,995	(26,305)	31,586
St Michaels RC Primary	8,340	725,606	(4,978)	3,362
St Patricks RC Primary	51,372	661,453	(26,385)	24,987
St Woolos Primary	16,051	990,769	(58,200)	(42,149)
Tredegar Park primary	150,215	1,372,152	(79,235)	70,980
Ysgol Gym Bro Teyrnnon	135,193	694,780	(77,332)	57,861
Ysgol Gym Casnewydd	128,331	1,095,631	(46,874)	81,457
Ysgol Gym Ifor Hael	137,855	622,132	(74,318)	63,537
Total Primary Schools	3,667,584	49,404,462	(2,031,913)	1,635,671
Fairoak Nursery	9,393	158,962	(9,011)	381
Kimberley Nursery	(6,522)	248,606	(47,694)	(54,216)
Total Nursery Schools	2,871	407,568	(56,706)	(53,835)
Maes Ebbw	25,565	3,086,241	(176,364)	(150,798)
Ysgol Bryn Derw	63,904	1,437,692	12,658	76,563
Total Special Schools	89,470	4,523,933	(163,705)	(74,236)
Assumed additional grant and other compensation			1,270,985	1,270,985
Total All Schools	3,130,464	101,317,450	(3,072,561)	57,904

APPENDIX 4 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-19	Planned Movements in Year												Balance at 31-Mar-20
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)													(6,500)
Balances held by schools for future use	(3,130)												3,072	(58)
Earmarked Reserves:														
Music Service	(127)													(127)
Pay Reserve	(1,418)													(1,418)
Insurance Reserve	(2,831)												(837)	(3,668)
MMI Insurance Reserve	(602)													(602)
Health & Safety	(16)													(16)
Education Achievement Service	(92)													(92)
Schools Redundancies	(845)												(372)	(1,217)
Friars Walk	(5,201)													(5,201)
European Funding I2A & CFW	(278)													(278)
Metro Bus	(9)													(9)
GEMS Redundancies	(78)													(78)
SUB TOTAL - RISK RESERVES	(11,497)	-	-	-	-	-	-	-	-	-	-	-	(1,209)	(12,706)
Capital Expenditure	(6,709)												2,676	(4,033)
Invest to Save	(11,099)												938	(10,161)
Super Connected Cities	(554)												128	(426)
Landfill (fines reserve)	(345)												13	(332)
Christmas Lights	(30)												30	-
School Reserve Other	(182)												182	-
School Works	(384)												15	(369)
Investment Reserve	(747)												724	(23)
Usable Capital Receipts	(8,295)												5,203	(3,092)
Streetscene Manager Support	(154)												144	(10)
SUB TOTAL - ENABLING RESERVES	(28,498)	-	-	-	-	-	-	-	-	-	-	-	10,053	(18,445)
STEP School Computers	(312)												312	0
Municipal Elections	(92)												(38)	(130)
Local Development Plan	(611)												(47)	(658)
Glan Usk PFI	(1,605)													(1,605)
Southern Distributor Road PFI	(43,881)												2,202	(41,679)
Loan modification technical reserve (IFRS 9)	(1,242)												72	(1,170)
Building Control	(132)												(29)	(161)
SUB TOTAL - SMOOTHING RESERVES	(47,875)	-	-	-	-	-	-	-	-	-	-	-	2,472	(45,403)

Reserve	Balance at 31-Mar-19	Planned Movements in Year												Balance at 31-Mar-20
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Works of art	(21)													(21)
Theatre & Arts Centre	(232)													(232)
Cymorth Income	(33)								8.3					(25)
Blaen Y Pant	(8)											8		-
Homelessness Prevention	(38)											-		(38)
Environmental Health - Improve Air Quality	(49)													(49)
Refurbishment of a Children / Older People Homes	(113)					8		24	-				81	-
Apprenticeship Scheme	(51)												43	(8)
City Economic Development Reserve	(90)												90	-
Welsh Language Standards	(174)												56	(118)
Port Health	(13)												(2)	(15)
CRM	(431)												245	(186)
Events	(266)												80	(186)
MTFP Reserve	(1,762)												1,147	(615)
Development of Leisure Masterplan	(15)												15	-
Voluntary Sector Grants	(66)								17					(49)
Bus Wifi	(35)												18	(17)
NEW - SENCOM	(250)	250												-
NEW - Bus Subsidy	(40)												20	(20)
NEW - IT Development	(351)												351	-
NEW - Leisure Delivery Plan	(150)												150	-
NEW - Chartist Tower	(950)												950	-
NEW - CPE	-												(80)	(80)
Joint Committee City Deal Reserve	(399)													(399)
SUB TOTAL - OTHER RESERVES	(5,537)	250	-	-	-	8	-	24	25	-	-	-	3,172	(2,058)
RESERVES TOTAL	(103,037)	250	-	-	-	8	-	24	25	-	-	-	17,560	(85,169)



Report

Cabinet

Part 1

Date: 15 January 2020

Subject **Capital Programme Monitoring and Additions - November 2019**

Purpose To submit to Cabinet for approval, 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

Author Assistant Head of Finance

Ward All

Summary

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.

Proposal

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

Action by Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service
- Accountancy teams for relevant service areas
- Relevant Service Area Project Managers
- NORSE Property Services

Signed

Background

Changes to the approved Capital Programme

The table below shows the update to the overall 7-year Capital Programme since last reported in September 2019. New additions of £1,962k and slippage of £211k are requested to be added to the overall programme taking the total programme to £186,408k (detailed in Appendix B).

Report	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000's
	Budget	Budget	Budget	Budget	Budget	Budget*	Budget*	
Original Programme	35,805	24,884	23,309	23,606	19,282	N/A	N/A	126,885
Outturn Report (June 2019)	29,466	67,341	33,281	25,435	17,673	N/A	N/A	173,995
Sept Report (July forecast)	29,466	42,301	47,161	31,497	13,708	N/A	N/A	164,131
Nov Report (Sept Forecast)	29,466	38,551	44,344	44,351	13,868	11,517	2,349	184,446
This Report (Nov Forecast)	29,466	39,321	44,557	45,330	13,868	11,517	2,349	186,408

*The actuals included within 2023-2025 reflect the total budgets to complete schemes that were approved in original 5-year programme but spanned into future years. This includes budgets for the 21st Century Band B programme and Cardiff Capital Region City Deal.

The budget changes and their associated funding are detailed in Appendix A and are requested to be approved by Cabinet. A summary of the additions to the programme are detailed below:

<u>Scheme</u>	<u>Value £'000</u>	<u>Funding Source</u>	<u>Note</u>
Gaer Annex	130	100% ICF Grant	Additional grant from ICF due to increase cost of the project
Market Arcade	1,438	£1,025k WG Grant / £63k Other Grants/ £150k Reserve / £200k Other Contributions	Additional amount to complete Phase 1 of the Market Arcade project and deliver Phase 2
Customer Relationship Management (CRM) project	88	Invest to Save Reserve	Project management costs for CRM project
Inner City Link	190	100% WG Grant	To develop integrated, effective, accessible and sustainable transport
LED energy efficiency works – Park Square car park & Velodrome	78	Borrowing	To add to the current street lighting LED replacement project the 0% interest loan funding will also be used for Park Square car park and the velodrome. Repayment of borrowing will be funded by the savings delivered from the scheme
Works to Riverside Park	38	Section 106	Additional amount for continued improvement works
Total	1,962		

Update on available capital resources ('headroom')

The budget report which established the 5-year capital programme by Cabinet in February 2018 set out a framework to ensure the Council could potentially maximise its capital expenditure whilst keeping within the level of capital resources and planned borrowing funded within the Council's Medium Term Financial Projections (MTFP).

The headroom is made up of:

- (1) 'currently available capital resources' represented by unallocated capital reserves, capital receipts and confirmed general/specific capital grants; plus
- (2) 'future planned capital resources' represented by future new borrowing, coming from the future planned investment into the capital financing revenue budget and forecasted capital receipts.

The latter resources can only be confirmed and committed once in the budget in terms of borrowing and received in terms of capital receipts / general grants. The framework, subsequently approved at Council agreed the following:

- Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and, maximising capital receipts
- Regeneration schemes would be funded from ring-fencing the capital expenditure reserve only and Joint Venture funds. Other kinds of support through making of loans etc. would then be considered to support schemes, where it was needed and appropriate, in particular taking account of existing loans already confirmed/approved and the risk profile this represents at any point in time.
- Any change and efficiency schemes or schemes which save money requiring capital expenditure would be funded by netting off the savings achieved
- Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

The framework seeks to limit the revenue pressures resulting from increased borrowing as far as possible whilst creating capacity to generate capital resources for use.

The table below gives the latest position on the available headroom as at November 2019 and includes future planned revenue budget investment for new borrowing up until 2022/23 – the same timescales as the revenue MTFP.

There has been very little movement in the headroom compared to the last report, any small change is due to timing of delivery of the project.

Capital Headroom to 2022/23	£'000
Confirmed and already available	
Unallocated Capital Expenditure Reserve	5,310
Unallocated Capital Receipts*	3,137
Unallocated JV monies	1,096
Unallocated Capital Grant	920
Total	10,463
Not Yet Confirmed / Available	
Uncommitted Borrowing Headroom	9,645
Forecast Capital Receipts**	25
Total	9,670
Total Available Headroom	20,133

*Usable Capital Receipts only include the amount that has actually been received by the authority through disposals.

** The forecast for future capital receipts only includes ones where there is a high level of certainty that they will be achieved in the year, which could change throughout the year as there is more certainty on the capital disposals.

*** This excludes Joint Venture funds, currently £1,246k

The level of available capital resources is very small relative to the demand for resources, though it represents further capital expenditure over and above the existing large capital programme of nearly £186m. A capital strategy has been approved by full Council in their February 2019 meeting which outlined the long-term challenge the Council faces in regards to funding future new capital expenditure.

2019/20 Capital Expenditure Position as at November 2019

Following the additions and slippage detailed earlier in the report the 2019/20 capital programme allocation totals £39,321k. Capital expenditure incurred up to the end of November 2019 totalled £15,443k, which is 39% of the overall budget within the third quarter of the financial year. A significant level of capital expenditure tends to be incurred in the third and fourth quarters of the financial year, and has been the trend for many years and is often unavoidable. In saying this, there is a significant gap between spend and forecast at this stage of the year and this just after the programme has been re-profiled after discussions and agreement with budget/project managers. This will need close scrutiny and monitor over the next 3 months. Accurate forecasting is important for the Council's MTFP and the management of the delivery of these important projects.

The forecast outturn position for the 2019/20 programme is currently estimated to be £39,002k as detailed in the following table. An update on the headline/ high value schemes is provided in the next section.

Service Area	Adjusted Budget 2019/20 £000's	Forecast Outturn £000's	Variance £000's	Slippage £000's	(Under)/Over Spend £000's
Education	7,703	6,975	(728)	(392)	(335)
Regeneration, Investment & Housing	14,819	14,919	100	251	(151)
People & Business Change	746	676	(70)	(70)	-
Adult & Community Services	219	198	(21)	-	(21)
Children & Young People Services	1,566	1,566	-	-	-
City Services	14,479	14,668	188	-	188
TOTAL	39,532	39,002	(531)	(211)	(319)
2019/20 Budget After slippage	39,321	39,002	(319)	N/A	(319)

Update on Headline / High Value Schemes

Education

- 21st Century Schools Band B - Newport Norse and the Education Department have been working closely together in order to robustly plan and deliver the programme. Four schools were identified as priority projects within the programme and feasibility and design works were due to commence in 2019/20 with a reprofiled budget of £2,229k.
- Ysgol Gyfun Gwent Is Coed – BAM Construction have been appointed to progress the designs to the end of Design stage 4. Design meetings will commence immediately and construction works are expected to start on site during Summer 2020.
- Bassaleg School – Architects have been appointed to commence with the early RIBA stages. Meetings have been held with the school to discuss the requirements of the projects and a number of options will be considered.
- Caerleon Comprehensive School - Site surveys have now been completed and will support design development. Design meetings will commence in the new year following a discussion of the required outputs from the project.

- Whiteheads Primary Site - The statutory consultation for the Welsh-medium primary school including Pillgwenlly primary school moving to the Whiteheads site closed in September.

The transfer of the land as part of the Section 106 Legal agreement is currently being negotiated however there has been a delay which is expected to have an impact on the establishment of the temporary Welsh-medium primary school.

- Newport Norse are also developing the Band B projects for Maindee, Rogerstone & Maesglas primary schools. This will provide early indications concerning options and costs that may support a review for each project should priority projects exceed the indicative budget allocated to individual projects.
- Welsh-medium school grant – As highlighted above, the issue with the land transfer will also have an impact on the delivery of this scheme. This scheme is complex and involves a number of different sites and funding from both 21st Century School Band B and the Welsh-medium school grant.
- Seedling school to be established at the former Caerleon Lodge Hill infant school
- Pill primary school to relocate and expand to a new 3FE primary school on the Whiteheads site
- Seedling WM school to transfer to a refurbished Pillgwenlly primary school building

Spend has already begun on two of the above sites. The fencing at Caerleon Lodge is nearly complete with the area to the front of the site beginning in December. Works to the kitchen at Tredegar Park primary have now been completed with no further works planned until planning issues are resolved.

- Education Maintenance Grant – Full spend of £1,828k is expected for this scheme in 2019/20. Schools that are due to benefit from this grant have been informed and works commenced during the school holidays. The works planned to be completed within the grant are windows replacement works, roof repairs and concrete wall repairs across four schools. Funding has also been made available to complete surveys and further tests to schools with significant amount of concrete structures.
- Reducing Infant Class Size:
- Maesglas primary school - While there has been a positive response from Dwr Cymru/Welsh Water in respect of the drainage strategy there is still a delay on receiving confirmation of the drainage application. This information has been issued to City Services for consideration. Any further delay is likely to cause further delay to the project and works may not proceed until February 2020 at the earliest.
- St Woolos primary school - The listed planning application has been submitted. Discussions with CADW and the NCC conservation officer are ongoing. A bat survey has been completed as required by the Planning Department before the full planning application can be submitted. Works are still on course to be completed by September 2020.

Regeneration, Investment and Housing

- Gypsy/ Traveller Site Development – The project is nearing completion, however there are still some further costs expected to cover remaining archaeology fees and other minor works. These costs are yet to be paid due to issues accessing the site to complete the works.
- The Renovation Grants budget - split between Disabled Facilities Grants (£1,256k) and Safety at Home (£282k) but can be flexed as necessary. Despite the demand for equipment, the service area

is forecasting an underspend this financial year mainly due to the budget being enhanced by the ENABLE Support for Independent Living grant (£197k) awarded by Welsh Government.

- 123-129 Commercial Street - This project is approaching completion. The upper floors are ready for occupation and the remaining focus is on completion of the car park entrance and commercial unit on the ground floor
- Market Arcade – The Council has successfully sought additional Welsh Government Targeted Regeneration Investment (TRI) funding to assist with the financial pressure on delivery of the project. Whilst this mitigates one area of risk a pre contract meeting with the preferred supplier will be scheduled prior to Christmas with an intended start date of January which will help determine final costs and actions for the scheme to progress further.
- City deal is progressing as per the Joint Working Agreement with the third contribution of £496k towards the IQE project forecast to be made in 2019/20.
- Civic Centre Floor Two Works – Majority of works completed, some additional alterations needed to the outside steps.
- Neighbourhood hubs – Work has now finished on site and officially opened to the public 2nd December. Awaiting final costs to come through.
- Transporter Bridge – The consulting engineers have now scoped the repairs and produced a schedule of the proposed repair solutions in detail for the listed building application. The new build designs are being finalised so costs can be established, the project is still on target to submit its stage two application in March.

Children’s and Young People Services

- New Children’s homes – Further to the purchase of the first home in 2018/19 another property has been purchased through ICF funding and due to be refurbished. Refurbishment costs have been estimated at £395k for which funding is available however an ICF bid for this amount is being drawn up to see if these costs can be covered.
- Windmill Farm – This is the third home to be refurbished into a childrens home. A successful bid to ICF of £1.5m has been approved to fund the refurbishment and work on the planning application and design works are still currently ongoing.

Adult and Community Services

- Telecare Service Equipment - An underspend of £21k has been forecast on Telecare based on the actual orders to date and the expected forecast now been updated to include orders that had not been taken into account in the previous report.

City Services

- Fleet Replacement Programme – Detailed work has been undertaken to understand the total requirement for the Fleet replacement, and whilst this may change slightly as demands change, such as moving more towards the use of electric vehicles, all known requirements have been included. Some work has been done to work on the profiling of this scheme, and the requirements for 2019/20 has now been reflected in the forecast, but this will need to continue to provide the future years profiles.
- Docksway Cell 4 Development – This budget is currently expecting an overspend of £446k, which will be mitigated by a potential allocation from the Landfill Provision of £248k, leaving £197k which

City Services are looking at options on how best to mitigate. If there is no alternative, Cabinet may have to authorise further funds from the current 'headroom' in due course.

- Decriminalised Parking – All the lining work has been substantially completed and inspections are being made to ensure work is to standard. If not these will have to be rectified by the contractor. The order for the Civil Parking Enforcement camera car has been placed and delivery is expected by the end of March 2020. The scheme is forecast to finish within budget.
- Streetlighting LEDs – The remaining works are expected to be completed by the end of March 2020. It has been confirmed that the underspend can be used on additional projects which were outside the original scope, this includes Park Square car park LED (£60k) and Velodrome Track Lighting (£173k).

Update on Capital Receipts

The table below shows the latest position in regards to capital receipts. Capital receipts of £653k have been received this financial year and a further £12k is forecast to be received before March 2020. The table below also shows capital receipts held for 'Newport Unlimited', which are attributable to the previous joint arrangement between Newport City Council and Welsh Government. As previously reported to Cabinet, these funds are earmarked for city centre regeneration.

Asset Disposed	Receipts Received in Year	Total Available Receipts 2019/20
	£	£
GENERAL CAPITAL RECEIPTS		
Balance b/f from 2018/19		6,452,830
The Centurion	15,000	15,000
Talybont	450,485	450,485
Land at adjoining The Villa, Somerton Lane	17,500	17,500
86 & 87 Lower Dock Street Newport	32,500	32,500
Hillside Resource Centre	120,000	120,000
Land Rear of 24 Risca road	17,900	17,900
Total Committed – 21st Century Schools		(243,570)
Total Committed – Fleet Replacement Programme		(3,737,644)
Total Amount Uncommitted		3,125,001
NEWPORT UNLIMITED		
Balance b/f from 2018/19		1,745,875
Total Committed from JV monies		(650,000)
Total Amount Uncommitted		1,095,875
TOTAL NCC RECEIPTS (Uncommitted)		4,220,876

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Overspend against approved budget	M	L	Regular monitoring and reporting of expenditure in accordance with the timetables set by Cabinet/Council should identify any issues at an early stage and allow for planned slippage of spend.	Corporate Directors / Heads of Service / Head of Finance
Programme growing due to unforeseen events	M	M	Good capital monitoring procedures and effective management of the programme should identify issues and allow for plans to defer expenditure to accommodate urgent works. Priority asset management issues are now being dealt with through a specific programme allocation.	Corporate Directors / Heads of Service / Head of Finance

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The programme supports a large number of the Council's aims and objectives

Options Available and considered

- To approve the changes to the Capital Programme and note the monitoring position as set out in the report, including the use of capital receipts.
- To note the current available headroom and prioritise future capital expenditure in order to maintain spend within the current affordability envelope.
- The Cabinet has the option not to put forward some or all of the changes to the Capital Programme set out in the report.

Preferred Option and Why

- To approve the changes to the Capital Programme and note the monitoring position as set out in the report, including the use of capital receipts
- Agree to prioritise capital expenditure to maintain spend within current affordability envelope.

Comments of Chief Financial Officer

All financial issues are contained within the body of the report.

The re-profiling exercise is now complete and detailed capital programme up to date. Robust forecasting of capital spend is very important as it has a significant impact on treasury management decision making as well as the annual revenue budget requirement.

As the report highlights, the available non-earmarked headroom available across the life of the programme is relatively low considering the expected demands on capital in the future but is on top of an already large programme. Therefore, prioritisation of capital spend is essential, and any capital spend over and above this headroom will have a significant impact on the revenue pressures in the MTFP.

Comments of Monitoring Officer

There are no legal issues arising from this report.

Comments of Head of People and Business Change

There are no direct HR implications associated with the report. Budget additions will need to continue to be considered in light of the requirements of the Well-being of Future Generations Act.

Comments of Cabinet Member

N/A

Local issues

As the report deals with the Capital Programme for the Authority as a whole, there are no local issues.

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

An effective capital programme enables the Council to support long term planning in line with the sustainable development principle of the Act.

Consultation

N/A

Background Papers

2018/19 Budget & Medium Term Financial Plan – February 2018

Capital Programme Outturn 2017/18 – June 2018

Monitoring and Additions Report – July 2018

Monitoring and Additions Report – September 2018

Monitoring and Additions Report – December 2018

Capital Strategy and Treasury Strategy - February 2019

Capital Programme Outturn 2018/19 – June 2019

Monitoring and Additions Report – July 2019

Monitoring and Additions Report – September 2019

Dated: 4th December 2019

Appendix A – Additions and changes to the Programme

Report / Scheme Change	Funding Source	Service Area	18/19 Actual Change (£000's)	19/20 Budget Change (£000's)	20/21 Budget Change (£000's)	21/22 Budget Change (£000's)	22/23 Budget Change (£000's)	23/24 Budget Change (£000's)	24/25 Budget Change (£000's)	Total Budget Change (£000's)
2018/19 budget - September monitoring Reported to Cabinet			29,466	38,551	44,344	44,351	13,868	11,517	2,349	184,446
Re-profile										
Slippage	Re-profile	Various		-211	211					0
New										
Gaer Annex - additional funding	Grant	Education		130						130
Market Arcade	Grant & Contributions	RIH		457	2	979				1,438
CRM	Reserves	PBC		88						88
Inner City Links	Grant	City Services		190						190
Velodrome LED	Service Area	City Services		18						18
Park Square LED	Service Area	City Services		60						60
Riverside Park	S106 monies	City Services		38						38
										0
Deletion										
None										0
Updated Programme			29,466	39,321	44,557	45,330	13,868	11,517	2,349	186,408

Appendix B – Detailed Budget Breakdown of the 7 year Programme

	Outturn 18/19	Budget 19/20	Budget 20/21	Budget 21/22	Budget 22/23	Budget 23/24	Budget 24/25	Total
21 st Century Schools - Band A	8,046	1,451	-	-	-	-	-	9,497
21 st Century Schools - Band B	675	2,229	14,817	31,791	10,557	7,940	2,349	70,358
Jubilee Park - Fixtures, Furniture & Equipment	13	-	-	-	-	-	-	13
Gaer Annexe Education Use	-	495	-	-	-	-	-	495
St Gabriels RC Primary IT Replacement	-	-	-	-	-	-	-	-
Pentrepoeth - IT Replacement	-	7	-	-	-	-	-	7
John Frost School IT Replacement	-	-	-	-	-	-	-	-
Blaen-y-Pant Bungalow (Educational Use)	52	8	-	-	-	-	-	60
St Mary's Toilet Refurbishment.	-	42	-	-	-	-	-	42
Somerton Primary - ICT Equipment	11	-	-	-	-	-	-	11
Feminine hygiene hardware & toilet facilities.	34	-	-	-	-	-	-	34
Llswerry High (S106 Funds)	110	62	-	-	-	-	-	172
Maesglas Reducing classroom size	-	142	378	-	-	-	-	520
Llswerry IT Replacements	53	-	-	-	-	-	-	53
Welsh Medium Primary School	-	335	865	1,300	1,000	2,300	-	5,800
Reducing Classroom size bids	-	85	495	-	-	-	-	580
Bassleg Demountables	-	206	-	-	-	-	-	206
ICT Equipment Lease (Clytha Primary)	-	21	-	-	-	-	-	21
ICT Equipment Lease (St Mary's)	-	12	-	-	-	-	-	12
St Patricks ICT	-	12	-	-	-	-	-	12
Bassaleg ICT	-	83	-	-	-	-	-	83
Ringland Perimeter Fence	-	86	-	-	-	-	-	86
Llanmartin Primary ICT	10	-	-	-	-	-	-	10
Malpas Park Primary	11	-	-	-	-	-	-	11
Education Maintenance Grant	-	1,828	-	-	-	-	-	1,828
Education Asset Improvements - balance to be drawn down	1,055	207	-	-	-	-	-	1,262
Prior Year Scheme - Various	(38)	-	-	-	-	-	-	(38)
Education	10,032	7,311	16,555	33,091	11,557	10,240	2,349	91,135
Gypsy/Traveller Site Development	2,993	143	-	-	-	-	-	3,136
Indoor Newport Market	-	-	4,000	-	(4,000)	-	-	-
HLF Market Arcade Townscape Heritage Scheme	39	350	1,472	980	-	-	-	2,841

Indoor Market Facilities Improvements	(2)	-	-	-	-	-	-	(2)
Civic Centre / Info Station Service Relocations	116	150	-	-	-	-	-	266
Info Station NSA enabling	536	-	-	-	-	-	-	536
123-129 Commercial Street (Pobl Regen)	623	623	-	-	-	-	-	1,246
Cardiff City Region Deal	1,208	496	1,026	782	782	1,277	-	5,571
Mill Street Development Loan	-	4,000	-	-	-	-	-	4,000
Neighbourhood Hubs	915	1,430	-	-	-	-	-	2,345
Arva Investment Loan	385	365	-	-	-	-	-	750
Disabled Facilities	898	1,256	1,000	1,000	1,000	-	-	5,154
Safety at Home	364	282	300	300	300	-	-	1,546
ENABLE Adaptations Grant	197	197	-	-	-	-	-	394
Homelessness Prevention Grant	98	-	-	-	-	-	-	98
Asset Management Programme	1,066	2,156	1,728	1,500	1,500	-	-	7,950
FS Maintenance 1819 / 1920	31	40	-	-	-	-	-	71
FS Shaftsbury Community Centre	183	-	-	-	-	-	-	183
Childcare - Flying Start	-	704	1,764	-	-	-	-	2,468
Central Library - Structural Works	72	100	491	-	-	-	-	663
Transporter Bridge	72	967	5,559	6,339	-	-	-	12,937
Chartist Tower	-	1,600	-	-	-	-	-	1,600
PAC System	-	59	-	-	-	-	-	59
OLEV Residential EV charging Equipment	-	134	-	-	-	-	-	134
Medieval Ship	-	-	-	12	-	-	-	12
Renewable Energy Investment	-	20	1,709	-	-	-	-	1,729
Prior Year Scheme - Various	(7)	-	-	-	-	-	-	(7)
Regeneration, Investment and Housing	9,787	15,070	19,049	10,913	(418)	1,277	-	55,680
IT Replacement Schemes	94	80	443	150	150	-	-	917
Corporate EDMS Rollout	-	13	-	-	-	-	-	13
CRM	250	334	186	-	-	-	-	770
Print 2010- Managed Printer Service	131	249	-	-	-	-	-	380
People and Business Change	475	676	629	150	150	-	-	2,080
Telecare Service Equipment	97	54	30	30	30	-	-	241
Equipment for Disabled Grant (GWICES)	165	165	165	165	165	-	-	825
Home Care System	32	-	-	-	-	-	-	32
Centrica Lodge	(6)	-	-	-	-	-	-	(6)

SMAPF	320	-	-	-	-	-	-	320
Adults and Community Services	608	219	195	195	195	-	-	1,412
3 New Homes	701	1,421	-	-	-	-	-	2,122
Oaklands Respite Home	505	35	-	-	-	-	-	540
Windmill Feasibility Study	41	110	1,390	-	-	-	-	1,541
Children's and Families Services	1,247	1,566	1,390	-	-	-	-	4,203
Fleet Replacement Programme	797	2,500	2,545	448	1,850	-	-	8,140
Bus station - Friars Walk Development	29	88	-	-	-	-	-	117
Flood Risk Regulation Grant	24	67	-	-	-	-	-	91
Cemetery Infrastructure Improvements	16	40	82	-	-	-	-	138
Peterstone Sewage Scheme	1	21	201	-	-	-	-	223
Road Safety Capital 2018/19	-	1,409	600	-	-	-	-	2,009
Composting	567	10	-	-	-	-	-	577
Docksway Cell 4 Development	1,555	601	-	-	-	-	-	2,156
CCTV	-	45	-	-	-	-	-	45
Smaller Bins - MTRP BC	70	1,180	-	-	-	-	-	1,250
Newport Station Footbridge - LTF	77	267	2,775	-	-	-	-	3,119
Decriminalised Parking	232	1,154	-	-	-	-	-	1,386
Update Facilities in Parks	18	38	-	-	-	-	-	56
Decommissioning of Cemetery Office & Toilets	11	-	-	-	-	-	-	11
Building Improvements to Lodges	14	66	-	-	-	-	-	80
Small Scale Works Grant	34	-	-	-	-	-	-	34
Road Refurbishment Grant Scheme	931	107	-	-	-	-	-	1,038
Street Lighting LEDs	564	2,501	-	-	-	-	-	3,065
Local Transport Fund - Active Travel Northern 2018/19	290	310	-	-	-	-	-	600
Tredegar Park Car Park	-	12	-	-	-	-	-	12
Tredegar Park - Pedal Power	-	120	35	35	35	-	-	225
Lliswerry Road (81)	-	12	-	-	-	-	-	12
28-30 Stow Hill (11/0269)	-	7	-	-	-	-	-	7
Forbisher Road (15/0720)	-	27	-	-	-	-	-	27
Festive lighting	-	107	-	-	-	-	-	107
Local Transport Fund - Active Travel Design 2018/19	240	-	-	-	-	-	-	240
Bus Stop Enhancements	-	400	-	-	-	-	-	400
Core AFT Allocation	-	340	-	-	-	-	-	340

Inner City Links	-	890	-	-	-	-	-	890
LTNF - ECO Stars	42	50	-	-	-	-	-	92
Safe Routes - St Davids RC Primary	84	205	-	-	-	-	-	289
Gwastad Mawr Flood Attenuation Improvement Works	2	41	-	-	-	-	-	43
18-19 Collection Collaborative Change Programme	1,175	-	-	-	-	-	-	1,175
LTF Monkey Island Bridge Lliswerry Pill	29	168	-	-	-	-	-	197
LTF Sustainable Transport	25	300	-	-	-	-	-	325
Riverside Park	20	38	-	-	-	-	-	58
Pye Corner Railway Station Development Works	21	-	-	-	-	-	-	21
Nappy Grant	-	202	-	-	-	-	-	202
Park Square Lights	-	60	-	-	-	-	-	60
Velodrome Lights	-	173	-	-	-	-	-	173
Road Safety and Training	455	20	20	20	20	-	-	535
General Traffic Management	-	30	30	30	30	-	-	120
Streetwide Improvements	-	200	200	200	200	-	-	800
Street Lighting Column Replacement	-	331	250	250	250	-	-	1,081
Lliswerry Recreation Ground Changing Rooms	4	339	-	-	-	-	-	343
Prior Year Scheme - Various	(11)	3	-	-	-	-	-	(8)
City Services	7,316	14,479	6,738	983	2,385	-	-	31,901
Total	29,465	39,321	44,556	45,331	13,869	11,517	2,349	186,408
Financed By:								
General Capital Grant	4,754	3,858	2,469	2,469	2,000	2,000	822	18,372
Supported Borrowing	4,058	4,077	4,058	4,058	4,000	2,057	-	22,308
Unsupported Borrowing	1,740	11,349	10,635	10,305	(616)	-	-	33,413
Prudential Borrowing	84	128	-	-	-	-	-	212
External Grants	13,296	12,244	23,941	28,082	7,862	7,461	1,527	94,413
S106	868	799	35	35	35	-	-	1,772
Other Contributions	242	-	237	232	-	-	-	711
Capital Receipts	3,136	3,290	2,504	-	588	-	-	9,518

Revenue Contributions	75	203	-	-	-	-	-	278
Reserve	1,081	3,124	677	150	-	-	-	5,032
Finance Lease	131	249	-	-	-	-	-	380
Total	29,465	39,321	44,556	45,331	13,869	11,517	2,349	186,408

APPENDIX C – Capital Programme Forecast 2019/20

SCHEME	UPDATED BUDGET 2019/20 £'000	ACTUAL 2019/20 £'000	FORECAST OUTTURN £'000	(UNDER)/ OVER SPEND £'000	TOTAL SCHEME BUDGET (including prior years) £'000
EDUCATION					
21st Century Schools - School Reorganisation proposals (Caerleon Lodge Hill)	152	17	109	(43)	6,392
Welsh Medium Secondary Expansion	770	287	770	-	28,500
21st Century Schools - Special Sector Maes Ebbw	529	288	294	(235)	2,990
Pentrepoeth Primary	-	(30)	-	-	850
Langstone Primary	-	(35)	-	-	1,352
New ASD Unit Hall Floor	40	(0)	-	(40)	40
Iscoed Secondary Band B	1,028	173	1,028	-	16,560
Bassaleg Secondary Band B	536	(10)	536	-	18,500
Caerleon Secondary Band B	33	(5)	33	-	10,500
Whiteheads Primary Band B	4	(66)	4	-	11,963
STEP	-	(2)	-	-	2,055
Jubilee Park - Fixtures, Furniture & Equipment	-	(5)	-	-	385
Gaer Annexe Education Use	495	19	495	-	300
Glan Llyn - Fixtures and Fittings	588	402	588	-	789
Pentrepoeth - IT Replacement	7	(6)	-	(7)	74
Blaen-y-Pant Bungalow (Educational Use)	8	-	8	-	60
St Mary's Toilet Refurbishment.	42	42	42	-	15
Lliswerry High (S106 Funds)	62	62	62	-	62
Maesglas Reducing classroom size	142	39	142	-	521
Welsh Medium Primary School	335	60	335	-	5,649

Reducing Classroom size bids	85	35	85	-	580
Bassleg Demountables	206	92	206	-	206
ICT Equipment Lease (Clytha Primary)	21	20	24	3	21
St Patricks ICT	12	12	12	-	12
ICT Equipment Lease (St Mary's Primary)	12	-	12	-	12
Bassaleg ICT	83	-	70	(14)	83
Ringland Perimeter Fence	86	0	86	-	86
Education Maintenance Grant	1,828	13	1,828	-	1,829
Education Asset Improvements - balance to be drawn down	207	-	207	-	32
Duffryn Junior School	-	3	-	-	145
Caerleon Comprehensive	-	43	-	-	175
St Julians	-	(3)	-	-	100
Ringland Primary - Playground Resurfacing	-	19	-	-	20
High Cross Primary	-	16	-	-	50
St Woolos Primary	-	3	-	-	-
Prior Year Scheme - Various	-	-	1	1	-
Subtotal Education	7,310	1,483	6,975	(335)	
REGENERATION, INVESTMENT & HOUSING					
Gypsy/Traveller Site Development	143	35	143	(0)	2,650
HLF Market Arcade Townscape Heritage Scheme	350	68	350	-	1,735
Civic Centre / Info Station Service Relocations	150	119	130	(20)	1,500
123-129 Commercial Street (Pobl Regen)	623	-	623	-	1,364
Cardiff City Region Deal	496	-	496	-	5,570
Mill Street Development Loan	4,000	987	4,000	-	4,000
Neighbourhood Hubs	1,430	1,247	1,435	5	1
Arva Investment Loan	365	330	365	-	750
Disabled Facilities	1,256	485	1,120	(136)	Annual Sums
Safety at Home	282	229	282	0	Annual Sums
ENABLE Adaptations Grant	197	148	197	-	197

Asset Management Programme	2,156	880	2,156	-	Annual Sums
FS Maintenance 1819 / 1920	40	(0)	40	-	40
FS Shaftsbury Community Centre	-	(1)	-	-	185
Childcare - Flying Start	704	336	704	-	2,467
Central Library - Structural Works	100	9	100	-	679
Transporter Bridge	967	493	967	-	1,342
Chartist Tower	1,600	1,340	1,600	-	1,600
PAC System	59	57	59	-	59
Renewable Energy Investment	20	-	20	-	1,729
OLEV Residential EV charging equipment	134	-	134	-	134
Prior Year Scheme - Various	-	(120)	-	-	-
Subtotal Regeneration, Investment & Housing	15,070	6,643	14,919	(151)	
PEOPLE & BUSINESS CHANGE					
IT Replacement Schemes	80	(2)	80	-	Annual Sums
Corporate EDMS Rollout	13	-	13	-	13
CRM	334	211	334	-	681
Print 2010- Managed Printer Service	249	-	249	-	249
Subtotal People & Business Change	676	209	676	-	
ADULT & COMMUNITY SERVICES					
Telecare Service Equipment	54	16	33	(21)	Annual Sums
Equipment for Disabled Grant (GWICES)	165	165	165	-	Annual Sums
Centrica Lodge	-	(3)	-	-	
Subtotal Adult & Community Services	219	177	198	(21)	
CHILDREN & YOUNG PEOPLE SERVICES					
3 New Homes	1,421	719	1,421	-	1,500
Oaklands Respite Home	35	35	35	-	35,000
Windmill Farm Feasibility Study	110	-	110	-	1,500

Subtotal Children & Young People Services	1,566	754	1,566	-	
City Services & CITY SERVICES					
Fleet Replacement Programme	2,500	724	2,500	-	Annual Sums
Bus station - Friars Walk Development	88	93	88	0	88
Flood Risk Regulation Grant	67	2	67	(0)	67
Cemetery Infrastructure Improvements	40	29	40	-	184
Peterstone Sewage Scheme	21	9	21	-	300
Road Safety Capital 2018/19	1,409	334	1,409	-	1,409
Composting	10	-	-	(10)	665
Docksway Cell 4 Development	601	1,024	799	198	2,155
CCTV	45	2	45	-	45
Smaller Bins - MTRP BC	1,180	1,177	1,184	4	1,250
Newport Station Footbridge - LTF	267	2	267	-	3,119
Decriminalised Parking	1,154	732	1,154	(0)	1,386
Update Facilities in Parks	38	39	38	0	56
Building Improvements to Lodges	66	55	66	-	80
Road Refurbishment Grant Scheme	107	113	107	(0)	1,038
Street Lighting LEDs	2,501	1,087	2,501	-	3,158
Local Transport Fund - Active Travel Northern 2018/19	310	(22)	310	-	310
Tredegar Park Car Park	12	0	12	-	12
Tredegar Park - Pedal Power	120	3	120	-	225
Bus Stop Enhancements	400	-	400	-	400
Core ATF Allocation	340	9	340	-	340
Inner City Links	890	-	890	-	700
Lliswerry Road (81)	12	-	9	(3)	12
28-30 Stow Hill (11/0269)	7	-	7	-	7
Forbisher Road (15/0720)	27	-	27	-	27
Festive Lighting	107	89	107	-	107
LTNF - ECO Stars	50	20	50	-	50

Safe Routes - St Davids RC Primary	205	-	205	-	205
Gwastad Mawr Flood Attenuation Improvement Works	41	-	41	-	41
LTF Monkey Island Bridge Lliswerry Pill	168	27	168	-	168
LTF Sustainable Transport	300	-	300	-	300
Riverside Park	38	-	38	-	38
Park Square Lights	60	-	60		60
Velodrome Lighting	173	-	173		173
Implementation of household collections of AHP Waste	202	-	202	-	202
Lliswerry Recreation Ground Changing Rooms	339	368	339	(0)	343
Annual Sums - City Services	-	250	-	-	Annual Sums
Road Safety and Training	20	1	20		202
General Traffic Management	30	13	30		343
Streetwide Improvements	200	9	200		Annual Sums -
Street Lighting Column Replacement	331	(13)	331		
Prior Year Scheme - Various	3	0	3	0	
Sub total City Services & City Services	14,479	6,176	14,668	188	
TOTAL COST OF PROGRAMME	39,321	15,443	39,002	(319)	

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Report

Cabinet

Part 1

Date: 15 January 2020

Subject **Mid-Year Performance Analysis 2019/20**

Purpose To present Cabinet with an update on service area performance for the first six months of 2019/20 against Service Plans; to address any areas of under-performance before the year-end; and to consider recommendations / feedback from the Council's scrutiny committees.

Author Head of People and Business Change
Performance and Research Business Partner

Ward All

Summary 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 has 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 their 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.

This report also highlights some of the important developments being made by the service areas in the first 6 months of the year.

Proposal Cabinet are requested 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.

Action by Strategic Directors and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors
- Heads of Service

Signed

Background

The Wellbeing for Future Generations (Wales) Act 2015 requires all public service bodies to state how they will deliver the wellbeing objectives; and ensure the delivery of these objectives are undertaken in accordance with the 5 ways of working (Long Term, Collaboration, Integrated, Prevention and Involvement). In 2017/18 the Council launched its Corporate Plan 2017-22 with 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 each developed their Service Plan 2017-22. Each service plan has identified key objectives and actions which are linked to the four objectives and performance measures to demonstrate the progress in service delivery. To monitor the delivery of their service plans each service area is required to provide a 6 monthly update through a 'Mid-year review' and an 'End of Year' review report. The 2019/20 'Mid-year review' required each service area to provide:

1. An update on the progress against the delivery of objectives and actions in their service plans; and
2. A quarter 2 update on the performance measures (National / Local / Management Information).

Progress against Service Plan Objectives and Actions at 30th September 2019

In 2019/20, the eight service areas had identified 43 objectives and 302 actions to support the Council in delivering its Corporate Plan. Appendix one '*Mid-year Performance Dashboard 2019/20*' shows the distribution of the RAG status of actions across the 8 service areas. It was reported that:

- 11% (33 out of 302 actions) had been completed.
- 71% (215 out of 302 actions) service areas had reported Green and were on target delivering their actions in the timescale.
- 15% (45 out of 302 actions) had reported Amber and where issues have been identified which could impact on delivering the action within the timescale.
- The number of actions reported as Red – being off target was 2 out of 245 (1%). Lastly 7 of the 301 actions (2%) were reported as not yet started.

A summary of progress against the objectives and actions is included in Appendix one of this report.

In the first six months of this financial year service areas have continued to make notable developments in delivering the Corporate Plan, which includes:

- **Adult & Community Services (Resilient Communities)** now have the telecare service fully operational and the agreement with Caerphilly and Monmouthshire is in place. The arrangement provides NCC with a member of staff from Monmouthshire Care line to undertake equipment installations and a telecare officer is based in the Occupational Therapy team room 1 day per week.
- **Children & Young People Services (Aspirational People)** has begun to embed the Family Group Conferencing with good take up and some strong indications of good outcomes for families with robust packages of support resulting from the Conferences. Baby and Me has now launched against a backdrop of improved National data about the impact of removing newborns from family care.
- **Children & Young People Services (Resilient Communities)** has agreed the fostering recruitment strategy and work is developing to ensure the offer to foster carers is fair and comparable with other providers. Rose Cottage has blossomed and the children are thriving. All children currently in Local Authority residential care are accessing education. Oaklands

redevelopment has been completed and reopened in July. The new provision has been welcomed by parents and enjoyed by children.

- **City Services (Thriving City)** have now introduced Civil Parking Enforcement, issuing over 8,000 tickets in the first three months and a significant reduction in illegal parking is being seen.
- **City Services (Thriving City)** have rolled out the new smaller wheeled bins, which have increased the recycling rate to 69% for Q1, and are confident that the figure will remain above the statutory target of 64% for the year.
- **City Services (Modernised Council)** have made further progress with My Newport, our digital account service, with over 38,000 users now active.
- **Education services (Aspirational People)** has had pleasing results in a number of areas including opening the Glan Llyn Primary School, improved secondary school attendance, strong outcomes of schools' inspections and significant progression of schools through the National Healthy Schools Scheme.
- **The Finance service (Modernised Council)** has completed all 19/20 savings and is delivering per target. Savings identified for future years in line with current process and targets, though this process is subject to continuous change and updating.
- **Law & Regulation (Thriving City)** has made good progress with the legal work on key regeneration projects – Chartist Tower, the Market redevelopment, Mill Street and Market Arcade.
- **Law & Regulation (Modernised Council)** has had service quality recognised externally – the Newport Dog Kennels have again been presented with the RSPCA Gold Award for their work with stray dogs and this year they have also been awarded the prestigious Innovation Award for the introduction of the dog exercise area at Corporation Park.
- **Law & Regulation (Thriving City)** has had officers from Public Protection actively involved in the multi-agency Action Days in Pill and the City Centre, dealing with Houses in Multiple Occupancy (HMO's), anti-social behaviour and rogue traders and there have been a number of successful and high profile fraud investigations and prosecutions
- **Regeneration, Investment & Housing (Thriving City)** has placed real emphasis on key areas, looking to drive forward the ambitions around the City Centre and a new City Centre Masterplan, Phase 1 agreement of a £12 million package for the Newport Transporter Bridge, the opening of the Neighbourhood Hub in East Newport and the successful remodelling of the Information Station to allow for the National Software Academy.
- **Regeneration, Investment & Housing (Resilient Communities)** has aligned Communities First, Families First and Flying Start within Welsh Governments Flexible Funding, the Community Regeneration team have piloted the new, joint outcome framework. For the first time, this has brought together the combined outcomes of each community based prevention and engagement service to address poverty in a holistic way.
- **People & Business Change (Modernised Council)** has successfully introduced the first graduate trainee cohort in September 2019. Two graduates were recruited through the National Graduate Development Programme via the LGA and have commenced the first of three placements over a two year period.
- **People and Business Change (Modernised Council)** has led on projects that have impacts across the organisation, and the development of HR Manager Self-Serve processes will be key to the modernisation programme, supporting managers across the Council to work in new ways. These developments and the progress of Newport Intelligence Hub in embedding the use of data

and intelligence across the Council, support key corporate plan outcomes and the development of evidence based planning and priorities, which will become increasingly important against the Council's backdrop of reduced resources.

Performance Measures at 30th September 2019

The Council has 74 performance measures (National / Local / Management Information) to monitor the delivery of Council services. At the end of quarter two (30th September 2019) there were 27 national performance measures (monthly / quarterly / half yearly) reported.

At the Mid-year point for 2019/20, 16 out of 27 (63.5%) of the national performance measures were reported as being 'On Target'. These 'On Target' measures included:

- Length of time (days) adults are in care homes – 744 days / 868.2 days (Target)
- Re-registration of children on local authority Child Protection registers – 1.10% / 5% (Target)
- Percentage of households where homelessness was prevented – 56% / 52% (Target)
- Percentage of Food establishments broadly compliant with food hygiene standards – 96.34% / 95.16% (Target)
- Percentage attendance Primary Year-end – 94.8% / 94.7% (Target)
- Percentage attendance Secondary Year-end – 93.9% / 93.8% (Target)
- Municipal waste reused, recycled and composted – 50% / 50% (Target)

4 out of 27 national measures were reported as being Amber 'short of target' with 7 measures indicated as being red - 'off target'. The following indicators were red:

- Percentage of looked after Children (LAC) Returned Home from Care – 9.20% / 13% (Target)
- Percentage of looked after Children (LAC) who have had 3 or more Placements – 13.70% / 9% (Target)
- Percentage of Care Leavers in Education, Training or Employment at 12 Months – 21.20% / 50% (Target)
- Percentage of all Planning Appeals Dismissed – 53.30% / 75% (Target)
- Percentage of Planning Applications Determined in Time – 78.20% / 87% (Target)
- Percentage of Empty Private Properties Bought Back Into Use – 0% / 1% (Target)
- Average Calendar Days to Deliver a Disabled Facilities Grant (DFG) – 268 days / 192 days (Target)

Information in relation to the management action being undertaken to improve the performance of the measures reporting as Red and Amber is included in Appendix one of this report. Additionally, the Council's Senior Leadership Team and Corporate Management Team will continue to monitor closely the performance and management action being undertaken by service areas for measures reporting a Red / Amber status.

Scrutiny Committees Feedback and Recommendations

Mid-year performance updates were presented to the Council's Place and Corporate Scrutiny Committee on the 4th November 2019 and 18th November 2019; and the Council's People Scrutiny Committee on 5th November 2019 and 19th November 2018. A summary of the recommendations raised to Cabinet for consideration included:

Performance Scrutiny Committee - Place and Corporate Scrutiny Committee 4th and 18th November 2019

The Committee noted the performance within the Finance, People and Business Change, and Regeneration Investment and Housing Service Plan Mid-Year Reviews and made the following comments to the Cabinet:

- The Committee welcomed the improvement made to the presentation of data and the report layout in response to previous comments made, which made it easier to focus scrutiny upon performance.

- The Committee flagged the need for consistent understanding by Officers of the key and what makes performance: Red; Amber, or; Green and requested some explanation of reasons to be provided in the commentary in future reports.
- The Committee requested that future reports include full wording at least once followed by the abbreviation.
- The Committee requested more detail be included regarding the Service Area Risks in future reports.
- The Committee requested that future reports include comment upon “Risk to success” to assist Members to focus their scrutiny.
- The Committee stressed the importance of succession planning for Service Areas.
- The Committee requested that in future reports any excessive narrative in the commentary boxes be streamlined to avoid confusion and full wording used once followed by related abbreviation, as is the convention.
- The Committee requested that future reports include a comment upon Service Areas Budget positions including any budget risks, in the Head of Service Summary.
- The Committee requested whether the time between the end of the period reporting and scrutinising the information could be reduced e.g. Quarter 2 data up to end September was scrutinised on 18th November.

Performance Scrutiny Committee – People on 5th and 19th November 2019

The Committee noted the **Education Mid-Year Service Plan Report**. The Committee wished to make the following comments to the Cabinet Member for Education and Skills:

1. The Committee recommended that Officers and Cabinet Member utilise the Youth Council and Pupil Voice engagement opportunities when taking decisions and actions that would impact on the lives of young people in Newport. They stated that this must be done in a timely manner when the input of the young people could shape the decision, and not be done in a tokenistic gesture. Feedback to the young people on how their input would also be vital in closing the engagement cycle and positively reinforcing the work done by the young people.

The Committee noted the Mid-Year Service Plan report for **Social Services (Adult and Community Services)** and agreed to forward the Minutes to the Cabinet as a summary of the issues raised. The Committee wished to make the following comments to the Cabinet:

1. The Committee were pleased to hear that the budget deficit had reduced but recognised that ongoing work needed to be done to maintain this trend. They requested that they receive a monthly budget report so that they could be alerted of any significant overspends in a timely manner.

The Committee noted the Mid-Year Service Plan Report for **Children and Young People Services** and agreed to forward the Minutes to the Cabinet as a summary of the issues raised. The Committee wished to make the following comments to the Cabinet:

1. The Committee recognised the challenges faced by Children and Young Peoples Service but commented that there was not enough information provided about progress being made on transition of young people out of the service and into independent living.
2. The Committee recognised the recruitment of foster carers in Newport was vital. They raised concern about the levels of remuneration we provided for their services in comparison to agencies and stressed the need for continued support for our in-house carers.

Financial Summary

An updated financial position for each service area was reported to Cabinet in December 2019. Improvements to finance performance will be made through existing budgets and financial position will be monitored closely through the Council’s finance team.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council does not deliver its corporate plan and its wellbeing objectives.	High	Low	Performance against the Council's Corporate Plan and service plans is monitored by the Council's SLT and CMT with regular reporting to Cabinet.	SLT / CMT

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

This report is linked to the Council's Corporate Plan 2017-22 and the Service Plans 2019/20

Options Available and considered

1. To note the contents of this report, to monitor performance measures with declining performance in conjunction with Heads of Service and to receive an analysis report of year end data.
2. To reject this report or ask for further information.

Preferred Option and Why

Option 1 is deemed to be the preferred option as Cabinet plays a key role in driving forward performance improvements and continued monitoring will ensure that this remains the case.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report as its purpose is to update on performance. Service area budgets are monitored and regularly reported on with any performance improving measures being funded through existing budgets with any new measures considered within the context of the Medium Term Financial Plan.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. This monitoring report has been prepared in accordance with the Council's performance management framework and identifies progress made during the first six month of 2018/19 in delivering the corporate plan objectives and meeting key performance measures within service plans. The individual service plans have been considered by Performance Scrutiny Committees and their comments have been included in this Report, to assist Cabinet in identifying and addressing areas for improvement.

Comments of Head of People and Business Change

There are no direct staffing implications as a result of this report. The Well-being Act requires the Council to set a strategic plan to deliver on its Well-being Objectives and is necessary to regularly monitor and report on its delivery.

This report enables Cabinet Members to monitor the Council's performance against the objectives set in the Service Plans for the first six months of this financial year, which supports the delivery of the Corporate Plan 2017-22. Overall, the Council is making good progress against the service plan objectives and performance measures but we recognise that where poor performance has identified management action is being taken to monitor and address these areas.

Comments of Cabinet Member

The Chair has been consulted and has agreed that this report goes forward to Cabinet for consideration.

Local issues

No specific local issues.

Equalities Impact Assessment and the Equalities Act 2010

Not Applicable

Children and Families (Wales) Measure

Not Applicable

Wellbeing of Future Generations (Wales) Act 2015

This report demonstrates and supports how the Council's service areas are progressing in the delivery of its Well-being Objectives as part of the Corporate Plan 2017-22. Service area updates on the delivery of their objectives and actions; and performance measures required consideration of the 5 ways of working to demonstrate their progress of delivery and to address any areas where poor performance has identified.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

Background Papers

Newport City Council Corporate Plan 2017-22

Service Plans 2018-22.

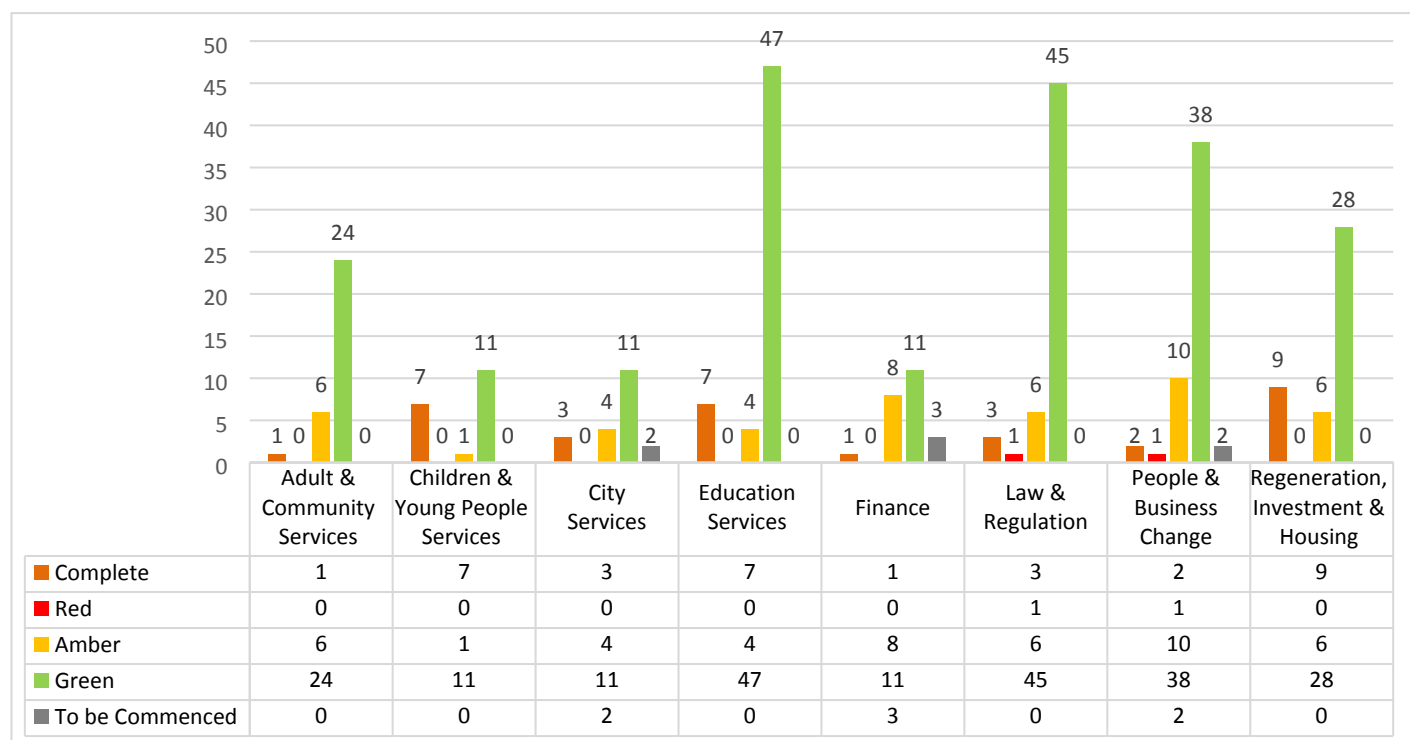
Place & Corporate Scrutiny Committee November 2019

People Scrutiny Committee November 2019

Dated: January 2020

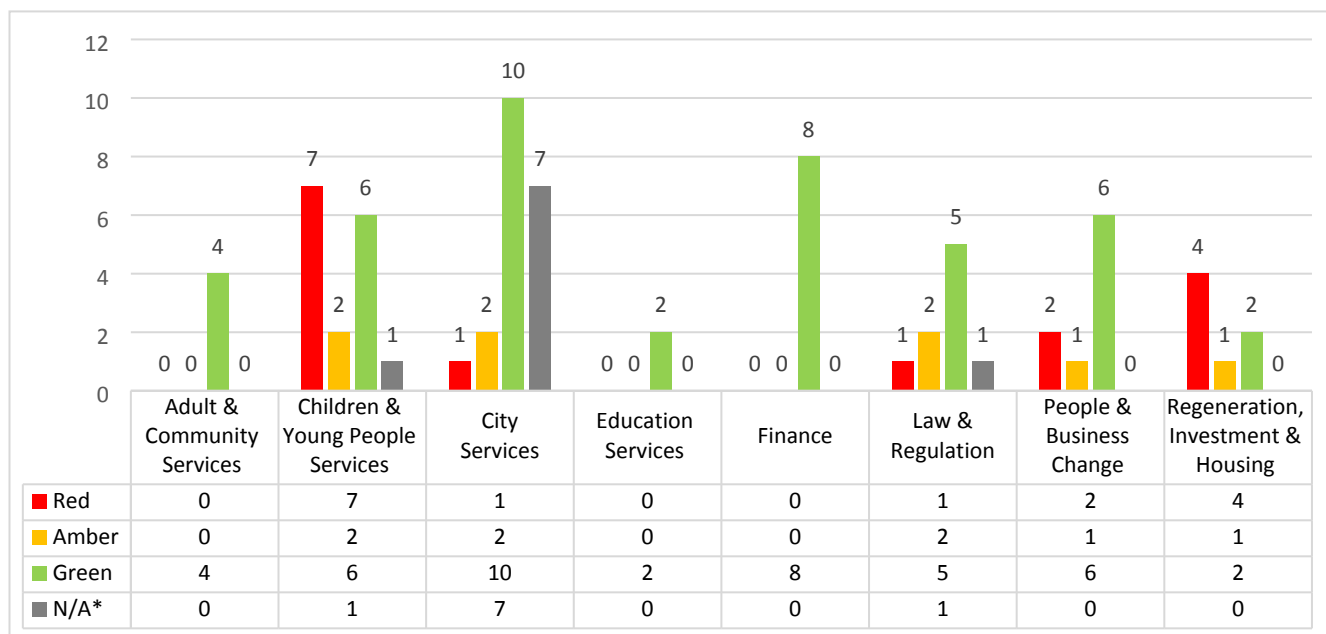
Appendix 1 - Mid-Year Performance Dashboard 2019/20 (To 30th September 2019)

Service Area Service Plan's Actions RAG Status



- 71% of service areas reported Green and were on target delivering their actions in the timescale.
- 11% of actions had been completed at the end of Q2
- 15% of actions recorded as amber where issues have been identified could impact on the delivery of the action by the agreed timescale
- 1% of actions reported as not able to deliver against the agreed timescale and immediate action is required.
 - **Law & Regulation (*Maximise Use of Idox Web Forms - Environment & Community*)**. This currently relates to application forms for Houses in Multiple Occupation licences. Action on this has been delayed due to significant vacancies in the service area Housing team.
 - **People & Business Change (*Local Full Fibre Network*)** - The project has been delayed due to specific issues with PSBA in Welsh Government and central government (Department CMS) that awarded the funding. These issues were deemed too high a risk by Cardiff Capital Region City Deal (CCRCD) and partners to continue on the planned model. CCRCD has now reviewed potential sites and will shortly make a revised submission to central government with a different delivery model. If successful, this will provide more of a rural slant which will be less beneficial to Newport.

Performance measures RAG status breakdown for each service area



*N/A indicates Management Information data where targets cannot be set e.g. Civil Parking Enforcement or is presented for information purposes.

- 57% of performance measures were reported as either meeting or succeeding against their target.
- 20% of performance measures were reported at red indicating that they are underperforming over 15% tolerance of the agreed target
- 11% of performance measures were reported at amber indicating they are short of meeting their target within 15% tolerance.
- Below is a summary of Red and Amber measures reported and commentary from service areas.

Red and Amber Performance Status Exceptions
Children & Young People Services

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
National - % Looked after Children (LAC) Returned Home from Care	9.2%	15%	8.3%	This is measure that is unlikely to remain as part of the new performance framework that will be coming in 2020/21.
National - % Looked after Children (LAC) who have had 3 or more Placements	13.7%	9%	8%	The strategy for NCC to return Children back to Newport does mean that there has been some flux in reaching a settled point for children. We continue to struggle with immediate suitable foster placements for sibling groups that can lead to step placements. There is also considerable work within children services on both fostering and residential care to stabilise care.
National - % Care Leavers in Education, Training or Employment at 12 Months	21.2%	45%	44.7%	The local authority has developed this year a positive model of work experience for care leavers. The increase in accompanied asylum seekers has also impacted on this figure this year.
Local - Number of Looked after Children (LAC)	386	375	365	We have a continued increase in the number of unaccompanied asylum seeker children. In addition we have had 3 large sibling groups of children who had to be brought into care.
Local - Number of Children on Child Protection Register	123	110	130	There is a challenge of working with children at risk of exploitation continues to oppose some stresses on the service.
Local - Number of Children Subject to Interim Care Orders	52	50	No data	The rate of court work continues to be high in Newport. The pattern of increasing children on ICO is similar to the Welsh average.
Local (Youth Offending Service) - Average number of hours 'School Age' children attend at the end of an Intervention.	16.8 Hours	25 Hours	16.5hrs	There is work across agencies to understand the risk of reduced timetabling and thus develop alternative provision.
National - % Assessments Completed for Children Within Statutory Timescales.	90.4%	95%	89.1%	As part of the upcoming inspection the front door of children services will be examined. There is a current piece of work to audit case work which will include assessments.
National - % Children Supported to Remain Living with their Family	58.2%	65%	48.8%	This is a measure that is unlikely to remain as part of the new performance framework that will be coming in 2020/21.

City Services

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
Local - Customer Contact Centre average wait time – Council Tax	13 minutes 30 seconds (810 seconds)	6 minutes (360 seconds)	N/A	The Service has been underperforming due to the limited resources to respond to the level of demand. To try and reduce the impact, we are promoting alternative ways residents can pay their Council Tax including the Council website, automated payment phone line, payment points in the Information Station and at Paypoints in the community (post offices, banks, newsagents and convenience stores). Residents can also pay by Direct Debit.
Local - Number of Active Travel journeys	120,722	250,000 (125,000)	120,403	In Q2, 2 of the sensors used to record the data were not working and therefore we were not able to count the number people going through the Active Travel routes. Based upon the previous quarter's data, we would have been above the target by 14,000. In the next quarter we will investigate and repair the fault.
National - Visits to Sport and Leisure Centres per 1,000 population Page 62	3,564 per 1,000	7,800 per 1,000 (3,900 per 1,000)	3,989 per 1,000	Quarter 2 update provided by Newport Live. Some regular bookings show reduced attendance in comparison to last year e.g. Newport County Academy 5,840 last year and 4,526 this year. Some major bookings that took place last year were not present in the same period this year (Lucozade event, Cwmbran Harriers). Gym attendance at Newport International Sports Village (NISV) has increased in the same period 16,123 last year to 17,353 this year. There is an upward trend in casual tennis usage increasing from 3,555 last year to 3,864 this year. Partnerships with NHS, exercise referral (NERS) and leisure has increased participation, particularly Pulmonary Rehab sessions with 540 attendance at NISV. Physical activity usage in the parks has reduced from 17,855 last year to 12,305 this year.

Law & Regulation

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
Local - Percentage of legal prosecutions issued within 20 working days	50%	85%	72.4%	This is a local discretionary PI which is showing at 50% for the end of Quarter 2 because of a large backlog of prosecutions which had built up during a prolonged period of staff sickness and turnover within the Litigation team. Low level prosecutions were not issued during this period as other legal work had to be prioritised. Now that the staffing issues have been stabilised, performance has improved significantly and targets are currently being exceeded. However, because of the cumulative nature of this PI, then current performance will not be sufficient to get this PI back on track by the end of the year. The target should be attainable next year and the PI will have to be refined to reflect the new Single Justice process for routine prosecutions.
Local - Percentage of legal searches in 5 days	91.64%	96%	96.47%	This measure has dipped slightly to 91% at the end of the second quarter but we are confident that the target of 96% is achievable by the end of the year. The time for processing property searches is always susceptible to some variation throughout the year, due to leave and sickness absence and increases in property transactions, because there are 2 FTE staff dealing with this work. This also demonstrates that the target remains a challenging one.

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
Local - Percentage of regulatory services significant issues resolved.	90.26%	92%	95.2%	In one of the key teams in Regulatory Services there is a mixture of vacancies and new starters; this has led to a situation where some cases are taking longer to solve and resolved cases are not being recorded accurately. This performance should improve over the second half of the year. However, a resolution rate of 90% is still a good level of performance.

People & Business Change

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
Local - % Managers undertaking regular check ins through Clear Renew process	58%	80%	81.8%	Work to be completed to review this drop in check ins.
Local - Number of employees trained in Welsh Awareness	10	50 (25)	87	Welsh language training for staff has been reviewed and updated during this period, and will be promoted more actively from September.
Local - Number of young people actively engaged in helping the council make decisions	7,002	15,000 (7,500)	8,944	The figure for Qtr.2 was lower than expected due to technical errors occurring for two of the surveys where the results for approximately 2,000 submissions were not recorded (all respondents).

Regeneration, Investment & Housing

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
National (PAM/019) - % of all Planning Appeals Dismissed	53.3%	75.00%	76.9%	2 of 5 appeals were dismissed in the quarter with 2 of the 3 allowed being HMO applications refused by officers on parking and highway safety grounds. It has become clear that the Inspectorate is taking a very positive stance on HMO (Houses in Multiple Occupation) appeals despite there being no or insufficient parking to serve them. Going forward, officers will bear in mind and members will be advised of the lack of appeal success on HMO applications in particular.

Performance Measure	Q2 Figure (or latest) 2019/20	Target 2019/20 (Q2 Target 2019/20)	Previous Year (Actual) Q2 2018/19	Comments
National (PAM/018) - % of Planning Applications Determined in Time	78.2%	87.00%	84.7%	The Section had 3 staff vacancies during all or part of the period reducing efficiency and speed of decisions and applications were being delayed due to resource shortfalls in key consultee service areas, e.g. Highways, which was affecting the timeliness of their responses to the planning service
National (PAM/013) - % of Empty Private Properties Bought Back Into Use	0%	1%	0%	Capacity for intervention has been increased through a partial restructure of the Housing team, with a focus on empty homes. This will start to have an impact in the second half of this year and in 2020/21.
National (PAM/015) - Average Calendar Days to Deliver a Disabled Facilities Grant (DFG)	268 days	192 days	178 days	<p>The performance of DFG delivery has underperformed in the first two quarters of 2019/20 due to the time taken by Occupational Therapy (Adult Services) to complete assessments. The backlog of assessments that existed in previous years is currently being worked upon and has been assisted with recently appointed Occupational Therapy resource.</p> <p>A new Housing Adaptations Team Manager has been appointed following the departure of the previous post-holder.</p> <p>DFGs, including the backlog of assessments, will continue to be monitored closely over the remaining six months in an attempt to improve performance.</p>
National (PAM/036) - Number of Additional Affordable Housing Units Delivered per 10,000 Households.	13 units per 10,000 households	30 units per 10,000 households (15 per 10,000)	8 units per 10,000 households	In comparison to 2018/19 figures we have improved our performance. We are on track to achieve the end of year target and will continue to monitor closely throughout the remainder of the performance year.



Report

Cabinet

Part 1

Date: 15 January 2020

Subject Information Station

Purpose Approval to seek alternative commercial use for the ground and first floor of the Information Station, and the relocation of the of current staff and services to the Central Museum and Library.

Author Head of Regeneration Investment and Housing

Ward Council Wide

Summary This report sets 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 this building both as an asset and as a stimulus for economic development. Whilst the Information Station has 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 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 of 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 mean 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 corporate commitments to rationalise and maximise NCCs asset portfolio and use our buildings more effectively. 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 Museum and Library building. This report therefore also seeks in-principle permission to relocate the Information Station to a new home on the ground and first floors of this underutilised 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.

- Proposal**
1. To 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 reserve to support this project subject to meeting minimum payback period.
 5. Approve the 350k Council capital cost funding required into the capital programme.

Action by Head of Regeneration Investment and Housing

Timetable Immediate

This report was prepared after consultation with:

- Strategic Director - Place
- Head of Finance (Chief Finance Officer)
- Head of Law and Regulations (Monitoring Officer)
- Head of People and Business Change
- Corporate
- Cabinet members
- Information Station Managers

Signed

Background

This report sets 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 this building both as an asset and as a stimulus for economic development. Whilst the Information Station has been an undoubted success in terms of service delivery, the high cost of the building lease means it is effectively a wasting asset.

High value, knowledge based jobs are the new benchmark for City Centre economic success. It is these jobs that drive productivity, job growth and perceptions of cities and towns, as well as sustaining localised retail, services, and residential markets. Newport must rebalance its ratio of space allocated to retail and quality office space, if the city centre is to secure a greater number of knowledge-intensive jobs and thrive.

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 high value and high growth occupiers, and become a significant barrier to economic growth, with demand for space far exceeding supply. Significant projects to bring forward larger developments are underway, including the Council-funded developments at Mill Street and Chartist Tower, which will capture larger firms looking to take advantage of Newport's excellent locational advantages, or retain those that may move out of the City Centre. There remains, however, a conspicuous lack of smaller offices able to accommodate new and relocating businesses.

The City Centre Masterplan highlights the provision of much needed flexible working spaces for start-ups and knowledge intensive tech and digital SME's as a crucial ingredient of success. Newport enjoys a very high rate of SME start-ups but without suitable space, there is little chance of these companies choosing to domicile in the City Centre. NCC's Economic Development section have also identified a large and growing latent demand for City Centre incubation and co-working space.

The Information Station can therefore be considered a prime location to facilitate a tech-focused SME co-working and incubation space due to the opportunity to physically share a building with the Cardiff University National Software Academy occupying the upper three floors. In summer 2019 a soft market test was carried out with potential providers of flexible working space to test the appetite for sub-leasing from the Council. All potential occupiers canvassed during this exercise responded favourably to the opportunity on the condition that certain parameters can be set around fit-out and rent, further evidencing demand.

There is also a strong commercial imperative to the proposal outlined above. As part of the Council's Corporate Plan, the organisation has promised to deliver the following commitments by 2022:-

- Create an inviting and inspiring work environment, freeing up 50% of our estate to save money and create space for commercial and social innovation.
- Reduce the number of buildings we operate out of by half.
- Operate on average at 2:1 desk ratio with many staff working flexibly from home on a regular basis.
- Offer the space made available through these changes to new businesses, growing businesses and organisations undertaking work with social value.

The Information Station has been transformational in terms of providing access to services, but the high cost of the lease paid for the premises remains an issue; when considered in tandem with the opportunity to seek a new occupier for the premises, there is also the potential to help deliver against each of the above Corporate Plan commitments for future asset management.

The service delivered by the current Information Station at present will need a new home if it is to be continued, and the second arc of this project is to relocate the current Information Station operation to the Central Library building. As with many such local authority library buildings, community use has

declined significantly leaving the Council with an underutilised property and insufficient budget to modernise what is a further significant City Centre property.

Co-location of the library and museum with the wider 'One Stop Shop' offer will provide mutual benefits including access to the digital facilities, community and cultural activities available within the library. In turn, by placing the Information Station within the museum building it will enjoy vastly improved accessibility and presence at the heart of the redeveloped Friars Walk leisure complex. It is anticipated that the relocation of staff and services will offer an opportunity to review and improve current working practices and service delivery models. The design on the new facility will aim to improve the customer journey and also facilitate greater use of the services available at the Museum and Library building.

In summary, relocating the current Information Station operation to an alternative City Centre site would make available a prime space that can deliver against both the economic regeneration and asset management objectives within the Council's Corporate Plan. In the Information Station, the Council has the head lease interest on a property that can be used to provide more commercially relevant space within the City Centre with a specific emphasis on developing its tech and digital sector. The relocation of the current public-facing services to the Library will in turn result in better use of this asset and enable improvements to the service by virtue of a more accessible location and design in a better customer journey.

CAPITAL

	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	Notes including budgets heads affected
Info Station Capital	£47,500	£299,500	£3,000	
Museum and Library Refurbishment	£47,500	£1,345,500	£7,000	
TOTAL CAPITAL COSTS	£95,000	£1,645,000	£10,000	
NCC Borrowing	£28,500	£318,500	£3,000	
Welsh Government	£66,500	£1,326,500	£7,000	TRI funding to be confirmed
TOTAL FUNDING	£95,000	£1,645,000	£10,000	
NET TOTAL	£0	£0	£0	

REVENUE

The projected capital financing cost of £47,500 pa and the estimated additional revenue costs of delivering the service in the library & museum site and the capital financing cost are expected to be fully covered by any rental income achieved by the new tenant. The project may also need some enabling one off funds to deliver the commercial / regeneration outcomes being sought in the information station and an allocation of up to 250K is included in the base financial appraisal for this, pending confirmation of adequate rentals to bring about sufficient levels of MTFP savings to meet the minimum payback criteria this requires.

The estimated increased annual cost to the Council if the information station remains un-let would be c£110,000. Soft market testing has been carried out which has confirmed that there is interest in the scheme, there would need to be due diligence carried out on any potential tenants to assess their business plan and subsequent assessment of financial strength.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
TRI Funding Application	M	L	<p>The Welsh Government may not fund the full capital allocation requested.</p> <p>The use of JV regeneration funds may be required to plug any shortfall.</p> <p>NCC will make a capital request to the Welsh Government for the maximum £1.4m available to the project in the first instance.</p> <p>If the WG Regeneration Panel do not approve this investment, NCC will seek a minimum TRI intervention of £1.150m, capping any potential JV investment at £250k. If this minimum funding is not achieved the project will not proceed.</p>	Team Manager Regeneration
Lack of Market Interest	H	L	<p>The sub-letting opportunity may not receive any market response. Without a viable occupier the grant investment and MTRP savings are unlikely to materialise.</p> <p>Soft market testing has confirmed interest. Opportunity to be marketed by Newport Norse including by advert in the national property press.</p>	Team Manager Regeneration
Revenue Cost Increase	H	L	<p>A potential occupier may require support in order to establish their business.</p> <p>Co-location of the hub with the NSA will provide a steady stream of potential customers for the hub.</p> <p>A high-quality fit out suitable for co-working space will be achieved through the project.</p>	Head of RIH
Capital Cost Increase	L	H	Dedicated project working group, reporting direct to the Major Projects board.	Project Manager

			MTRP savings mitigate cost of borrowing as a minimum. Further borrowing to complete the scheme is unlikely to exceed the potential MTRP saving achieved.	
Project Delays	H	L	Dedicated project working group, reporting direct to the Major Projects board.	Project Manager
Staff Communications	M	L	Comms plan for both staff based at the Information Station and service users implemented prior to project commencement.	Project Manager
Failure of Business Tenants	H	L	Due diligence will be carried out on proposed tenants, and additional security i.e. guarantors sought where required. The refurbished space can be re-let to an alternative provider or user should any failure occur. The Council would need find additional finance to cover the cost of any void periods.	Head of RIH

Links to Council Policies and Priorities

The Information Station commercialisation project will dovetail with and add value to the Council's strategic Policies, both for continued regeneration of the City Centre and the rationalisation and best use of its assets as set forth in the Corporate Plan 2017-2022.

The project also supports Newport City's Economic Growth Strategy, which sets out a ten-year programme for delivering growth across the city centre through capital redevelopment, upskilling, training and business support. The provision of a bespoke start-up facility for the tech sector will further each of these objectives

Through its wider community activities, the project is consistent with the themes and objectives of the 'Newport City Council Well-being Plan 2018 – 2023':

- people feel good about living, working, visiting and investing in Newport.
- people have skills and opportunities to find suitable work and generate sustainable economic growth.
- people and communities are friendly, confident and empowered to improve their well-being.
- Newport has healthy, safe and resilient environments.

The project will help deliver a number of national, regional and local strategies particularly those aimed at educational attainment, skills development, economic resilience, improved business opportunities and support, and environmental regeneration. The relocation of the current Information Station offer to the Museum and Library will not only offer an enhanced service user experience but also further complement local cultural, heritage and destination management strategies by driving greater footfall into the library building.

Options Available and considered

1. To 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. Also relocate existing staff and services from the Information Station to the Central Museum and Library.
2. To not proceed with opportunities to commercialise the Information Station building, continue to operate the building in the current format, along with the Central Museum and Library.

Preferred Option and Why

To 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. Also relocate existing staff and services from the Information Station to the Central Museum and Library.

Comments of Chief Financial Officer

The proposal above is subject to the acceptance of WG TRI funding of £1.4m and sufficient rental achievable from potential tenants to make the scheme cost effective. These are included in the base financial appraisal for this scheme and if not met, the project should not proceed. This is because the project could then increase the councils current costs for which there is no budget. The base financial appraisal would ensure that use of up to £250k of Invest to Save funds to support this meet minimum payback period.

The outline business case has shown that if the scheme achieves the rental which is expected, it will deliver a net financial benefit to the Council. There is currently no MTFP savings in the budget for this proposal and will only be added once funding and a tenant is secured.

Any proposed tenants will be subject to due diligence of their business case and additional security that needs to be secured.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's legal powers under Sections 122 and 123 of the Local Government Act 1972 regarding the appropriation and use of Council owned property. The proposed sub-letting of further space within the Info Station as an SME technology incubation hub, and the relocation of existing Council services to the Museum and Library building to facilitate this, is consistent with corporate economic regeneration and asset rationalisation policies. This follows on from the previous Cabinet decision to grant a similar sub-lease of parts of the building to the National Software Academy. Cabinet will need to agree to this part of the Info station being declared surplus to the Council's operational requirements, re-appropriate the property for regeneration purposes under section 122 and then agree to its "disposal" under section 123 by way of a long lease to a suitable technology occupier. Because this will involve the grant of a sub-lease for more than 7 years, then the Council has a statutory duty to secure best value and market consideration for the grant of the lease. Therefore, competitive tenders and proposals have been invited from technology providers, to determine the best terms for the letting, both in relation to the tendered rents and their proposed business model. However, further financial and legal due diligence would need to be undertaken to determine the covenant strength of the proposed tenants and to secure any necessary guarantees or security for the payment of the rent. The sub-letting and the fit-out work would also be subject to obtaining the necessary consents and licenses from Network Rail, as head landlords, under the terms of the Council's head-lease. The transfer and re-provision of the existing Council services at the Museum and Library should not have any detrimental impact on service delivery but a full Fairness and Equality impact assessment will be carried out to demonstrate that due regard has been had to the Council's public sector equality and well-being duties. The business case is only viable if TRI grant funding is awarded by Welsh Government towards the costs of the fit-out work at both the Info station and the Museum and Library

and suitable terms can be agreed for the sub-lease. Any shortfall in the funding will need to be met by a mixture of capital expenditure and use of Invest to Save monies, and Cabinet are required to approve this funding model, subject to TRI grant being forthcoming.

Comments of Head of People and Business Change

There are no direct HR implications arising from this report. Existing staff will be relocated to the alternative building and a communications plan for staff will be implemented prior to commencement of the project. Any future staff proposals will be subject to a separate report.

As stated in this report, whilst the Information Station has been a success in terms of service delivery, the high cost of the building lease means an alternative solution is required in the longer term. The proposal will help deliver a number of national, regional and local strategies particularly those aimed at economic development, skills and work, environmental regeneration and improving the local business offer. This long term project fits in with the city's Well-being Plan by contributing to improving the Newport Offer, particularly in the city centre, and offering skills and work development. The project has considered the five ways of working as required in the Well-being of Future Generations Act and meets the national well-being goals of a prosperous Wales, a Wales of vibrant culture and thriving Welsh language, and a more equal Wales.

Comments of Cabinet Member

The Cabinet Member has approved the report for consideration by Cabinet.

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users.

The decisions recommended in this report will require officers with delegated responsibility for managing the design and delivery of both the new tech hub space and the relocated Information Station to ensure that each facility is fully accessible and does not disadvantage any current or potential occupants or service users. Staff members currently accommodated at the Information Station will be notified of any changes in a suitable format and be given the opportunity to feed in to the design stage.

In partnership with the Corporate Policy Team, a Fairness and Equality Impact Assessment has been undertaken and the key points from this are:

1. The impacts are likely to be positive (refurbishment and upgrade) and with no significant detriment to protected groups.
2. The information station will remain in the city centre with improved accessibility and co-location of public services.
3. If the project obtains the go ahead consultation will be undertaken with customers and staff in order to develop the best and most appropriate service.

Children and Families (Wales) Measure

Both the library building and potentially the Information Station are used by Children and Families. A targeted consultation with these service groups will be required in advance of the implementation.

Wellbeing of Future Generations (Wales) Act 2015

The project accords well with the five ways of working as set forth in the Wellbeing of Future Generations Act:

Long Term – This offer provides a sustainable future for a key city centre building and provides a different and important offer within Newport. Diversification of the economy, and support for knowledge intensive business trading is identified as a key factor driving the economic sustainability of town and city centres across the UK.

Prevention – The project will secure an enhanced provision of the current Information Station offer in the city centre and ensure the services accessed remain able to carry out key preventative services, such as housing options and migrant support.

Integrated – The City Centre Masterplan denotes the ‘Northern Gateway’ areas adjacent to the train station as a key economic anchor for the urban core. This potential project will integrate positively with sustainable public transport and wider regeneration proposals.

Involvement – The project has engaged with staff and the private business community to date to ensure the project is a long-term, viable option. Targeted consultation will be carried out with service users of the Museum and Library along with the current Information Station.

Collaboration – Newport City Council have worked in partnership with a number of organisations to develop this potential offer, particularly private sector operators as well as both the Homes and Places and Economy and Transport divisions of the Welsh Government.

The project is compliant with the well-being goals through improvements to economic, social and environmental aspects of both the immediate property and surrounding area as follows:

Goal 1 – A Prosperous Wales

By providing much needed, small-scale premises for start-up businesses, particularly those in the economically resilient knowledge-based tech and digital sector.

Goal 2 - A Resilient Wales

By seeking to generate a volume of new businesses domiciled in the City Centre able to take on redundant retail space and contribute to a sustainable and diverse economic base.

Goal 3 - A Healthier Wales

By encouraging access to each facility by sustainable transport – either rail, bus or active travel.

Goal 5 - A Wales of Cohesive Communities

By embedding a culture of collaboration within the local the business community.

Goal 6 - A Wales of Vibrant Culture and Thriving Welsh Language

By encouraging access to the current Museum and Library offer by co-locating this provision alongside other key services.

Goal 7 - A Globally Responsible Wales

By securing investment for south east Wales and the local supply chain and businesses. Applying sustainable regeneration principles based around this engagement of local suppliers will ensure that the objectives contribute fully to a globally responsible Wales.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

Background Papers

N/A

Dated: 24 December 2019

One Newport Public Services Board (PSB)

Summary of Business: 10 December 2019

This is the summary of the work of the One Newport PSB for the quarterly October meeting. All meetings of the partnership can be found [here](#).

PSB Chair

Cllr Jane Mudd, Leader of Newport City Council, is the new Chair of the PSB.

Well-being Plan Quarter 2 Performance Updates

Intervention leads updated the PSB on progress against delivery of the Well-being Plan for the period April to September 2019. The leads are:

- Newport Offer – Cllr Jane Mudd and Sheila Davies (NCC)
- Strong Resilient Communities – Nicola Prygodzicz (Aneurin Bevan University Health Board) and CS Ian Roberts (Gwent Police)
- Right Skills – Martin Featherstone (GAVO) and Guy Lacey (Coleg Gwent)
- Green and Safe Spaces – Ceri Davies (Natural Resources Wales) and CFO Huw Jakeway (South Wales Fire and Rescue Service)
- Sustainable Travel – Ceri Doyle (Newport City Homes) and Craig Lane (Newport Citizens Advice).

View latest performance dashboards [here](#).

As part of the Newport Offer work, further consideration is being given to the city's role and potential in the 21st Century.

Safer Newport

Safer Newport is the Community Safety Partnership for the city, focussing on a safer city centre, anti-social behaviour (ASB), serious and organised crime and local neighbourhood issues.

A Safer Newport update identified key outcomes from the Partnership's work including that anti-social behaviour in the city centre reduced over the summer and that civil parking enforcement is going well. Following the annual "Op Bang", deliberate fire setting decreased across the city.

Activity with schools has been a key feature of serious and organised crime work.

Reduction in the Number of Children who are Looked After

The First Minister has prioritised a reduction in the numbers of children who are looked after across Wales. PSB members are considering how they can contribute to a safe reduction in the number of Looked After Children in Newport through early intervention and prevention, particularly focusing on the needs of those at the “edge of care,”

“Building a Healthier Gwent” Involvement Programme

The [Director of Public Health Annual Report 2019 ‘Building a Healthier Gwent’](#) highlights the health inequalities gap that exists across Gwent and suggests actions to close the gap. The PSB considered the outcomes of an extensive involvement programme, which gathered views on the report from people who live and work in Gwent.

The next step will be for the Director of Public Health to develop a delivery plan to address the issues in the report and the responses to the involvement programme.

Board Development

The PSB has agreed an action plan, which addresses the recommendations of a recent review of PSBs by the Wales Audit Office and the outcomes of the PSB’s own self-evaluation.

PSB Meetings and Papers

One Newport PSB publishes its meeting papers and minutes online. Papers [here](#).

One Newport Bulletin

One Newport issues a monthly [bulletin](#) containing a host of activities and events organised by partners across the city for people of all ages.

Get Involved – Newport Citizen’s Panel

The PSB welcomes the views of local people. One way to get involved is to join our Citizen’s panel and give us your opinions through quarterly questionnaires on issues, services and projects in the city. Find out more [here](#)

Twitter: Follow us [@onewport](#) **Website:** Visit us at <http://onewportlsb.newport.gov.uk/>

Report

Cabinet

Part 1

Date: 15 January 2020

Subject Cabinet Work Programme

Purpose To report and agree the details of the Cabinet's Work Programme.

Author Cabinet Office Manager

Ward All Wards

Summary The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The current work programme runs to June 2020, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Proposal To agree the updated work programme.

Action by Cabinet Office Manager

Timetable Immediate

This report was prepared after consultation with:

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

Background

The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The Wales Audit Office's Corporate Assessment of Newport City Council, published in September 2013, highlighted the need to "strengthen committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up". Since that report was published, these monthly reports have been introduced to provide Cabinet with regular updates on its work programme, and the opportunity to comment upon and shape its priorities as an executive group. The Democratic Services team have also been working to improve the links between this and other work programmes under its management (e.g. Council, Scrutiny, Audit) to ensure the various programmes are properly coordinated.

The current work programme runs to June 2020, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Financial Summary

There is no direct cost to adopting a programme of work.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
No action taken	M	L	Work programming arrangements are in place to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.	Head of Democratic Services
The process is not embraced by report authors and members	M	M	If there is proliferation of unplanned or late items, the opportunity to ensure work programming is timely, meaningful, informative, and transparent, balanced, monitored, and joined up will diminish	Head of Democratic Services

Links to Council Policies and Priorities

These proposals will help the Council provide the best possible service to members and will provide information to the public and elected members.

Options Available and considered

- To adopt the process and adopt or amend the work programme
- To consider any alternative proposals raised by Cabinet members
- To take no action

Preferred Option and Why

To adopt the proposals which should help to ensure work programming arrangements are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

Comments of Chief Financial Officer

There are no financial implications in adopting a programme of work.

Comments of Monitoring Officer

There are no legal implications in adopting a programme of work.

Staffing Implications: Comments of Head of People and Business Change

There are no specific staffing implications in adopting a programme of work.

Comments of Cabinet Member

The Chair has approved the report for consideration by cabinet.

Local issues

There are no local issues as this report relates to the Council's processes

Scrutiny Committees

Monthly update reports allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny team and Members are currently developing new ways of working through the new Committees, and continually reviewing the work programmes to focus more on risk, and ensure all scrutiny activity has a defined purpose and constructive outcome.

Equalities Impact Assessment and the Equalities Act 2010

This does not apply to this procedural report.

Children and Families (Wales) Measure

This procedural report does not impact on Children and Young People although certain reports contained in the programme may do and will need appropriate consultation and comment when they are presented to cabinet.

Wellbeing of Future Generations (Wales) Act 2015

This is a procedural report but reports contained within the programme will need to show how consideration has been given to the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act.

Crime and Disorder Act 1998

This does not apply to this procedural report

Consultation

As set out above

Background Papers

[Newport City Council Corporate Assessment](#), Wales Audit Office (September 2013)

[Newport City Council – Corporate Assessment Follow Up 2015](#), Wales Audit Office (May 2015)

Dated: 19 December 2019

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NEWPORT CITY COUNCIL: CABINET/COUNCIL WORK PROGRAMME 2019/20

MEETING	AGENDA ITEMS	LEAD OFFICER
CABINET 19-JUN-19	Treasury Management Year End Report	HoF
	Corporate Risk Register Update	HP&BC
	Forecast Numbers of LAC	SD People
	Work Programme	COM
CABINET 17-JUL-19	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Commercial Property Fund Investment Guidelines	HoF
	Brexit Update	HP&BC
	Welsh Language Annual Report	HP&BC
	Performance Update – Early Year End PI Analysis	HP&BC
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 23-JUL-19	NNDR Relief Scheme Treasury Management Year End Report	
COUNCIL 10-SEP-19	Appointment on Interim Chief Executive/Head of Paid Service Scrutiny Annual Report PSPO Newport Arcade	
CABINET 18-SEP-19	Capital Programme Monitoring July 2019	HoF
	Revenue Budget Monitor July 2019	HoF
	WAO Annual Improvement Report	HP&BC
	Strategic Equality Plan Annual Report	HP&BC
	Corporate Risk Register Update (Quarter 1)	HP&BC
	Sustainable Travel Strategy	HoL&R
	Work Programme	COM
CABINET 16-OCT-19	Corporate Plan Annual Report	HP&BC
	Brexit Update Report	SD - Place
	WAO Report – Corporate Safeguarding	HP&BC
	WAO Certificate of Compliance 1	HP&BC
	Annual Report on Compliments, Comments and Complaints Management 2019	Customer Services Mgr
	Work Programme	COM
CABINET 13-NOV-19	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC

COUNCIL 26-NOV-19	Democratic Services Annual Report Standards Committee Annual Report Strategic Equality Plan Annual Report	
CABINET 20-DEC-19	Revenue Budget and MTFP: Draft Proposals	HoF
	Treasury Management 6 monthly Report	HoF
	Corporate Risk Register Update (Quarter 2)	HP&BC
	WAO Certificate of Compliance 2	HP&BC
	Revised Contract Standing Orders	HoF
	Director of Social Services Annual Report	SD - People
	Work Programme	COM
CABINET 15-JAN-20	Mid-Year Performance Analysis 2019/20	HP&BC
	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Information Station Regeneration	HoRIH
	Part 2 Presentation – City Centre Regeneration	SD - Place
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
COUNCIL 28-JAN-20	Mayoral Nomination 2020/21 Council Schedule of Meetings Revised Contract Standing Orders Treasury Management 6 monthly report Council Tax Reduction Scheme Director of Social Services Annual Report	
CABINET 12-FEB-20	Capital Strategy and Treasury Management Strategy	HoF
	Revenue Budget and MTFP: Final Proposals	HoF
	Risk Management Strategy	HoP&BC
	Brexit Update	SD - Place
	Corporate Safeguarding	HC&YPS
	Economic Growth Strategy	SD - Place
	Work Programme	COM
COUNCIL 25-FEB-20	Budget and Medium Term Financial Plan Capital Strategy and Treasury Management Strategy	
CABINET 11-MAR-20	Pay and Reward Statement 2020/21	HP&BC
	2020- 2024 Strategic Equalities Plan Approval	HP&BC
	EAS Business Plan	CEdO
	Categorisation of Schools	CEdO
	Corporate Risk Register Update (Quarter 3)	HP&BC
	Work Programme	COM
CABINET	Items TBC	

08-APR-20 (t.b.c.)		
	Annual Corporate Safeguarding Report	HC&YPS
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 28-APR-20	IRP Annual Report NNDR Rate Relief Pay and Reward Policy	
CABINET 06-MAY-20 (t.b.c.)	Items TBC	
	Work Programme	COM
COUNCIL 12-MAY-20	AGM	
CABINET 03-JUN-20 (t.b.c.)	Corporate Risk Register Update (Quarter 4)	HP&BC
	Risk Management Strategy	HP&BC
	Work Programme	COM

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