

Minutes



Cabinet

Date: 8 September 2021

Time: 4.00 pm

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

Apologies: Councillors J Hughes and Councillor R Truman

1 Declarations of Interest

None received.

2 Minutes of the previous meeting: 7 July 2021

The Minutes of 7 July 2021 were recorded as a true and accurate record.

3 Revenue Budget Monitor - July 2021

The Leader presented the report to Cabinet.

This was the first revenue monitor presented to Cabinet this financial year and it explained the current forecast position of the Authority as at July 2021.

Against a net budget of £316million, the July revenue position currently forecasted an underspend of £5.3million, representing a 1.6% variance against budget. This position was inclusive of the continued financial impact of the COVID-19 pandemic and assumes full reimbursement of additional expenditure and lost income for the remainder of the year. This followed confirmation from Welsh Government that the Hardship Fund would remain available until March 2022. This was a welcomed addition to this years forecast position as although the rollout of the vaccination programme enabled a lifting of restrictions and reopening of the economy, it was evident that the financial impact on the Council's budget continued to be felt during this financial year.

As shown in the report and its Appendixes, the position could be explained in the following way:

- Overall, service area spend was more or less on budget
- Then, the underspend came from savings against the (i) capital financing budget (ii) the revenue contingency budget which was currently not needed and (iii) some other non-service budgets which were not committed currently. These together produced the £5m underspend.

Although budgets were balanced overall in service areas, some individual areas continued to overspend against specific activities. As in previous years, these overspends related to demand-led activity areas, such as Social Services, and therefore there was an inherent risk that they may change should demand levels change from current forecasts.

In addition to this, there remained several unknowns in terms of the longer-term impacts of the pandemic, such as the impact upon unemployment levels as and when the support for employees who were furloughed began to be withdrawn. This monitoring position did not make any assumptions in terms of that longer term impact and would require to be closely monitored as the pandemic situation continued to evolve.

The key areas contributing to the £5.3million forecast position included:

- (i) Increased demand across key social care areas including children's out of area placements, independent fostering agencies and adult community care. These three areas alone contributed an overspend of almost £350k to the overall service position.
- (ii) In addition to these continued risks, there were also issues that emerged during the year and would continue to be closely monitored. These included, but were not restricted to, inter agency adoption, children's emergency placements and the increase costs in respect of dealing with 'ash die-back'. The anticipated overspend in areas of emerging risk was expected to be more than £700k by the end of the financial year.
- (iii) There was an anticipated shortfall against the delivery of 2021/22 and prior year savings of over £600k, which was largely due to delays in progressing the necessary actions, some of which was a result of the pandemic. Whilst the level of unachieved savings in relation to the current financial year was lower than in previous years, there remained a need to ensure that all savings were delivered, in full, as soon as possible and officers continued to take action to ensure these were delivered from the earliest opportunity.
- (iv) Underspending against non-service budgets explained the key elements of the forecast underspend as previously mentioned. Firstly, there was a forecast underspend of £2.7million in relation to the Capital Financing budget. As part of the budget setting for 2021/22, the capital financing costs of the current capital programme, which ended in 2022/23, were funded up front. This resulted in a saving within the Minimum Revenue Provision budget and the interest payable costs, as this budget was not yet required. This underspend was known and understood at the point at which the budget was agreed in March of this year.
- (v) Furthermore, given that an underspend position was anticipated at this stage of the year there was no requirement to utilise the council's general revenue budget contingency of £1.3million therefore adding to the non-service underspend.

The report highlighted that, overall, schools were anticipating a net overspend of £2million, after allowing for reimbursement of eligible expenditure and lost income from the Hardship Fund.

Although schools are expecting to overspend against budget, it should be noted that schools carried forward significantly higher balances at the end of the 2020/21 financial year, compared with previous years. This higher level of balances was primarily the product of Welsh Government grants issued towards the end of the last financial year, which offset spend that schools had already budgeted for. As a result, schools carried forward higher than anticipated balances, which, in most individual cases, would be more than sufficient in offsetting the overspends being reported.

In comparison to previous years, only four schools were projecting to hold deficit balances, totalling £1.3million, with two of those expecting to be smaller than the previous year.

The current position on school balances represented a significant change from the concerns evident in previous financial years. Now that an overall surplus position, projected to total £7.5million, was anticipated, and appeared set to continue for at least the next financial year, it was important that there remained a focus on school budgets, to ensure that, as much as possible, a return to the previous position was avoided. This must be balanced with trying to avoid a situation whereby balances could be considered excessive and would, therefore, be a key consideration when setting future revenue budgets and reviewing the medium term financial plan.

Comments of Cabinet Members:

Councillor Jeavons referred to the Ash Die back in the large trees around Newport. Specialist equipment was provided and the council would continue to move through the city to removed the diseased trees. The WG had provided some funding and this was something that the Council had to deal with and it came at a great cost.

Councillor Cockeram mentioned that the overspend in Social Services was a serious issue but placement for children within Newport was a bold step but the capital would offset the overspend. There was a big push for Independent fostering and on 20 September Newport Foster Carers were being promoted for two weeks.

Councillor Davies referred to the net overspend in Education Services and although a grant was received, there was a surplus in the school budget.

The Leader thanked the Governors and volunteers for their support.

Decision:

That Cabinet

- Noted the overall budget forecast position and the potential for an underspend position to exist at the end of the financial year.
- Noted the continued financial challenges being experienced by certain, demand-led, services and the need for robust financial management in these areas, as well as the level of currently unachieved budget savings.
- Noted the risks identified throughout the report and in the HoF comments, particularly in relation to future years and the lasting impacts of the pandemic.
- Noted the forecast movements in reserves.
- Noted the improved overall position in relation to schools, when compared to previous years, but also note the remaining deficit positions for some schools and the risk of past issues re-emerging if good financial planning and management is not undertaken.

Action by:

That Cabinet / Head of Finance / Corporate Management Team:

- HoS continued to keep under review the key risk cost areas and taking action, with Cabinet Members, to move towards balanced positions for those budgets currently projected to overspend.
- HoS delivered agreed 2021/22 budget savings as soon as practically possible, but by the end of the financial year at the latest.
- HoS and budget holders closely monitored the impact of the easing of restrictions relating to the pandemic and identify, escalate, and mitigate emerging risks in a timely manner.

Cabinet Members and HoS promoted and ensured robust forecasting throughout all service areas, including agreeing and implementing appropriate actions to balance spend and available budgets.

4 Capital Programme Monitoring and Additions - July 2021

The Leader presented the report to Cabinet.

This report provided the capital monitoring position as at July 2021.

The Council set an extensive capital programme that reflected seven years commitments.

Table one in the reports showed how that had changed over the financial year and showed the Council's capital commitments and spend in the city now totals £282m over the life of the programme, across all service areas.

Cabinet was also being asked to approve, as usual, new capital projects to be added to the overall programme.

Table two within the report detailed these new capital projects and how each of the projects were funded.

Table three in the report showed the forecast position as at July 21 which was the focus of this report. The current position showed a small expected underspend of £159k and appendix C within report showed the details of those.

The table also highlighted that there had been reprofiling undertaken to date of £30.2m. Details of where this reprofiling occurred was also contained within the report. This however still left a capital programme of £70.4m for 21/22, which was still extremely high. Further work on forecasting and reprofiling would need to continue to ensure that the capital programme reflected a more realistic timescale for the projects to be delivered and officers were asked to continuously review projects and update the project profile as the schemes progressed.

In terms of monitoring spend, the report confirmed low spending of just under £11 million on a budget of £70.4m. This pattern was not uncommon, as usual a lot of the cost was predicted in the last half of the year. This however, brought with it the risk of slippage, but further work, as outlined would help in that respect. In saying this, progress was being made on a number of projects, in particular the Band B School programme, details of which were noted in the report.

The reported capital headroom (budget for which there was currently no committed expenditure), was £7.6m, which included £1.2m of unallocated Joint Venture monies. The demand for capital expenditure in Newport exceeded the level of resource and the Council needed to prioritise carefully where it spent this capital resource accordingly

Whilst not addressed in this report, it was helpful to note that the Leader requested some work on the financial and delivery risks on the capital programme resulting from volatility in raw materials/labour costs and supply issues. Mainly as a result of Covid and Brexit, these are clearly having an impact across the UK and officers will assess this for the Council's programme and report back in due course. The work is on-going.

As a cabinet, the report asks us to note and approve

- the re-profiling which has been undertaken so far this financial year of £30.2m into future years.
- Approve the new capital projects and amendments to the Council's Capital Programme, including the use of reserves and capital receipts
- To note the current available capital resources ('headroom'),

Comments of Cabinet Members:

Councillor Davies looked forward to future Cabinet report regarding the Bassaleg School expansion programme. Councillor Davies also made reference to the outstanding work undertaken at St Andrews, with excellent support from staff, teachers and governing body. It was hoped that the school would receive funding from WG soon.

Councillor Cockeram advised that there would be over 200 projects completed by end of 2022 to help vulnerable, schools, leisure centre, which was positive to see this being achieved by the administration.

Councillor Jeavons attended the connect centre at St Andrews and congratulated the school on a good job well made and thanked everyone for their hard work as well as thanking Lliswerry Primary School who had accepted the year six children of St Andrews.

Councillor Rahman mentioned that it was a year like no other, with positive plans going forward as an authority. The Council was committed to improving City Centre, with the largest market refurbishment in UK. Active travel was making good strides and the Newport leisure centre was an ambitious project. Newport was leading way in the UK with regeneration projects as well as working with community groups such as Maindee Unlimited.

Councillor Mayer commended officers for their hard work behind the scenes. Investments which were in place enabled service delivery to run efficiently.

Councillor Harvey echoed the comments of colleagues and considered that this was the worst time in our generation due to Covid, however the service delivery by the Council was still taking place. Councillor Harvey was proud of Newport City Council and proud of Cabinet

Decision:

That Cabinet:

1. Approved the additions and amendments to the capital programme (Appendix A), including the use of reserves and capital receipts requested in the report
2. Approved reprofiling of £30,228k into future years
3. Noted the update on the remaining capital resources ('headroom') up to and including 2022/23
4. Noted the capital expenditure forecast position as at July 2021

5 Quarter 1 2021/22 Corporate Risk Register Update

The Leader presented the report to Cabinet.

The next item was an update of the Council's Corporate Risk Register for the end of Quarter One (1 April 2021 to 30 June 2021).

Members were asked to consider the contents of this report and note the changes to the Council's Corporate Risks.

The Council's Risk Management Policy and Corporate Risk Register enabled this administration and officers to effectively identify, manage and monitor those risks which could prevent the Council from achieving its objectives in the Corporate Plan (2017-22) and to undertake its statutory duties as a local authority.

The Quarter one risk report would also be presented to the Council's Governance and Audit Committee on 30 September to review the Council's risk management process and governance arrangements.

At the end of quarter one the Council had 46 risks recorded across the Council's eight service areas.

Those risks that were deemed to pose the most significant risk in the delivery of the Council's Corporate Plan and services are escalated to the Council's Corporate Risk Register for monitoring.

At the end of quarter one 18 risks were recorded in the Corporate Risk Register.

- Eleven Severe Risks (15 to 25);
- Four Major Risks (seven to 14);
- Two Moderate Risks (four to six); and
- One Low Risk (one to three).

In relation to change in Direction of Risk Scores, in quarter one the Corporate Risk Register had seen one risk score decrease, with the remaining 17 risks remaining at the same score.

The Covid-19 Pandemic Outbreak (Decreased 20 to 15) risk score decreased to 15 due to the successful roll out of the vaccination programme and easing of lock down restrictions which made it possible to reopen services to face to face contact.

This risk score was a reflection of the Covid risk in quarter one and since this period Newport and Wales saw an increase in the infection rate. This would be considered as part of the Council's Quarter two update.

Front line Council services continued to operate normally and Council staff where they could were still being advised to work from home.

Comments of Cabinet Members:

Councillor Mayer added that the Council was always under threat of cyber attacks and that we had robust systems in place which were continually checked by staff. Newport City Council did everything to secure back up data was in place.

Decision:

Cabinet considered the contents of the quarter one update of the Corporate Risk Register.

6 **Corporate Safeguarding Annual Report 2020/2021**

The Leader presented the report to Cabinet.

The Annual Safeguarding report 2020/21 provided assurance to the Council that all departments across the Council had clear standards in place to address safeguarding. The introduction of the safeguarding self- assessment audit in 2020 was completed by all departments and evidenced an understanding of *safeguarding involves us all* with regard to policy and practice, environment and the culture of the council.

The safeguarding team continued to work with each department across the council to further develop key actions identified within the audit.

Throughout the very difficult year of the pandemic and its impact on service delivery and on the workforce, Cabinet were assured that the immediate safeguarding practice for children and adults continued to be delivered across all social services statutory functions. Face to face assessments with families and citizens for immediate safeguarding practice was delivered using PPE where required and adherence to all restrictions. The pressure on front line services required resourceful management to ensure the Council continued to protect and safeguard our most vulnerable citizens and ensured early intervention was available to prevent escalation within families and communities.

The council recognised the impact of the pandemic on the workforce resources and the continued pressure within front-line services to deliver safe and accessible services. It was therefore crucial that the whole Council was an informed workforce that recognised safeguarding issues in the community and act accordingly.

The assurance evidenced within the safe-guarding audit provided a base-line for the Council on how it discharged its '*safeguarding involves us all*' commitment across the Council. This therefore reduced the level of risk for the Council, but it was proposed not to reduce the level of risk on the risk register currently due to the impacts of the pandemic on the workforce and the possible impacts across council services.

Preparations for change in legislation on target as the Council continued to prepare for the change in legislation and practice from Deprivation of Liberty Safeguards to Liberty Protection Safeguards (Mental Capacity Act amendments). This would now occur in 2022, as part of the on-going identified training strategy, both in-house and as part of the wider regional consortium. More training on the new legislation/ practice to increase knowledge and skill would be on-going and was clearly identified both within the Annual Corporate Work plan (2021/2022) and in the specific adult and children's social services priority plans regarding training on new regulations/ legislation.

Skill scanning: safeguarding training appropriate for every role within the Council as Member/employee or volunteer meant that every post would be reviewed by safeguarding and the training department to ensure that the correct level of safeguarding training and checks required for that role is "assigned" and would be reviewed by the responsible line manager at the correct intervals. This work was identified on the Work Plan (2021/ 2022).

As highlighted to Members, there was an area of risk to the Council in relation to the performance for mandatory training where fines/ regulatory action may be taken regarding safeguarding training in particular the Violence against Women Domestic Abuse and Sexual Violence (VAWDASV Act 2015), although there was mitigating factors affecting performance during 2020/21

It was therefore a recommendation to Members that Cabinet endorsed the Corporate Safeguarding work plan with specific reference to:

1. People and Business Change who continued to adopt new ways of working into their priority planning for both new starters to the authority and current employees (including volunteers) in completing mandatory safeguarding training in order to improve compliance rates.
2. The Welsh Government mandatory training requirement was the Violence against Women Domestic Abuse and Sexual Violence (VAWDASV Act 2015) which required the Council's completion of the National Framework for Training for all Council officers, Members and volunteers.
3. Improvement in completion of these mandatory courses would ensure fines or regulatory action are not taken by governing bodies against Newport City Council.

The Leader thanked Mary Ryan for her hard work towards the report.

Comments of Cabinet Members:

Councillor Cockeram echoed comments and also thanked Mary Ryan and her stewardship this report. There was good practice displayed in safe guarding hub, police and health. The Partnership working was also going well. There was a Mind counsellor in place to support children regarding Covid. Finally, we had a duty to the public to report any abuse that was being witnessed.

Councillor Rahman agreed that the council had a duty to ensure community was kept safe. As a school governor, Councillor Rahman thanked Newport City Council for their safeguarding training. Councillor Rahman also highlighted the comments from the Scrutiny Committee, which thanked the safeguarding team. Cabinet would support the safeguarding team in their work and were listening and willing to support them.

Decision:

Cabinet accepted the Council's corporate safeguarding work plan for 2021/22 and comments of the Overview and Scrutiny Management Committee.

7 Covid Update Report

The Leader presented the report to Cabinet.

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.

Since the last Cabinet meeting in July, the Delta variant was the most dominant strain across Wales and the UK.

Case rates for Newport and other areas in Wales remained high as restrictions have been eased allowing people to socialise more and undertake more normal routines.

It however remained important for people to continue to adhere to the Welsh Government guidelines wearing face coverings, maintaining social distancing (where possible) and being aware of people whether that was friends or family, that there were still vulnerable people who are susceptible to the virus.

Hospitals were continuing to see people being treated for Covid and as the summer break ended, people returned back to work, schools and universities the next few months would remain precarious as we saw what impact this would have. As the Welsh Government stated, restrictions could be reimposed if the case rate, hospitalisations increased or new variants emerge.

The vaccination programme continued to be very successful in Newport and across Wales. The last month focused on young people and those who had yet to receive their vaccine. Cabinet could not stress enough the importance for all people eligible to have the vaccine to do so. Not only did it protect but it also protected others around you.

Many Council services continued to deliver to residents and communities across Newport. And a significant proportion of Council staff continued to deliver face to face services.

The Council (staff and Members) would continue to work from home where they could. Risk assessments were being undertaken in compliance with the Welsh Government guidelines to ensure that buildings, staff and the public could work safely.

Over the next few weeks, work would continue to deliver a New Normal business model and further updates would be provided in October.

Throughout the summer break Community teams, schools, education and Newport Live have been supporting young people and their families providing various programmes and supermarket vouchers for free school meal pupils.

It was encouraging to see businesses and the hospitality sector return including the Riverfront Theatre. The Council continued to offer grants to businesses to help them recover and Cabinet would encourage businesses to take up this offer.

Many Council services had fully returned to normal operations offering face to face services (in line with Welsh Government Guidance).

The Leader was pleased to see the city centre revive such as the Riverfront theatre being opened.

The Council was also allocated £500k over the next two years to support community groups and projects. The Council would be announcing further details in due course on how communities could apply and access this funding.

The Leader reiterated the importance of adhering to the Welsh Government guidance, encouraging people from all communities to take up the vaccine.

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

Comments of Cabinet Members:

Councillor Harvey echoed the comments of the leader and reminded members of the public that they could still be infected even though people had been double vaccinated. Councillor Harvey encouraged members of the public to keep wearing masks to keep each other safe.

Decision:

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 and the City.

8 Brexit Update Report

The Leader presented the report to Cabinet.

The next Cabinet Report was an update on the post Brexit / trade arrangements.

Since the previous report in July, it was two months since the deadline (30 June 2021) for EU/EEA citizens to apply for EU Settled Status.

The UK Government (Home Office) reported that over 98,000 applications were received from EU/EEA citizens living in Wales.

The UK Government statistics indicated that a significant majority of applications had outcomes that either resulted in full settled status or pre-settled status being granted.

However, there remained many people that either had not received an outcome of their application or were unsuccessful in being granted their status.

It was not clear how many people in Newport missed the application deadline or failed to secure their status.

The Council was expecting to see an increase in the number of people and their families presenting as needing support as they would no longer have access to public funds. This would be in addition to the people and families that the Council would be supporting as part of the Home Office asylum seeker and refugee programmes.

The Council's services would be continuing to support those affected and ensuring that they had access to the services and support they needed.

Since the UK left the single market in December 2020, some sectors in the economy saw significant impacts in the supply and demand of commodities alongside increases in the price of goods and services. This was also impacted by the Covid crisis as the economy recovers from the Covid pandemic.

Many businesses in Wales reported issues with labour supply such as HGV drivers, construction and farming labourers.

The Council's Finance, service areas and project teams were monitoring closely these issues and assessing their impacts on the delivery and cost to the Council. These would be reported in the Cabinet's Finance updates.

With prices also set to increase in the autumn it was likely that many households would be impacted by these changes making it difficult for low-income households. It was important for those households to contact the Council and other organisations such as Citizens Advice Bureau who could provide advice and support.

The leader mentioned the support provided to asylum seekers and refugees, Newport was a city of sanctuary and welcomed people from other nations who wished to settle here.

Taking part in a scheme to support vulnerable people from Afghanistan over past five years and was taking further families during the crisis and NPT would do all it could to provide accommodation for refugees. Housing was also made available and provision of support in place. Information on website for those who wanted to support in some way or another, or make a donation/provide support.

Comments of Cabinet Members:

Councillor Jeavons echoed the Leader's comments and mentioned the HGV driver shortage. HGV licences were not easy to pass and the Council was not immune to this, such as refuse lorries. Councillor Jeavons recognised this and these drivers had not failed residents in the continuation of services.

Councillor Harvey mentioned that it would be remiss as parent of serving soldier to not accept interpreters into this country and that it was our time to help them, as they saved lives in Afghanistan. The Council welcomed refugees to come here.

Councillor Rahman also echoed the sentiments of Councillor Harvey and considered Newport as a city of sanctuary and that it needed to do the right thing and support refugees.

Decision:

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

9 PSB Summary of Business

Cabinet noted the PSB Summary of Business.

10 Work Programme

The Leader presented the report to Cabinet.

This is your regular monthly report on the work programme.

Please move acceptance of the updated programme.

Decision:

Cabinet agreed the Cabinet Work Programme.