

Minutes



Cabinet

Date: 20 December 2017

Time: 4.00 pm

Present: Councillors D Wilcox (Chair), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, J Mudd and R Truman.

Apologies: Councillors M Whitcutt

1 **Declarations of Interest**

There were no declarations of interest.

2 **Minutes of the Last Meeting**

The minutes of the last meeting were approved as a true record.

3 **Wales Audit Office Certificate of Compliance 2**

The Leader presented the Certificate of Compliance, which was issued by the Wales Audit Office (WAO) following an audit of the council's Improvement Plan Review. This was the second of two certificates that the authority had achieved in 2017-18. The first certificate was considered at Cabinet in November and was issued following an audit of the Improvement Plan 2016-18.

In issuing the certificate, the Auditor General determined that the council had met its duties in regard to the Local Government Measure 2009. The report also noted that the council had addressed a previous comment from the WAO that more detail on national comparator data should be used in its assessment of performance.

Decision:

To note the positive outcome of the second Certificate of Compliance in relation to the council's Improvement Plan Annual Review.

4 **Revenue Budget and Medium Term Financial Plan 2018-19: Draft Proposals**

The Leader of the Council presented the report, which outlined the draft proposals to form the basis of the budget consultation process for 2018-19.

The final settlement, received shortly before the meeting, confirmed the ongoing challenge the Council was facing, to continue providing over 800 services to Newport's growing population on an ever decreasing budget. Over the last five years, the council had made savings of £41m, but ongoing austerity, coupled with ongoing financial pressures and

demands meant that even more savings had to still be found – at least £30m by 2022. It was too early to provide a full analysis of the final settlement, but this would be included in the final report to Cabinet in February.

The Leader noted that, in response to feedback from opposition members, the format of the budget report had been updated to make it easier to read and understand.

Some budget decisions were due to be made under “delegated authority”, meaning that officers were authorised to make these decisions without Cabinet or Council approval. These proposals would not be part of the public consultation. However, as part of the commitment to openness and transparency, details of all these proposals had been published in the background papers to this report, so the public could see all the steps being taken to address the budget deficit.

Once approved today, the budget proposals in appendix 2 and 6 of the report would be subject to public consultation, together with the fees and charges listed in appendix 7. Our residents and other key stakeholders will be able to feed back their views on these proposals, and we will receive the results of the consultation process in February, when we will agree the final budget proposals to be recommended to Cabinet.

Cabinet spoke in support of the proposals, including comments on:

- The intensive and detailed process undertaken to identify, develop and review the budget proposals this year.
- Recognition that these were the “least worst options” – Cabinet understood that the public were unlikely to be happy with these options, but the Council were required to set a balanced budget, and reductions in funding meant that budget savings had to be found.
- The low proportion of revenue from council tax in Newport, compared with other authorities.
- The ongoing austerity and difficult choices ahead in future years.
- Protection of the education budget, which had been achieved for many years, and recognition of the hard work by school management teams to manage their budgets appropriately.
- Ongoing lobbying of national governments, on the education budget and generally, about the levels of local government funding.
- The importance of the consultation process – although the challenge was great, the options were limited, and there was therefore very scope for flexibility, results of the consultation would be considered carefully, and all opportunities to reduce the impact of funding reductions would be looked at seriously.

Decision:

1. To agree the following draft proposals for public consultation:

- i) Budget savings proposals in Appendix 2 (summary table) and Appendix 6 (detailed business cases).
- ii) Proposed increases to fees and charges in Appendix 7.
- iii) The position regarding the proposed school funding for 2018-19 in paragraphs 5.1-5.6.

2. To note:

- i) The position on developing a balanced budget for 2018-19, acknowledging that the position will be subject to ongoing review and updates.

- ii) And agree that the Head of Service decisions in Appendix 3 be implemented with immediate effect.
- iii) That Fairness and Equality Impact Assessments have been completed for all proposals requiring one.

5 **Welsh Education Strategic Plan 2017 - 2020**

The Cabinet Member for Education and Skills presented the report, proposing a series of amendments to Newport's draft Welsh Education Strategic Plan (WESP) – Newport's plan for how Welsh medium and Welsh language provision is planned and developed.

The first WESP for Newport was submitted to Welsh Government in February. The Minister commissioned a review of all WESPs, because he did not consider that any were ambitious enough in terms of increasing the number of Welsh Speakers to one million, as set out in Welsh Government's Cymraeg 2050 policy.

The amendments proposed in the revised plan took account of feedback from Welsh Government and key stakeholders following a further round of consultation that finished in November. The proposed amendments included increased numbers, beyond the children currently studying in Welsh schools and a commitment to work regionally on issues such as workforce strategy, early years and Additional Learning Needs.

The Cabinet Member noted that Newport had a good record of supporting the development of Welsh medium education and with the opening of Gwent Is Coed, which would have further development under our 21st century schools Band B programme, the authority was confident that this would further support increase demand for Welsh education within the city.

The Cabinet Member concluded that the proposed updates within the report demonstrated a positive commitment to developing Welsh education and the Language within the city, over the remaining two year period of the WESP. They were also set firmly and realistically within the challenges in Newport as a city with a growing population and ever-reducing resources.

Cabinet Members spoke in favour of the report, echoing the authority's commitment to developing Welsh Education in line with Welsh Government requirements and demand in the City.

Decision:

To note the feedback and approve the revised Welsh Education Strategic Plan for submission to Welsh Government.

6 **Development Loan Facility: IAC Building**

The Leader of the Council presented the report, which asked Cabinet to decide whether or not to agree the proposed loan arrangement for the IAC building in principle. The preferred option was to agree the loan arrangement in principle, because the redevelopment of the IAC building was a significant investment that was critical to the future of the city centre.

The Cabinet Members present all spoke in favour of the proposal, outlining the benefits and wide ranging impact of the outlined scheme, including:

- The proposal would bring a key economic anchor to the Northern end of the city, stimulating the creation of future high-quality office space and encouraging further investment and footfall into the city centre.
- Ancillary benefits included the creation of construction jobs, training opportunities, and financial benefit to local construction companies.
- The property was obsolete in its current manifestation and served little purpose other than to demean perceptions of the city centre to its visitors.
- If Newport was to maintain the momentum generated by the regeneration of the city centre then it was vital that aspirational and transformational developments such as the proposal for the IAC building were secured and delivered.

Decision:

1. To approve a loan facility of up to £12 million for the redevelopment of the IAC Building by Garrison Barclay on commercial terms to be agreed by the Head of Finance and the Head of Law and Regulation, subject to satisfactory due diligence and financial appraisal.
2. To authorise the Head of Law and Regulation and the Head of Finance to agree the terms of the Funding Agreement and to attend to the sealing and signing of the appropriate legal documentation in relation to the loan and security.

7 Work Programme

The Leader presented the Cabinet Work Programme.

Decision:

To agree the updated work programme.