

Minutes



Cabinet

Date: 12 February 2020

Time: 4.00 pm

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

In Attendance: Ms Sheila Davies (Interim Chief Executive); Ms Beverly Owen (Strategic Director (Place)), Mr Gareth Price (Head of Law & Regulation) and Mr Meirion Rushworth (Head of Finance)

1 Apologies for Absence

No apologies received.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes of the Last Meeting

The minutes of the meeting held on 15 January 2020 were confirmed as a true record.

4 Capital Strategy and Treasury Management Strategy

The Leader presented the report and confirmed it contained the Capital Strategy and Treasury Management Strategy and that both strategies require approval by full Council. The report confirmed:

- (i) the capital programme, as part of the Capital Strategy and,
- (ii) the various borrowing limits and other indicators as part of the Treasury Management Strategy.

The Capital Strategy sets out the long-term context (10 years) in which capital decisions are made and demonstrates that the local authority:

- takes capital/investment decisions in line with service objectives;
- gives consideration to both risk/reward and impact;
- takes account of stewardship, value for money, prudence, sustainability and affordability.

The capital plans of the Authority are inherently linked with treasury management activities it undertakes, hence the Treasury Management Strategy is included alongside the Capital Strategy report. The report notes that the revenue impact of both strategies is included within the associated revenue budget report. Appendices to the report included:

- Appendix 1 – details of the current capital programme;

This document is available in welsh / Mae's ffurflen hon ar gael yn Gymraeg

- Appendix 2 - the longer-term Capital Strategy, and,
- Appendix 3 - the Treasury Strategy and Management.

The Leader focused firstly on the Capital Strategy 2019/20 to 2028/29 that provides an update of the Council's Capital Strategy and is in line with the requirement placed on Local Authorities by the Prudential Code for Capital Finance in Local Authorities (2017) to determine a Capital Strategy.

The Leader reported that the CIPFA Code requires local authorities to determine their Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis; this requires approval by full Council following a recommendation from Cabinet. The Leader confirmed this will be kept under review and updated and brought to Council as necessary.

Key areas include:

- (i) current 5-year capital programme to 2022/23 extended to 2024/25 for those approved projects that span beyond the current programme and its cost of financing;
- (ii) the longer-term projection for capital financing costs.

In terms of the 5 year capital programme – the Leader confirmed that in February 2018 Cabinet approved a new 5-year capital programme from 2018/19 to 2022/23 – paragraph 13 of the report refers. The Leader explained the Capital Strategy outlines the process by which projects are approved onto the capital programme, ensuring they meet key service priorities and, in overall terms, keep within the affordability headroom.

In 2020/21, the Council has capital schemes of £44.6m. Over the 5 year programme ending 2024/25, the programme is ambitious with:

- c£186m of already approved projects;
- c£16m of further capital headroom for further projects, totalling £202m.
- The Council is investing over c£70m in its schools, in its historical and cultural assets such as the Transporter Bridge, supporting city centre redevelopment, providing modern, fit for the future 'neighbourhood hubs' and creating capacity in its recycling and waste facilities. Progress is being made in the delivery of these.

The capital financing costs are shown in table 2 of the report; the costs are included in the Council's MTFP, which the Leader confirmed in the current funding climate/uncertainty and continued increase on service demands, is challenging. The report noted that costs will continue to increase into the medium to long term. Compared to comparative authorities, the percentage of the capital costs as a proportion to the Council's total net revenue is very high, showing the need to maintain a sustainable level of spending on capital to keep the costs down. Further work is planned by finance colleagues to inform this issue.

The report confirmed that capital expenditure funded by debt increases the need to undertake external borrowing. The Council is committed and has a requirement to be a net borrower for the long term; to ensure this borrowing is affordable and sustainable, Council is required to set an affordable borrowing limit - shown in Table 3 of the report. Factors included in arriving at these borrowing limits include:

- Current external borrowing requirement coming from the capital programme and bringing forward a limited amount of early borrowing to replace internal borrowing where appropriate;
- Ability to undertake borrowing for onward loans to third parties for regeneration purposes, clearly subject to strict due diligence;
- Flexibility to borrow for investment/income generating/commercialisation opportunities (subject to governance arrangements).

Section 6 of the Capital Strategy details the commercial activities of the Council, including the approval of a £50m investment fund for investments in commercial properties, which is built into the borrowing limits set out in the report. This fund has not yet been utilised and the future use of the fund requires review, primarily due to the interest rate increase in borrowing and recent guidance from CIPFA for Authorities pursuing property fund investments.

With regard to Treasury Strategy and Management, the Leader confirmed the Council is involved in two types of treasury activity which are controlled primarily via the Council's Treasury Management Strategy and in line with the regulations associated with that Strategy, these are:

- (i) Borrowing long-term for capital purposes and short term for temporary cash flow;
- (ii) Investment of surplus cash.

In terms of the Council's borrowing strategy, the Leader confirmed the Council has significant long term borrowing requirements but in recent years the strategy has been able to fund its capital expenditure from reducing investments rather than undertaking more expensive additional borrowing.

As of 31 March 2019, the Council had internal borrowing of c£84m; the Leader was pleased to confirm this gave a saving of c£2.5m in interest costs.

The Leader further confirmed the capacity for being internally borrowed has been reached and borrowing requirements will need to come from new external loans. In addition, as the Council reduces its reserves, primarily by drawing down on its PFI reserves, it will need to replace this lower headroom for internal borrowing with new external borrowing too. This is an important and significant issue and as recommended in the Capital Strategy, the Council needs to maintain a sustainable level of capital spending.

In terms of investments - both the CIPFA Code and Welsh Government Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses.

Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority aims to diversify into higher yielding asset classes during 2020/21. This is especially the case for the £10M that is available for longer term investment. This diversification will represent a change in strategy over the coming year.

The Leader concluded by confirming the Strategies are very comprehensive and confirmed the report provides a useful summary of the key messages.

The Leader invited comments from her Cabinet colleagues:

The Deputy Leader (CM for City Services) referred to page 57 of the report - Interest rate forecast - and enquired if the base rate on borrowing forecast is likely to change. The Head of Finance reported that no further information had been received since writing the report and it is generally forecast that rates will be lower for longer (although he stressed this cannot be construed as giving advice on this matter).

The CM for Social Services flagged up an early warning that schemes financed by the Disability Facilities Grant Scheme are becoming very expensive and the signs are the fund will not be able to cope with the extra costs.

Decision:

Cabinet agreed to recommend to Council for approval:

- i) the Capital Strategy (Appendix 2), including the current capital programme within it (shown separately in Appendix 1), its associated Prudential Indicators and the borrowing requirements/limits needed to deliver the current capital programme, noting the increased revenue costs in the MTFP for the increased borrowing;
- ii) the Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) for 2020/21 (Appendix 3);
- iii) note the comments made by Audit Committee on 29 January 2020 (paragraph 6 and 7).

5 Revenue Budget and MTFP: Final Proposals

The Leader presented the report to Cabinet and confirmed it included the consultation results from the draft budget set out in the December 2019 meeting and the current position on the Council's funding envelope following receipt of the draft Revenue Support Grant for 2020/21.

In light of the above, Cabinet needs to agree the final budget proposals, including a recommended Council Tax level. The Council Tax level will be reviewed and agreed at full Council at its meeting on Thursday 27 February 2020.

The draft budget was based on a number of assumptions, the key one being the Revenue Support Grant Settlement but also, for example, on such things as provision levels for pay increases and contract price increases.

The Leader confirmed that since the draft budget was published the Authority has had:

- confirmation of the Revenue Support Grant;
- confirmation of levy amounts;
- confirmation of the UK minimum wage increase (which affects a number of key social care contract prices);
- national pay negotiations for Local Government staff have continued;
- a couple of new budget savings proposals have also been confirmed which do not require wider public consultation and are being implemented under Head of Service delegations.

The position at today's date and how the position has changed since the draft budget reported in December 2019 is shown in Table 2 of the report. In summary:

- there was a budget gap of c£5.6m at that time;
- the better than expected Revenue Support Grant gave c£7.3m more funding than initially assumed;
- savings of c£5.2m already identified in December 2019 and a further two proposals amounting to £300k have been identified;
- consideration and approval by Cabinet of further cost pressures of £1.8m (shown in Table 1) and taken the opportunity to stop the reliance on reserves to balance the budget.

The cost pressures and new savings are detailed within the cost pressures and savings appendices of the report which has resulted in today's position of a balance in hand of £3.9m

In considering what to do with the balance in hand, Cabinet considered the budget consultation feedback – both on the draft proposals themselves and the associated draft fairness and equalities impact assessments (FEIA's). Where needed, the FEIA's have been updated and Cabinet have considered these in coming to its final decision.

The Leader was pleased to see the work that the Fairness Commission had done on developing a new matrix to aid their response to the consultation.

The Leader thanked her Cabinet colleagues for the attention paid to the consultation process and the diligence given to the responses received; the Leader also thanked all those who responded to the consultation. Details of the exercise and the volume of responses received are included in section 6 of the report; the Leader noted the following:

- 3,800 public responses, the highest received to date;
- A successful public event held in the Newport Centre;
- Feedback from a number of organisations representing user groups and interested parties as well as internal Council groups such as Scrutiny Committees as well as the Council's Fairness Commission.

The Leader went on to speak about the final budget decisions and confirmed Cabinet had considered all the feedback and advice and the following final proposals on how to utilise the balance in hand of £3.9m, and the Council Tax level have been made:

In terms of investment the Cabinet proposes to invest:

- £1.4m further in school budgets;
 - £250k further in the Council's ICT budgets to accelerate modern ways of working and digitisation;
 - £70k in management development training to help prepare the Council for on-going challenges;
 - £292k in foster care fees to bring the Council's fees closer to that of the best paying Gwent Council levels and create the foundation to attract and retain these valuable partners in Children's social care;
 - £90k in the education department to strengthen governance arrangements with schools;
 - £120k in the city's youth services (the Leader confirmed the youth council will be consulted on how best to utilise this funding);
 - *£80k in supporting bringing empty homes back into use by way of Council Tax reductions using the Council's discretionary powers (the Leader confirmed a detailed policy will be developed to support this);
 - *£60k in discretionary rates relief for community and youth groups across the city where they use their own premises (the Leader confirmed a detailed policy will be developed to support this).
 - £210k in city centre cleansing and safety initiatives;
 - £193k into the benefits' service.
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- * The Leader confirmed that work will begin to build on the above two investments (marked *) as quickly as possible to provide the best possible support to businesses. Already in place is the Welsh Government funded business rate relief schemes (small

businesses and the high street reliefs). Further work will be carried out to see what assistance can be developed with regard to business rates such as a hardship fund or a specific relief.

The Leader confirmed the following amendments to the existing proposals:

- Delete the draft saving of £75k from the Barnardos' contract and maintain the current level of preventative work from this partnership;
- Delete the draft saving of £475k from using existing capital reserves to fund 2019/20 capital spend. This will enhance the Council's capital spend headroom in the future (this links back to discussions on the previous report);
- Delete the draft saving of £45k in 2020/21 and in future years from stopping the Post-16 Transport Support for schoolchildren;
- Reduce the social care voluntary grants draft saving by £22k and not including the reductions shown for People First and MIND;
- Reduce the proposed Council Tax increase to 6.95% - a Band A-C weekly increase of between £1.00 and £1.33 per week. Two thirds of households fall into these bands. This is the Council Tax required which underpins the overall budget and will have to be agreed at the Council meeting on the 27 February.

The Leader gave some further detail on the budget proposals:

In respect of schools, section 4 of the report deals with schools' funding. The draft budget allocated new, additional funding of c£4.4m to schools. The draft settlement allocated permanent funding for currently one-off funded base costs and together the schools' budget would have seen an increase of c£9m – or 9.4%.

Only £4.4m is new and additional funding. The £4.4m is the calculated cost increases for 2020/21, including costs of new schools and growing pupil numbers, and therefore it maintains schools' current position, but does not worsen or enhance it.

Schools are currently overspending significantly on their budgets – at c£3.5m based on latest estimates and on this basis, schools would have no reserves at the end of the financial year, in total. There is therefore no flexibility for further overspending to be funded from school's own reserves and it would fall on the Council's general budget and other reserves to fund any further overspending. The Leader confirmed there are no unallocated reserves with which to do this.

The additional funding of £1.4m will assist schools in operating within their funding but is incumbent on schools to deliver their own cost saving plans in addition to this. It also anticipates increases in specific grants to schools; schools must operate within their funding next year and make inroads into recovering from deficit, where deficit exists.

The Council has recognised the financial pressures in schools by initially allocating the full amount of their assessed cost increases next year and now providing even further funding.

Moving on to Council Tax. The Leader stated that it is well known that Newport's Council Tax is low compared to nearly all other Welsh Councils and indeed, across the UK. However, this does have consequences on the Council's finances:

- The current year budget is c£8.3m below its Standard Spending Assessment level – that amount calculated by Welsh Government for the Council to deliver services based on their standard level of Council Tax;

- In terms of ranking in Wales on its budget position against the standard spending assessment – Newport City Council is 19th worst funded currently;
- Newport has the second lowest level of Council Tax in Wales.

Until this year, the Revenue Support Grant, which funds about 75% of the Council's net budget spend has not been increasing. At the same time, the budget has had to accommodate pricing increases (inflation) and increased demand on the budget, particularly in social care and schools. In this context, the Council's relatively low Council Tax is very challenging when it aspires to provide the best support it can for the most vulnerable in society and a growing population.

The Council has made significant savings over many years to balance the Council's budget as well as increasing Council Tax. The budget for 2020/21 is balanced through c£4.3m of additional Council Tax income and £6k of savings. The increase in the city's Council Tax since 2015/16 has been lower than approximately half of the other Councils in Wales.

The increase announced today will:

- Still place Newport amongst the lowest Council Tax Councils in Wales;
- The budget will still be lower than the Council's Standard Spending Assessment – by c£9.2m as the standard rate of Council Tax assumed in calculating the Council's Standard Spending Assessments went up by 7.1%;
- In cash terms, the increase represents a weekly increase of:
 - £1.00 for a Band A household;
 - £1.16 for Band B household and,
 - £1.33 for Band C household.
 - The Leader confirmed help is available through the Council Tax Reduction Scheme for those households that qualify for the reduction;
- The increase will allow the Council to invest in services:
 - £10.5m into schools
 - £4m into social care, and,
 - £800k to deliver the promises set out in the Corporate Plan.

The Leader stated that this balanced budget has been put together in the best interests of the citizens of Newport.

The Leader invited comments from her Cabinet colleagues.

Cabinet members agreed that more funding is required from UK and Welsh Governments in order to provide the correct level of services expected by the people of Newport; schools must stay within their allocated budgets. All thanked colleagues and staff for the work undertaken to reach a balanced budget.

The Chief Executive thanked Cabinet for taking this longer term view and confirmed she totally supports Cabinet in taking forward these proposals and their willingness to look at future priorities and investment to reduce the longer term pressures.

The Leader thanked officers, cabinet member colleagues, partners and the citizens of Newport for their contribution throughout the budget process.

The report asked Cabinet to:

In respect of the budget proposals and medium term projections (section 3-6)

1. note the formal consultation on the budget as outlined in section 6 and the feedback received, shown in appendices 1 to 4b.
2. note the equalities impact assessment summary on the budget proposals, shown in appendix 9.
3. review all draft budget proposals (appendix 5 - 6), as summarised within the medium term financial projections (appendix 7) and allocate the financial flexibility shown in table 3. In doing so, agree the implementation of the resulting full three-year savings programme, including all budget investments and saving options.
4. agree the 2020/21 fees and charges of the council shown in appendix 11.

In respect of the overall revenue budget and resulting council tax 20/21 (section 7 and 8)

5. note the Head of Finance's recommendations that minimum General Fund balances be maintained at £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, and the adequacy of the general reserves in the context of other earmarked reserves and a revenue budget contingency of £1.5million.
6. note the current level of council tax for Newport City Council and the monetary value of various percentage increase and how this compares to levels of council tax at other councils as shown in table 5.
7. recommend an overall net budget for the Council and resulting council tax to full Council, noting that a formal resolution including the Police and Crime Commissioner for Gwent and Community Councils' precepts will be presented to Council on the 27 February.
8. approve expenditure and use of reserves in line with summary shown in appendix 10b, noting they are based on detailed proposals reviewed by Cabinet in their December 2019 meeting.

Decision:

All of the above proposals were agreed by Cabinet. Cabinet agreed further changes as follows:

Investment of:

- £1.4m further in school budgets;
- £250k further in the Council's ICT budgets to accelerate modern ways of working and digitisation;
- £70k in management development training to help prepare the Council for on-going challenges;
- £292k in foster care fees to bring the Council's fees closer to that of the best paying Gwent Council levels and create the foundation to attract and retain these valuable partners in Children's social care;
- £90k in the education department to strengthen governance arrangements with schools;

- £120k in the city's youth services. The Leader confirmed the youth council will be consulted on how best to utilise this funding;
- £80k in supporting bringing empty homes back into use by way of Council Tax reductions using the Council's discretionary powers. The Leader confirmed a detailed policy will be developed to support this;
- £60k in discretionary rates relief for community and youth groups across the city where they use their own premises. The Leader confirmed a detailed policy will be developed to support this.
- £210k in city centre cleansing and safety initiatives;
- £193k in the benefits' service.

Agreed that the following changes will be made to existing proposals:

- Delete the draft saving of £75k from the Barnardos' contract and maintain the current level of preventative work from this partnership;
- Delete the draft saving of £475k from using existing capital reserves to fund 2019/20 capital spend. This will enhance the Council's capital spend headroom in the future;
- Delete the draft saving of £45k in 2020/21 and in future years from stopping the Post-16 Transport Support for schoolchildren;
- Reduce the social care voluntary grants draft saving by £22k and not including the reductions shown for People First and MIND;
- Reduce the Council Tax increase recommendation to Council to 6.95%.

Decision:

Cabinet recommended the budget, in line with the agreed changes noted above, is put to Council for consideration and decision at the next meeting to be held on Thursday 27 February 2020.

6 Key Stage 4 Outcomes: Summer 2019

The Leader introduced the report and confirmed that a Key Stage 4 outcome report is reported to Cabinet each year. 2019 marks the first set of data released in line with the interim performance measures, therefore, it has not been possible to make comparisons to previous attainment. The Leader outlined the interim performance measures:

The Capped Nine measure:

- Literacy
- Numeracy
- Science
- 6 GCSEs or equivalent
- Literacy
- Numeracy
- Science
- Welsh Baccalaureate Skills Challenge Certificate

The Leader confirmed the interim performance measures are based on a points score:

- In the Capped Nine score the equivalent of 9 Grade C GCSEs is 360 points
- A line of best fit in terms of individual schools with the region has been produced based on attainment and Free School Meals percentage of each school.

The Leader introduced the Cabinet Member for Education and Skills to speak in more detail to the report.

Councillor Giles confirmed the report is for information only and details the summer 2019 outcomes of Key Stage 4 learners in Newport's schools.

The interim performance measures work on a point score system, rather than reporting the percentage of learners who attained a particular standard, and focus on the individual schools rather than aggregating data to a local authority level.

The report includes a line of best fit based on the performance of all schools across the South East Wales Consortium. Based on the line of best fit, there are a number of Newport schools that performed in line with, or better than, the modelled expectation in summer 2019. These include St Joseph's RC High, Llanwern High, Bassaleg School, St Julian's School and Newport High. The Cabinet Member said it is important to consider that some Newport schools serve diverse populations, including a significant number of learners who may speak English as an additional language or have high rates of mobility in and out of the city, so direct comparison of performance between schools is not always appropriate.

The report includes a table that demonstrates the difference in performance of learners who are eligible for free school meals against those who are not eligible. It is a priority of the Council's Education Service to reduce the gap in the performance of these two groups of learners. However, when analysing this table it is important to note the cohort sizes of the two groups of learners. Some schools have a much smaller percentage of learners who are eligible for free school meals compared to others. Again, this difference in cohort size means that it is not appropriate to compare the gap in performance between schools.

The Cabinet Member stressed it is important to note that this performance data is only one measure that is used to assess how well a school is doing.

National categorisation informs the amount of external support a school needs to improve:

- Red categorisation schools receive up to 25 days of support;
- Amber categorisation schools receive up to 15 days of support;
- Yellow categorisation schools receive 10 days of support and,
- Green categorisation schools receive 4 days support from the EAS.

Notable changes in categorisation this year are:

- Llanwern High has changed from a red to amber categorisation - the Cabinet Member expressed her congratulations and thanks to the Head Teacher of Llanwern High for this attainment, and,
- The John Frost School has changed from amber to yellow categorisation.

The report noted that Ysgol Gyfun Gwent Is Coed and St Joseph's High school remain as green categorisation schools.

Those schools that remain red or are categorised as amber are making progress but still require the higher levels of support from the EAS.

During the last academic year, Llanwern High was removed from the Estyn statutory category of 'significant improvement' due to the positive progress the school had made. In addition, Bassaleg School received a positive Estyn Inspection where it achieved four good and one excellent judgement. Estyn invited Bassaleg School to prepare a case study on its work around involving vulnerable groups in student representation and its personal and social education and tutorial programme for sharing on Estyn's website. The Cabinet Member confirmed she and Councillor Mark Spencer (Armed Forces Champion) had visited

Bassaleg School earlier in the day to celebrate the support the school gives to children whose parents are in the armed forces.

Attendance is another important indicator of school performance. In 2018/19, no Newport secondary schools were placed in the bottom quarter for their attendance rate, when compared to similar schools. In 2018/19, secondary school attendance in Newport was ranked 7th out of the 22 local authorities in Wales. Newport has improved by 15 ranking places over the last four years, and in 2018/19 three Newport secondary schools were in the highest quartile for their attendance rate; this is something to be celebrated.

The Cabinet Member congratulated all education staff for the support given to all schools and congratulated the secondary schools on their successes over the last year.

The Leader was pleased to hear about the schools' improvement and thanked all stakeholders for the level of commitment provided to education in Newport.

Decision:

Cabinet agreed the content of the report.

7 Brexit Update

The Leader presented the report that provided Cabinet with an update on the Brexit preparations being undertaken by the Council and confirmed it is a follow up to the report that was presented to Cabinet in October 2019.

The report confirmed that on 31st January the UK formally left the European Union and has entered into an 11-month Transition Period.

It is anticipated that there will be no significant changes to how businesses in Newport/UK trade with the EU or in relation to the movement of people between the EU and the UK and the way in which services are delivered in the Council.

It will be important that the Welsh Government, Welsh Local Government Association and councils have their voices heard on the potential opportunities, risks and impacts to businesses and residents living in Newport and Wales.

The UK has until 1st July 2020 to extend the transition period beyond the 31st December 2020 (*there is the potential to extend this up to 31st December 2022*). However, at this stage the UK Government have stated that they will not look to extend the deadline beyond this year.

If no trade deal is agreed and in place by the end of 2020, the UK will have to fall back on World Trade Organisation terms and will result in a No-deal Brexit.

The Leader confirmed the Council's officers continue to monitor the potential risks and impacts on the delivery of services in Newport through the Officer Brexit Task & Finish Group led by the Director of Place.

Cabinet Members and Officers from the Task & Finish Group are also representing the Council at Welsh Local Government Association (WLGA), Welsh Government (WG) and other pan-Wales/regional meetings on Brexit.

The Council's Brexit risk continues to be monitored through the Council's Corporate Risk Register which is reported to Cabinet and Audit Committee every quarter.

Since the last report, the following activities have been undertaken by the Council:

The Council's Registrar Service has launched an ID verification service to support EU Settled Status (EUSS) applications.

- Home Office figures (September 2019) show that 2,290 EUSS applications had been concluded for EU residents in Newport.
- The Council are co-ordinating a weekly drop in provision for EU Nationals in partnership with all voluntary sector services funded to support applications to the EUSS.

In December 2019 the Council received £80k Food Poverty Grant from the WLGA/Welsh Government to help tackle food related poverty that may be caused as a result of Brexit.

- This funding will be used to target areas of need through the Council's Hubs and will also be available to local charities, third sector organisations and community groups to make bids for funding to enable them to deliver their initiatives and provide long term benefits to the city.

The Council received £45k through the WLGA for the Homelessness Prevention Grant Programme which will enable the Council to develop a Welcome to Newport App for migrants wishing to access information about Newport, maintain secure tenancies, to provide Homeless Information Cards that will enable homeless migrants on where and how to access local services, and deliver training to staff to support the homeless that have no recourse to public funds.

The Council's Economic Development team have been engaging with local businesses in Newport and assisting them to access Brexit related information and guidance.

Communication arrangements to provide information to councillors, staff, residents, communities and businesses that could be affected by Brexit will continue throughout 2020 alongside regular Cabinet reports.

The table attached in Appendix 1 of the report provides full details across the areas covered by the Task & Finish Group.

The Leader welcomed comments from her Cabinet colleagues.

Councillor Truman mentioned Newport is a very busy Port Authority and it is important to get the best deal possible for companies that trade with Europe.

The report sought Cabinet's agreement to accept the contents of the report and to receive regular updates as progress is made through the transition period.

Decision:

Cabinet agreed to accept the report and for Cabinet/Cabinet Members to receive updates from officers as part of their portfolio.

8 Economic Growth Strategy

The Leader presented the report and confirmed the Newport Economic Growth Strategy was adopted in 2015. The Strategy gave commitment to a 10-year vision and framework for building Newport's economy through:

- Delivering shared prosperity;
- Creating an excellent economic environment, and,
- Moving Newport up the value chain.

A number of outcomes and aims were agreed to ensure that people in Newport can achieve their potential; Newport has a competitive environment; Newport is a better place to live, and, Businesses in Newport have the opportunity to prosper.

The Leader confirmed that whilst these outcomes and aims remain relevant, after five years there is a need to revisit the Strategy and ensure it remains fit for purpose and aligns with the Council's wider strategic objectives.

Newport as a City has changed since 2015 and is now a more competitive city; has growing influence in high value sectors; benefits from a rapidly expanding tourist sector and is home to the brand new International Convention Centre for Wales; provides greater training and development opportunities for future workers, and, is embracing new regional partnerships and the Council's commitments in the Newport Well-being Plan.

The report confirms that the 2015 Strategy has had a number of successes in delivering economic growth including:

- An 11.7% increase in FTE gross weekly wages;
- A 14.9% increase in business start-up rates;
- A 1.7m increase in visitor numbers, and,
- A £405m increase in Newport GVA.

However, the report recognises that there is still some work to do on, reducing the gender pay gap; improving the public perception of Newport, and, encouraging and supporting self-employed residents.

The Leader confirmed the updated Strategy acknowledges the city's strengths and challenges and proposes new aims to support the original outcomes. These include, but are not limited to things such as: increasing the percentage of Newport residents with NVQ level 4 and above; addressing skill shortages in key sectors, including digital, hospitality and construction; supporting the delivery of more Grade A office space and co-working accommodation as well as delivering sustainable and good quality homes; developing a carbon reduction programme for the organisation with a carbon neutral vision, and, sustaining the City Centre as an attractive place to live, work and visit.

All of these intended aims are captured within the detailed delivery plan which is contained within the updated Strategy document.

The Leader welcomed comments from her Cabinet colleagues.

Cabinet colleagues agreed that:

- Newport is the Gateway to Wales and has everything required to provide a good quality of life for its citizens and visitors.
- Positivity rather than negativity is now required to build on Newport's reputation and to instil greater local and civic pride;
- Increase in house prices is an indicator of people wanting to live in Newport;
- Tourism is on the increase as evidenced in a presentation made at the Caerleon Ward Meeting held on 11th February. An exhibition is also currently running focusing on the historic Living Levels and the people that live in the Levels – the exhibition is on show at the Riverfront and Cardiff Bay;
- Achieving fantastic rates for those not in Education, Employment or Training (NEETS) – this is all about ensuring a brighter future for Newport's young people;

The Leader concluded by agreeing with all her colleagues' comments and highlighted how important destination management is to the value of the economy in Newport. She went on to say that Newport is largely a rural community with a large urban core with attractions such as the sea wall, the wetlands, the living levels, etc., which are all important to the wellbeing of Newport's citizens.

The Leader confirmed she has visited the housing schemes that are contributing to the mixed city centre environment together with the other great opportunities developing within the centre, including the new hotel and also, schemes that are ongoing that will deliver high level office accommodation. The Leader is also very proud of the market arcade project and whilst a very challenging project she was pleased to see that the scaffolding has been erected and the arcade's regeneration is underway.

The Leader attended a 'meet your business neighbour' event recently in liaison with Torfaen Council where over 100 businesses were represented; the event included a range of people/businesses and showcased the value within the region of entrepreneurship and creativity; an event that demonstrated businesses want to be open for business in Newport.

The Leader confirmed she is confident that the refreshed Strategy reflects what the Council needs to do to encourage and sustain economic growth in the city for the benefit of all residents, partners and businesses for the next 5 years and had no hesitation in recommending that the updated Strategy is approved. The Leader thanked the team for the fantastic work done on this and for the great vision in bringing the Strategy forward.

Cabinet was asked to agree to the proposal to proceed with adopting the updated Economic Growth Strategy to ensure that Newport continues to meet current needs and facilitates opportunities for growth and investment until 2025.

Decision:

Cabinet agreed to adopt the updated Economic Growth Strategy.

9 **Work Programme**

The Leader presented the Cabinet Work Programme.

Decision:

Cabinet agreed the updated programme.

10 **Date of Next Meeting**

The next meeting will take place on Wednesday 18th March 2020, at 4.00 pm in Committee Room 1, at the Civic Centre, Newport.