

Minutes



Cabinet

Date: 7 July 2021

Time: 4.00 pm

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

1 Apologies for Absence

None received.

2 Declarations of Interest

None received.

3 Minutes of the Last Meeting

The Minutes of 16 June 2021 were accepted as a true and accurate record.

4 Treasury Management Year End Report - 2020/21

The Leader presented the report. This report fulfilled the Council's responsibility to receive and approve an annual treasury management outturn report each year. The report dealt with the outturn for 2020/21 and had already been reviewed by the Audit Committee where no comments were made and would go to Council following this Cabinet meeting.

The report presented the following information:

- Details of capital financing, borrowing, debt rescheduling and investment transactions
- Reports on the risk implications of treasury decisions and transactions
- Details the outturn position on treasury management transactions in 2020/2021 which confirmed compliance with the treasury limits set by Council.

The Covid pandemic had an impact on Treasury Management during 2020/21. Since the early days of the pandemic the Council had to monitor a significant increase in cash-flow activities throughout 2020/21, coming from the making of business grants and the Business Rates Relief Scheme in particular, and also by its own increased costs and lower income level. The Welsh Government provided significant up-front cash-flow support to ensure Councils were adequately financed to administer the business rates and business grants scheme, reimbursed Councils throughout the year for their increased costs and reduced income, as well as loading its RSG grant support towards the first half of the year. Alongside the slippage in the delivery of its own capital schemes and underspending on its revenue budget, this meant cash-flow was more positive than a 'normal year' which gave rise to lower borrowing activity and much more short term investing activities.

This did not reduce the need to borrow commitment the Council had but did slow down the pace at which that borrowing was taken up towards that commitment level.

Notwithstanding the aforementioned, in line with the agreed Treasury Management Strategy, the Council still continued to be both a short-term investor of cash and borrower to manage day-to-day cash flows in 2020/21.

Turning to borrowing activities specifically. Whilst the Council had significant long-term borrowing requirements, the Council's current strategy of funding capital expenditure utilises 'internal borrowing' rather than undertaking new borrowing where it could. It can do this because of its 'cash-backed' reserves and at 31 March 2021, the level of internal borrowing was about £107m which saved, at current interest rate levels, about £2.4m in interest costs annually compared to physically borrowing this level of cash.

The financial year was relatively quiet in terms of borrowing activities, as shown in Appendix B to the report:

- The Council repaid a short-term loan taken out in March 2020 to specifically cash-flow and facilitate early payments of business grants in April. This was reimbursed by the Welsh Government and the loan repaid, as planned in June 2020.
- In March 2021 the Authority undertook borrowing on a short term basis in order to cover normal day to day cash flow activities.
- Lastly, a minimal amount of new long-term borrowing was required to be taken out in the second half of the financial year totalling £94k. This borrowing was from 'Salix' which was interest free and was linked to a specific energy efficiency project.

Current estimates within our cash-flow indicated there was the potential that additional long-term borrowing would be required in the second half of this current financial year to fund the capital programme, and whilst slippage on that was included in the cash-flow forecasts, what actually happened in the year in regard to delivery of projects would influence this significantly. In particular, the major projects within the Band B Education schemes would start the period where longer term borrowing started to be taken out.

Turning to investing activities. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor, consistent with the pursuit of an 'internal borrowing strategy' and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

All investments were currently placed on a temporary basis and were placed in high security institutions, in line with our other strategy in this area. At the 31 March 2021 £15m was placed with various local authorities and £9.8m with banks and building societies.

Lastly, Prudential Indicators. The Authority measured and managed its exposures to treasury management risks using various indicators, which could be found in Appendix B. This report confirmed the Council complied with the Prudential Indicators for 2020/21, as set in February 2020 as part of the Treasury Management Strategy.

Decision:

That Cabinet:

1. Noted and provided comment on the Annual Report on Treasury Management for the Financial Year 2020/21.
2. Noted and provided comment that 2020/21 Prudential Indicators for Treasury Management were in line with those set by Council in February 2020.

The Leader presented the report. The report detailed the final outturn position of the Authority for the financial year 2020/21 that ended on 31 March 2021.

2020/21 had been a year like no other. As the Covid pandemic developed rapidly from March 2020, services were reprioritised to deal with the immediate response to support communities across Newport and this lasted, to various extents, for all of the financial year. Although there were significant additional costs incurred to deliver this response to our communities these costs were funded by the Welsh Government.

Not only did the council work closely with the Welsh public sector to support communities and businesses across Wales, we also acted as an agent for the Welsh Government in processing £51m of support payments across a number of government led schemes plus a further £20m of business rates holiday for the leisure and hospitality sectors.

The underspend of £14m had arisen, in the main, due to services being diverted from their regular activities in order to prioritise Covid response. Specifically:

- The council received in the region of £23m of one off Welsh Government funds to compensate the Council for additional costs incurred in response to the pandemic and the lost income experienced due to Covid restrictions;
- There were significant underspends across all service areas due to changes in service provision and working practices, and;
- Linked to the above, there was an underspend against the general revenue contingency budget, council tax reduction scheme and council tax income – all of which were non-service budgets.

There had however been some one off and recurring issues that were raised within the report that would be addressed by officers, for example, the delivery of savings. Whilst 82% of the savings target was achieved in 2020/21, there were delays in implementation due to the impact of Covid and robust plans were needed to ensure that these savings were fully delivered in addition to the new savings agreed for 2021/22.

Furthermore, impact on operational services due to the continuing pandemic and the additional work this created was unknown at this time. Although, the Welsh Government hardship fund was set to continue for the first six months of 2021, what happened beyond this time remained unclear.

Section 4 of the report explained in detail the areas that had the potential to affect the financial position in the current year, 2021/22 and these areas would continue to require specific oversight from the Senior Leadership Team.

As for the position of schools, these variances were covered by the school balances reserve, the overall underspend of £14m did not include the schools position. For 2020/21 schools underspent by £8.4m which would see school balances increase from £1.1m to £9.5m as at the 31 March 2021. Schools made significant savings during the period of school closures, not only as they had the ability to claim for additional Covid related costs, but also due to over £4.7m of unexpected grants being received in late March.

The projected school balances improved significantly in 2020/21 and this was largely due to that one off, non-recurring grant income. Schools would, however, need to robustly monitor and manage their budgets effectively to ensure financial sustainability going forward within their core funding.

As part of this meeting, we are being asked to approve how this underspend was utilised.

Having this one off funding available was extremely helpful to support the recovery of the City and in reviewing the use of the underspend, it allowed the Cabinet, to consider how to:

- Support and invest in our communities to recover post Covid and improve resilience;
- Support and invest in the business community and local economy to recover post Covid;
- Invest in local communities infrastructure to encourage greater pride and cohesion;
- Invest in the City's 'green infrastructure' and carbon reduction initiatives;
- Invest further in the Council's assets; and
- To protect the Council by enhancing its risk mitigation reserves.

Following this overview of our financial position, section 5 of the report detailed how the £14m was to be utilised under specific headings linked to Covid related activity, community resilience and cohesion, service delivery and risk mitigation. These were:

- £500k for the creation of a community recovery fund
- £500k for the refurbishment & cleansing of open spaces across the city
- A further £116k additional support for highways road repairs which took the total level of funding in this area in 2021/22 to £1m
- £1m green recovery funding for the implementation of decarbonisation schemes
- Almost £300k for homelessness prevention
- There would be an additional £800k for additional support to schools
- Furthermore, over £4m would be set aside for capital investment to support the growth and regeneration across the city.

The reserves balance at 31 March 2021 following the above approvals would increase to £107m – aside from this year's underspend other significant movements were summarised within the report in paragraph 5.4.

Comments from Cabinet Members:

- Councillor Davies mentioned that Education were able to utilise the money in a positive way. The Cabinet Member referred to the commitment of the Council to the socio economic duty from Welsh Government, which was welcomed by council and part of this duty was to ensure that we addressed lower levels of health, lower paid work in relation to the inequalities, people were at more risk to being victims of crime. The Cabinet Member therefore welcomed the opportunity afforded by the Council to allow the Chief Education Officer to access funding of £765,000 for access to education and help reduce inequality. In addition, the £801,000 was an unexpected spend at St Andrews Primary School but was necessary to ensure that KS2 children were kept together for education to continue in a safe and appropriate manner on the Mendelgief site. The Cabinet Member praised Cllr Jeavons and the Head Teacher for ensuring this provision was maintained.
- The Deputy Leader agreed that this was a year like no other and how Newport City Council was funded during the pandemic was unique. Figures were still rising from the delta variant and we were not out of the woods yet, however the council had ensured the prudent management of funding.
- Councillor Truman referred to the following paragraph outlined in the report: *This report makes recommendations to utilise the one off underspend available to help the City recover from the impact of Covid; invest in the local economy and to protect the Council by enhancing its risk mitigation reserves.* Staff had put themselves at risk at an early stage with speed and efficiency. The Cabinet Member made reference to the Covid Recovery fund and encouraged business to apply for this. Also that it was right and proper for the Council to planning in place with the funding received with the need to save and invest for the future.

- Councillor Hughes also referred to the Covid Recovery Fund and hoped that communities would take advantage of the scheme and would hopefully introduce some exciting projects. The Cabinet Member also welcomed the Green Recovery Decarbonisation support that was available and the schemes in place to support the city to meet these requirements and showed the Council's commitment to sustainability agenda.
- Councillor Cockeram also added, in relation to overspend that some staff in children homes had to sleep over because there were on some occasions no one to replace them and issues getting agencies to cover shifts. The Council would see better results next year because of the Children's Homes now in place and the cost that the Council would have incurred if this service had gone out to independent agencies. Foster care agencies had also reduced with independent foster carers from 73% to 60%, which might sound small however, it was having a positive impact and it was hoped that more independent companies would make this move.
- The Leader thanked the Cabinet Member for highlighting the importance of moving to new models of delivery, which would be a far better experience for our service users and mentioned the value for money in light of this. The Leader also took the opportunity to thank the work of foster carers for their love and kindness, care and support provided for children within Newport by taking them into their homes.

Decision:

That Cabinet:

1. Noted the outturn position, which was subject to audit and the major variances for the year (sections 1-3);
2. Approved use of the underspend as set out in section 5 of the report and noted the resulting level of the Council's general and earmarked reserves;
3. Approved reserves transfers as set out in section 5;
4. Noted the school's outturn and the position on the individual and total school reserves.

6 **Capital Outturn and Additions - 2020/21**

The Leader presented the report. This report provides the final Capital outturn for the 2020/21 financial year. Specifically, it requests:

- approval of budget carry forwards to fund slippage of existing project expenditure into the new financial year at £7.134m,
- approval for new capital projects to be added to the Council's Capital Programme. These are very significant at £24.795m, and
- approval for a revised Strategic Outline Plan (SOP) figures for the Education Band B capital programme to be provided to Welsh Government with the intention of collectively reviewing the affordability of existing aspirations and potentially sourcing additional funding.

It also provides an update on the current available capital resources ('headroom'), including the confirmation of Welsh Government's grant funding of £7m towards the new leisure centre project and impacts and action taken on that.

The Council has set an extensive capital programme that reflects a seven year commitment. Table one in the reports shows how that has changed over the financial year and shows the Council's capital commitments and spend in the city now totals £274m over the life of the programme, across all service areas.

Table two in the report shows the position in 2020/21, which is the focus of this report. It confirms a small underspend on completed projects of £749k and the report details those. It also highlights the need for slippage on spending of £7.1m where projects delivery and spend have fallen behind the financial profile for those. The capital budget for 2020/21 has been reviewed and reduced over the year, but this slippage has still occurred and is significant at about 21% of the budget, though consistent with previous years. Details of the major areas of slippage are included in the report.

Slippage of the capital programme is a recurring theme and can sometimes be caused, in part at least, by late notification of external grant funding which leaves little time to deliver projects in the same year. In saying that, as the report shows, slippage, alongside the significant increase in new projects which are included here for our approval has increased the budget to about £100m in the current 2021/22 financial year.

This clearly now requires a review and the whole programme reviewed in terms of timing of delivery. This will happen over the Summer/early Autumn and I would ask that senior officers do this as robustly as they can – it needs to be realistic and allows the Corporate Management Team and Cabinet to take a view on that and deal with any issues it may highlight.

We are also being asked to approve, as usual, new capital projects to be added to the overall programme. In this report, we have an unprecedented amount of new additions, the vast majority funded from Welsh Government grants, which were only confirmed from February onwards. Some of which had a significant impact on the city. These included:

- Nearly £1.7m on 'place-making projects' which was currently being developed,
- Nearly £10m on 'active travel schemes' which would provide a huge boost to sustainable travel within the city and surrounding areas,
- About £2.5m of additional funding and spend to maintain school buildings, and
- Over £6m on highway works and low emission vehicles.

All of these support our key priorities, the Leader was therefore pleased that the Council was able to progress on these now.

Comments from Cabinet Members:

- Councillor Cockeram voiced his concern regarding the Disabled Facilities Grant (DFG) grants slippage which was £344,000. This was a huge amount and the council would have run out of money by Christmas if this was a normal year, therefore it was giving a false reading because of the Pandemic. Also, referred to a letter from the Welsh Government in relation to means testing and the provision of £1M funding for the whole of Wales which would mean an extra cost to the council, therefore the Cabinet Member had requested that a report to be brought to Cabinet.
- The Leader agreed that the limited opportunities and capacities of social services would impact on the Council but this was not a reflection on the level of demand for these services.

Decision:

That Cabinet:

1. Approved the additions to the Capital Programme requested in the report (Appendix A)
2. Approved slippage of £7,134k from the 2020/21 budget into future years, noting the re-profiling of the programme this gave rise to
3. Noted the capital expenditure outturn position for 2020/21
4. Endorsed provision of information to Welsh Government to review Band B schools transformation programme costs

5. Noted the available remaining capital resources ('headroom') until 2024/25
Noted the balance of and approve the allocation of in-year capital receipts

7 Responding to the New Normal

The Leader presented the report. In February 2021, a discussion paper was presented to Overview and Scrutiny Management Committee titled 'Responding to the New Normal'. This detailed how the Council had responded to the Pandemic and the benefits and challenges associated with the new ways of working which were implemented.

A follow up paper, in essence the report put to Cabinet, was presented to OSMC in June 2021 for comment.

Cabinet were asked to agree to a series of recommendations, which would set the direction of travel for the organisation. These took into account both the experience and evidence gathered over the last 15 months, organisational commitments, opportunities that had arisen, staff expectations and legislative requirements.

If Cabinet agreed with the recommendations, then the commencement of consultation with Trade Unions and staff would take place to discuss any potential changes to terms and conditions of employment and develop more detailed plans in association with the use of the Civic Centre, prior to a final report being presented to Cabinet in the Autumn.

Both Members and officers of the Council adapted to the way in which they worked in order to respond to the Covid 19 Pandemic. The Council's focus was to ensure the safety of the public, our staff and Elected Members.

Whilst this had been incredibly challenging it created opportunities, like many other public and private sector organisations, have explored.

The report covered four main areas:

- Our staff,
- The use of our main building, the Civic Centre and how we worked with the public,
- How we managed the democratic functions of the Council, and
- How we utilised technology

The first key decision was whether to press forward with the cultural and operational changes implemented as a result of the pandemic, or return to the pre-Covid model.

Maintaining the flexibility that the Council's Covid response created enabled us to meet our Corporate Plan commitment of freeing up 20% of the Civic Centre to save money and create space for commercial and social innovation.

Having more staff working from home or close to home supported the Climate Change agenda and helped work towards carbon net zero. 45% of all carbon emissions in Newport came from transport. The report showed that 75% of staff commuted to work by car before the Pandemic.

In relation to staff, the council considered responses from employees during the pandemic. Many appreciated the opportunity to work flexibly and this had an impact on staff sickness. However, it was also worth noting that the reduction in stress related absence was not as positive and we needed to consider the well-being impacts on staff. The Council was currently consulting with Trade Unions on a new Wellness at Work Policy and this should result in an improvement in levels of support for staff.

The report highlighted the potential remuneration that would be considered for staff if we designated their home as a place of work. It should be noted that the report was not

advocating that staff should solely work from home – there were benefits from bringing staff together in their teams and the report detailed this.

The report stated that if Cabinet agreed to the recommendations within the report that we would have to consult with staff on:

- The development of a Home Working Policy
- Any changes to the Travel and Subsistence Policy
- A review of the flexible working scheme

The Council would also need to re-look at how it supported staff with long term health conditions, particularly mental health conditions and would need to develop a different approach to engagement with a dispersed workforce.

Included within the report were the responses from Trade Union partners. These responses were generally supportive of the approach but highlighted the well-being impacts and also ask us to look at a whole organisation approach. It was important to note that the majority of our employees deliver services that would be described as front-line – they worked face to face with service users, they maintained the Council's roads, clean our streets, work in our communities. Whilst we could continue to look at ways in which we could modernise their jobs, these were not roles that could be undertaken 'remotely'. If the Council proceeded to the next stage in the development of this approach then officers would need to detail exactly who any new arrangements would apply to – but broadly it would focus on staff who did not deliver front line services.

The Civic Centre was an iconic building within Newport and the home of local democracy. However, prior to the pandemic it had been under-utilised. Significant reductions in staff over the previous 10 years meant that under 40% of the building was occupied before we went in to lockdown.

Changing the way that the council deployed staff reduced further the requirement for space within the Civic Centre. Officers were working with Norse colleagues to determine the most efficient configuration for our operations: this included work space for staff, the critical space required to run the democratic functions of the Council and essential space for public access and direct, face to face service delivery. In fact, this final point was within the recommendations from Scrutiny it was made clear with officers that any future changes to the Civic should have the requirement to provide services to our residents at its heart.

All this would enable us to bring back more services to the Civic Centre, potentially freeing up other assets but would also enable us to make provision for third parties to utilise the space created.

As mentioned earlier, there was a desire to create a Cultural Hub within the Civic Centre and a desire to engage with Welsh Government on remote Working Wales and create a Public Sector remote Working Hub at the Civic Centre. There were also options for other third parties and officers would be required to develop the detail on these options.

Whilst the Council was looking to enable a proportion of its staff to work from multiple locations, we were also developing the options to ensure the Civic Centre was fully occupied.

The third part of the report considered the democratic function of the Council. The way in which we would be required to operate in the future was set out in the Local Government and Elections Act and the Democratic Services Team were working very closely with colleagues in Digital Services to ensure we had hybrid meeting facilities in place for Members to access these, either from our Council Chambers or Committee rooms, or from a work location, or home. This was all part of the widening diversity in Local Government agenda.

There were impacts on Members in relation to these changes and the report asked us to refer to the Democratic Services Committee on a number of points that would then need to be agreed by Council.

Finally within the report we were provided with details on the technology that supported all of this. We are not being asked for any decisions in respect of this because Cabinet previously made the necessary investments to IT and these investments came to fruition during the Pandemic. This was demonstrated by the fact that within four days of the National Lockdown beginning in March 2020, we had 1200 staff and Members working remotely. In October, Cabinet also agreed to the proposal to relocate our Data Centre and this would improve resilience of the network and systems going forward.

The options before were to either:

1. Once Covid restrictions come to an end and an appropriate risk assessment was in place the option to return to pre-Covid arrangements would be available to the Council. **Or,**
2. Accept a new operating model, in principle and pending consultation with Trade Unions and staff that build on our experiences of operating during Covid.

If we choose Option 2, the report recommended that we would need to:

- a. Consult on a homeworking policy and associated allowance for staff required to work from home for at least one day per week.
 - b. Review the flexible working scheme and the appropriateness of this going forward.
 - c. Develop proposals to investment in new approaches to support staff with long term health conditions, with the emphasis on supporting mental health in a post-pandemic environment.
 - d. Develop different techniques and tactics to ensure engagement with a dispersed workforce.
3. Seek to maximise the occupation of the Civic Centre as the main administrative headquarters and centralise other Council facilities and potential third-party occupiers within the premises
 - a. Zone the Civic Centre (by Service Area of Directorate) so that staff were able to work together in their professional groups when in the building.
 - b. Develop service specific areas (confidential areas, fixed locations for specific activities, etc.) including public accessible areas either on a drop in or appointments basis.
 - c. Develop technological solutions to support this (booking system, etc.).
 - d. Develop approaches to the utilisation of the reception area and meeting rooms.
 4. Should the Council retain a dispersed working model ask Democratic Services Committee to review current well-being provisions to ensure that they are adequate and make recommendations to Council.
 5. Should the Council retain a dispersed working model ask Democratic Services Committee to assess if the current remuneration package is sufficient and, if required, make recommendations to Council.

Options 2, 3, 4 and 5 we therefore the preferred options.

Option 1 limited our ability to meet our carbon reduction targets and rationalise our assets. If Cabinet chose Option 1 we would still need to develop a hybrid meeting ability due to the requirements of the Local Government and Elections Act and Members would have the option to access meetings remotely. Employees may have expectations regarding remote and home working that were therefore not met.

If the preferred options were accepted by Cabinet, we would consult with recognised Trade Unions on any changes to HR policies. A final report would be presented to Cabinet in the Autumn detailing responses to this consultation and with further options for the utilisation of the Civic Centre. We would also discuss the proposed reviews with the Democratic Services Committee.

Comments from Cabinet Members:

- Councillor Harvey mentioned that this was a serious report for consideration and thanked the staff for their hard work and how they adapted to working from home as well as being proud of the Council workers. Extra Covid cases of over 30,000 were reported today with 33 deaths. We were still far from normal and needed to protect the public and staff. This new way of working was therefore fully supported by the Cabinet Member.
- Councillor Rahman echoed Councillor Harvey's comments and it was important to highlight the work carried out by staff. The wellbeing of staff was important as we recovered from the pandemic, therefore on that basis the Cabinet Member fully supported the report. In addition, prospect of supporting flexible working opportunities by utilising the Civic Centre by bringing in third party organisations was also welcomed. It was hoped that the new way of working would bring back some normality to small businesses within the city centre to support regeneration of the city centre and help with the lunch time trade for these amazing independent businesses which was a priority.
- The Leader agreed with Councillor Rahman comments and supported other businesses, which was part of the Corporate Plan and welcomed businesses using the Civic Centre.
- Councillor Mayer mentioned that as Cabinet Member he had supported moving towards this position for a while and supported flexibility of the work life balance. The output of staff working from home had improved and did not have a detrimental effect towards the council. The Cabinet Member also added that the council could should not return to the old model and therefore supported the report.
- Councillor Davies stressed the importance of work life balance for staff and in the Council's recent survey staff mentioned that they were unable to disconnect from work at the end of the working day and this a body that should be looked into. There was also a positive impact on our city, as the WG promoted that they wanted 30% of the Welsh workforce to work remotely which would drive regeneration and economic activity. This would also enable the regeneration of our local communities as well as the city centre and allow for small shops to thrive. More importantly, we had to look at the decarbonisation of the city, to meet the requirement of being carbon neutral by 2050 the community based business hubs within the city and at the Civic was a positive way to take the city forward.
- Councillor Cockeram attended a conference for young children, with about 250 in attendance and people were pleased to see each other for the social contact. It was good to have a right balance and although he agreed with both Councillor Mayer and Davies, sometimes staff were not switching off and the social contact with people was also greatly missed.
- Councillor Truman mentioned that this was an opportunity to look at new ways of working. The space at the Civic Centre needed to be evaluated and it would bring a lot of opportunities for the a different approach of the usage of the building to be considered. Savings made by staff not working in the building had a positive impact on both the Council and staff. Finally, the Cabinet Member mentioned the importance of keeping the touch with Union representatives to proceed with any positive changes.

- Councillor Hughes thanked the council staff for their transition and was pleased that the report also tied in with the city's decarbonisation goals. The Cabinet Member therefore supported the recommendations outlined in the report and was confident that we would find a way to support staff.
- The Chief Executive was pleased to hear the views from Cabinet on the report and mentioned the hard work that the Head of People and Business Change had put into this. The Chief Executive made assurances that this would be a steady journey and whichever model was adopted would be for the benefit of Newport citizens. In light of the recent management structure report agreed at Council, this would also lead to a new culture of working. There was a need for some service areas to touch base which was why the report intended to move towards a hybrid model. The Chief Executive would also take on board the comments of the members and all colleagues in relation to the proposals within the report.

Decision:

Cabinet agreed to the recommendations outlined in Options 2, 3 4 and 5 within the report, which approved a new operating model, in principle, subject to consultation with relevant Trade Unions and staff on changes to terms and conditions of employment and a review by Democratic Services Committee of dispersed working on members' well-being and support.

8 **Mutual Investment Model (MIM) Strategic Partnership Agreement**

The Leader presented the report. This report was prepared by the Chief Education Officer with a decision being required by Cabinet.

The Welsh Government procured Meridiam Investments as its private sector partner to work on the delivery of education and community facilities in Wales under the Mutual Investment Model (MIM) of the 21st Century Schools Programme, and confirmed this as their preferred delivery method moving forward.

Some Local Authorities and Further Education institutions already entered into a Strategic Partnering Agreement with Welsh Ministers which supported this arrangement, and this outlined how the relevant parties would act together over the long term in a collaborative partnering manner to support the delivery of education and community facilities and infrastructure services across Wales.

The original Strategic Partnership Agreement was completed in September 2020, but there was now an opportunity for other Local Authorities who were not part of this arrangement to enter into a supplemental "Deed of Adherence". This would enable Newport to become a party to the Strategic Partnership Agreement for an initial term of 10 years.

The decision to enter into this Deed of Adherence at this stage did not commit the Council to any MIM project, nor was there any immediate financial impact. It simply provided the Council with a "seat at the table" to set priorities and have an understanding of the delivery plans for other participants across Wales.

In entering into this Deed of Adherence, the Council was required to nominate a "Participant Representative" to sit on the Strategic Partnership Board, and the report recommended that the Chief Education Officer be nominated to undertake this role.

Whilst making no commitment to specific projects, agreeing to enter this Deed of Adherence would ensure that the Council was able to access the benefits associated with the Strategic Partnership Agreement over at least the next 10 years.

The Leader invited the Cabinet Member for Education and Skills to speak on the report.

The Cabinet Member advised colleagues that the 21st Century Band B Welsh Education partnership was a supplemental agreement, which would ensure local authorities could work together collaboratively, to work up qualifying projects to ensure there was capacity, capability and a focus on best practice.

It was an opportunity to draw down on a range of strategic support and infrastructure service and procurement enabling and developing a project or a new build, which could be seen to sector leading and importantly value for money.

The Cabinet Member also recommended approval of Sarah Morgan to be the Council's participant representative on the strategic partner board as this would ensure consistency and continuity in any decision making process.'

Decision:

That Cabinet:

- (a) Approved the execution, delivery and performance of a supplemental agreement to the WEP Strategic Partnering Agreement dated 30 September 2020 (the "Deed of Adherence") and from the date of execution of the Deed of Adherence to give effect to and be bound by the terms of the WEP Strategic Partnering Agreement dated 30 September 2020 as a party to it, to facilitate the delivery of a range of infrastructure services and the delivery of education and community facilities;
- (b) Approved the terms of the Deed of Adherence and the WEP Strategic Partnering Agreement dated 30 September at Appendix A and B of this report and summarised in Appendix 1 and 2 of this report so as to give effect to recommendation (a), subject to recommendation (c) below;
- (c) Noted that the Chief Education Officer would complete the Deed of Adherence for execution and was approved to complete all information gaps;
- (d) Noted that the Deed of Adherence be executed as a deed and attested in accordance with Section 14.5 of the Constitution; and
- (e) Approved:
 - (i) The appointment of Sarah Morgan, Chief Education Officer as 'Participant Representative' to sit on the Strategic Partnering Board for the purposes of Clause 12 (*Parties' Representatives*) of the WEP Strategic Partnering Agreement; and
 - (ii) The name, address and contact details for the purposes of Clause 40 (*Notices*) of the WEP Strategic Partnering Agreement;
- (f) Noted that in agreeing to enter into the Deed of Adherence it was not being asked during this meeting to decide to proceed with any Project, and that any decision to proceed with a Project would be considered separately and reported back to Cabinet in future report(s) for decision.

9 **Covid Update Report**

Leader presented the report. This Cabinet Report was an update on the Council's and its partners' response to the Covid-19 crisis supporting the City (Residents and Businesses) to comply with the current restrictions and progress in the Council's Strategic Recovery Aims and Corporate Plan.

Covid-19 Update

- Since the last Cabinet meeting June, Wales started to see the Delta variant emerge as the most dominant strain.
- In Newport, cases were being reported to the Test, Trace and Protect service and remained low and contained into small clusters. The service alongside Aneurin Bevan

University Health Board, the Council and other partners were working proactively to support those affected and to break the chain of the virus spreading.

- The vaccination programme in Wales delivered by NHS Wales, ABUHB, with the Council's (Newport Live) support continued to be successful as it progressed towards under 25s receiving their first dose and those receiving their second dose.
- The vaccination programme delivered in Wales is not just one of the best in the UK but in the world and it was important for those who had not taken up their vaccination to do so as it not only protected the individual but others.
- The Welsh Government Roadmap was phasing into Alert Level 1 restrictions over this summer period. This cautious approach was taken due to the emergence of the Delta variant and further understanding required on the impact that this was having on those that received their vaccination and those that had not been vaccinated.
- It was important for residents and businesses to continue to adhere to the restrictions as we went through the final stages in the roadmap.
- As the Welsh Government advised, we would have to learn to live with the virus and would remain vigilant throughout the year.
- The Council continued to deliver services whether this was across residential homes, visiting clients, collecting waste or staff working from home.
- Schools continued to respond and support pupils where covid cases were reported.
- Funding was confirmed for the relocation of the Information Station to the Central Museum and Library building.
- Newport Live continued to engage and supported young people in Newport working alongside community safety partners.

Further updates on the Council's progress would be provided next month.

Comments from Cabinet Members:

- Councillor Truman briefly referred to the delta variant, which was on the increase and that Environmental Officers and Trading Standards Officers were working jointly with the Police to inspect various public premises to ensure that the right precautions were in place to protect the people of Newport. In addition, officers were giving out business advice and on some occasions, issuing improvement and closure notices as well as being on hand to provide advice and work on some of the clusters within Newport. The Cabinet Member supported the advice in Wales that social distancing be continued.
- Councillor Davies mentioned that the delta variant impacted on young people directly and schools had seen an impact, it was hoped that younger people would be sensible in social distancing to reduce the risk during the summer. More importantly, free school meals would continue with the council with the provision of supermarket voucher scheme, this supported year 11 and 13 age groups. The Cabinet Member therefore hoped that parents and carers would take advantage of the scheme because the funding was still in place for families.
- The Leader was filled with an immense sense of pride because of the support provided by the council to school children within Newport.

- Councillor Mayer praise the excellent continued support of council staff not only in Newport but within the UK in spite of negative feedback. Staff had stepped up during the pandemic by putting residents first, which was commendable.

Decision:

That Cabinet considered the contents of the report and noted the progress being made to date and the risks that were still faced by the Council.

10 **Brexit Update Report**

Leader presented the report, which was an update on the post Brexit/trade arrangements since December 2020.

Since the previous report in June 2021 the deadline (30 June 2021) for EU/EEA citizens to apply for EU Settled Status had passed.

The UK Government (Home Office) reported that many citizens had applied and received the outcomes of their Settled Status application.

This Cabinet, Welsh Government and other local authorities maintained that people from the EU, EEA or Switzerland were and would always be welcome in Wales and Newport. The contribution that this made to our communities, public services and businesses was invaluable.

The Home Office reported 5,020 people were granted Settled Status and 3,350 granted Pre-settled status in Newport. While this was very positive for Newport, there were still people who would not have applied and were likely to be some of our most vulnerable citizens.

The Council's frontline services had already seen EU residents and their families experiencing hardship was a result of their migration status. Now that the deadline passed, it was expected that the numbers would increase in the next year.

Newport Council, alongside its partners, would continue to do its utmost to ensure people were supported to exercise their rights in the UK and raise awareness across staff and other professionals of the needs of EU citizens.

Since the new trade arrangements were in place with the EU, it was a challenging time for businesses across Wales to adjust and comply with the new regulatory requirements.

The wider economy was also facing many challenges with supply chains and costs of particular goods and services increasing to meet consumer demand.

There were also certain sectors in the economy such as transport and hospitality that were also facing labour market shortages. While much of this could be contributed towards the Covid crisis there was also evidence indicating that Brexit was having an impact on particular areas of the economy.

To date, the Council and the delivery of some of its projects did not identify any significant areas of concern in relation to their supply and costs. This would be an area which the Council would continue to monitor closely over the next six months.

With the UK no longer able to access European funding and existing EU funded projects finishing over the next 18 months, the UK Government launched two new funds: Levelling Up Fund and the UK Community Review Fund for local authorities across the United Kingdom to apply.

Despite the short timescales, which the Council had to prepare and submit applications, Newport was able to submit projects that would benefit Newport and its communities.

If successful, the Levelling Up Fund provided an exciting opportunity for Newport to regenerate the Northern Quarter of the City with the 'greening' of key areas and streets around the train station providing a gateway into the rest of the city centre.

For the UK Community Renewal Fund, we received 11 applications from private, not for profit, charity and other sectors of the economy.

The applications submitted by the Council would contribute toward the Public Service Board and the Council's priorities as we emerged from the Covid pandemic.

Despite all of this work by the Council and organisations, there was no guarantee that Newport and the organisations applications would be successful in being awarded funding due to the UK Government making these a competitive process.

The council would find out the outcomes of both applications later in July.

Decision:

Cabinet considered the contents of the report and noted the Council's Brexit response.

11 **Work Programme**

This is your regular monthly report on the work programme.

Please move acceptance of the updated programme.

Decision:

Cabinet agreed the Cabinet Work Programme for June 2021 to June 2022.