

Minutes



Cabinet

Date: 22 July 2020

Time: 4.00 pm

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

In attendance: Mrs B Owen, Mr G Price, Mr M Rushworth, Mrs T Brookes, Mr R Cornwall and Mr A Powles

Part 1

1 Apologies for Absence

No apologies received.

2 Declarations of Interest

There were no declarations of Interest.

3 Minutes

The minutes of the meeting held on 24 June 2020 were confirmed as a true record.

4 Revenue Budget Outturn 2019/2020

The Leader presented the report that detailed the final outturn position of the Authority for the financial year 2019/20 that ended on 31st March 2020.

The report confirmed that 2019/20 was not significantly impacted by the Covid-19 pandemic as lockdown did not come into force until the latter end of March, when the financial year was closing, therefore there was little impact on the Council finances for the financial year.

In relation to the outturn, the financial year could be seen as a positive outcome as the Council managed its overall budget, and the revenue outturn showed an overall underspend of £2 million. Cabinet would therefore be asked to approve how this underspend was utilised.

Key movements and Main variances

There were a number of key movements between the position that was reported in the January monitoring position. Overall, the underspend increased by £377k, largely because service areas overspend decreased specifically in the demand led areas of social care. There was however, a lower underspend reported across non-service.

In terms of the main variances reported at outturn, there was a consistent message throughout 2019/20 regarding significant overspending within a few key areas, and this proved to be the case at year end. The three key areas of overspending which contributed £2.1m overspending related to Adult Social Care Community Care - £955k, Children's independent fostering - £598k and Children's out of area placements - £553k.

The Council was able to mitigate the overspend through use of its £1.4m contingency and underspend on a number of areas including capital financing, Council Tax Reduction scheme and council tax surplus.

It was very important to note that this pattern of overspending in service areas had occurred for a number of years and due to reduction in budgets in some of the non-service areas, demand pressures on CTRS and Council Tax arising from the Covid-19 pandemic, non-service underspend may be unable to mitigate overspending in future years.

The Head of Finance therefore recommended that the Senior Leadership Team put in place a robust specific monitoring process with the social care management teams to review financial management issues in detail.

Schools position

Schools variances were covered by the schools balances reserve, therefore the overall underspend of £2m did not include the schools position. For 2019/20 schools overspent by £2m, with the secondary sector overspending significantly, this meant that total schools reserves had fallen from £3.1m to £1.1m.

The position at individual school level was challenging with 67% of secondary, 12% of primary and 50% of special schools being in nil or deficit balances. Of particular concern was the secondary sector, with 5 schools with in-year overspending of between £175k and £328k, one of these schools had a deficit reserve in excess of £1m. Schools reserves were likely to reduce further in 2020/21 unless action was taken to reduce costs with the challenge being that the reserve balances were not available to offset overspending to this level in future.

The Head of Finance reminded Cabinet that other Council budgets and reserves, where unallocated/committed, would be needed to subsidise/augment school reserves if they fell, in overall terms, beyond 'nil' and into a substantial negative balance and there was no plan to recover this in a reasonable timescale.

A key priority would see what the reserve position was deemed to be and medium term financial plans incorporating 'deficit recovery plans' to assess the longer term trajectory for school reserves. The Head of Finance recommended again that the Council's Senior Leadership Team put in place a robust specific monitoring process with the Education management teams to review financial management issues in detail.

Utilisation of the underspend and reserves

Following this overview of outturn, Cabinet would need to decide how the £2m reported underspend was utilised. Of this £255k, new reserves were requested by the Service Areas to be approved, as detailed in paragraph 5.4 of the report. The remaining £1.8m was requested to be put to the following areas:

- £400k towards the implementation costs of an upgrade to a new financial system which was required to secure a sustainable financial platform and
- £1.4m into the existing Medium Term Financial Plan reserve, to help support the achievement of the Corporate Plan and future budgetary challenges, which would be key in the current climate we find ourselves in.

Cabinet was asked to note and approve all the reserve transfers within the section and all reserve movements detailed in appendix 5 of the report.

The reserves balance at 31 March 2021 following the above approvals was a balance of £87m, a decrease from £103m at 31 March 2020. Within this were some significant movements summarised in the report in paragraph 5.2.

In terms of the remaining balances, the general reserve remained the same at £6.5m, and it was important to note that a significant amount of £42m of the reserve balance was for the Private Finance Initiative schemes, grants pre-paid by Welsh Government that would be utilised over the remaining life of these schemes.

The Leader invited Comments from Cabinet:

Councillor Cockeram mentioned the outstanding work by Social Services, in particular Windmill Farm, a development that was new and innovative, which was going to Planning Committee in the coming months.

Councillor Giles echoed Councillor Cockeram's comments regarding the work carried out on Windmill Farm as well as praising Education Services efforts on the monitoring of the school budget. The Chief Education Officer was keeping a close eye on the budget along with Head Teachers and new guidance was coming to schools. There was an underspend on out of county education, due to the school closures as well as a decrease in the number of education at home. Councillor Giles mentioned the fantastic work undertaken by Education Services and their investment in local provision as well as the great work they were continuing to carry out despite the present circumstances.

Decision:

That Cabinet voted and agreed to

- Note the outturn position and the major variances for the financial year
- Approve the use of the underspend as described and note the resulting level of general and earmarked reserves
- Approve the reserve transfers set out in section 5
- Note schools outturn position on individual and collective school reserves, the HoF concern regarding this position & note, comment and approve on the next steps as described.
- Note the other areas of budget pressures and challenges in section 1 and 2 and note, comment and approve on the action required to manage these, in particular for an enhanced Senior Leadership Team focus on social care overspending.

5 Capital Programme Outturn 2019/2020

The Leader presented the report focussing on two parts of the capital programme. Firstly the outturn position of the 2019/20 financial year and the impact on the capital programme on the slippage that occurred. Secondly, the additions to the capital programme since the last capital report to Cabinet.

Capital outturn 2019/20

During 2019/20 there was significant capital expenditure of £31m across a number of important projects across Newport including completion of the Band A and continuation of the Band B 21st century school programme, as well as a significant maintenance programme across a number of schools. Support provided for regeneration initiatives in the city centre including offices at the old sorting office in Mill Street and Chartist Tower, roll out of smaller bins which had improved the recycling rates and investment in energy saving schemes including the street lighting LED project. A number of these projects would continue to be completed over the remainder of the programme, which currently ran to 2024/25.

The 2019/20 outturn position highlighted that despite being a significant re-profiling of budgets during the financial year, there remained significant slippage at year end of £8.5m, this effectively meant that the programmed expenditure to occur in 2019/20 did not happen and the budget was "rolled forward" or slipped to the next financial year. It was important to note that a large amount of slippage related to schemes that span over a number of years, therefore it should not be seen that this budget was not required, the spend would be incurred at a later date. This was allowable (with the exception of time limited grants) within regulations.

Slippage was however unhelpful in modelling for treasury management and capital financing budget purposes, therefore it was important that heads of service reviewed their capital projects on a regular basis and updated the profiling of the budget and spend when they were aware of changes.

As well as the slippage there was a small underspend relating to a small number of completed projects of just above £400k.

The main variances from the budget were outlined in the report, and the slippage had occurred across a number of service areas, which was not unique to one individual area. The programme would need to be reviewed early in the financial year and individual project budgets re-profiled in line with more realistic and deliverable spending profiles. The next capital monitoring update to Cabinet would include an updated programme reflecting this review.

Changes to the approved programme

Prior to this report the Council already had an extensive capital programme to 2024/25, this report highlighted further additions to the programme of over £16m taking the overall programme to £202m.

All of the additions shown in the table of the report were extensive, but to highlight a couple of the main ones:

- A further £3.3m for Basseleg School in addition to Section 106 funding for Band B
- £2.1m Education Maintenance Grant from Welsh Government
- £970k Targeted Regeneration Initiative funding to help city centre redevelopment
- £1.75m investment for the relocation of the information station as per previous decision made by Cabinet.

For the majority of additions the Council was successful in securing external funding for the projects through Welsh Government grants or Section 106 funds, this was vital in ensuring the capital programme remained affordable, building on the already extensive capital commitments the Council had made.

Of the £16m, £2.4m was funded by borrowing, which impacted on the Council's headroom as explained in further detail later.

Full detail of the changes to the programme, including slippage and additions were shown in Appendix A to the report and Cabinet are asked to approve these changes.

Capital Headroom

The Leader continued that the Council's Medium Term Financial Plan had revenue budgets included which allowed a level of "headroom" for further capital expenditure to be funded from borrowing. A further £2.4m was required to be utilised from the headroom, and during 2019/20, the Council was able to substitute previously committed borrowing with grants, allowing the headroom to be at £20.7m.

While this sounded a significant amount, it was important to note that the Council had a number of demands on capital, and this level of headroom would easily be utilised. Senior officers would therefore undertake a review of the current programme, the future capital demands and the impact on the revenue budget over the next few months and would report back to Cabinet with its recommendations on the future capital programme.

The report provided an update on capital receipts which form part of the headroom. Currently there was £4.4m of uncommitted capital receipts within the headroom.

The Leader invited Comments from Cabinet:

Councillor Davies was appreciative of the funding for Beechwood Park and also welcomed the variance in budget for the vehicle replacement programme and the contribution from the Council to help achieve zero carbon emissions in line with Central and Welsh Government.

The Deputy Leader also supported the vehicle replacement programme and was pleased to advise Cabinet that an electric refuse truck was being purchased.

Decision:

The Cabinet voted and agreed to

- Approve the changes to the capital programme including the slippage and additions and note the re-profiling this gives rise to.
- Note the remaining available capital resources i.e. the headroom

- Note the capital outturn position for 2019/20
- Note the balance and approve the allocation of capital receipts

6 Treasury Management Covering the Financial Year 2019/2020

The Leader presented the report, which detailed the treasury management activities of the Council for 2019/20. It was a report that looked back, confirming that all borrowing and investments undertaken during the financial year were expected and in line with the agreed limits set by Full Council. It also confirmed that 2019/20 Prudential Indicators for treasury management were also met in line with those set by Council.

The Council's current strategy was to fund capital expenditure through reducing investments, rather than undertake new borrowing where it could, such as deferring taking out new long term borrowing and fund capital expenditure from the Council's own cash resources, mainly reserves. By using this strategy the Council could minimise cash holding at a time when counterparty risk remained relatively high, especially with the current economic implications during Covid-19.

The level of internal borrowing was around £87m, and by using this strategy it was estimated the Council saved about £2.6m in revenue cost based on current interest rates.

The level of external borrowing the Council held at 31st March 2020 was still significant at £166m, this would only increase in future years as our ability to be internally borrowed reduced as reserves are utilised.

Of this £166m, it was important to note that an additional £15m of borrowing was undertaken to enable the Council to be a front-runner in supporting the response of Covid-19 and administering business grants to businesses in Newport, prior to the funding being received by Welsh Government.

The investment balance at 31st March 2020 was £12.5m, taking net borrowing to £153.8m, this was an increase of £17.2m on the previous year. It should be noted that the Council would keep a minimum investment balance to satisfy the requirements of being deemed a professional body for compliance purposes.

The report detailed non-treasury investments as required by Welsh Government, this included investments in directly owned property such as commercial and industrial units, loans to local businesses and landlords and shareholdings in subsidiaries which would be Newport Transport. The total value of these investments at 31st March 2020 was £14.5m.

The Leader invited Comments from Cabinet:

Councillor Harvey echoed the Leader's thanks to officers for their hard work. Members were contacted by businesses affected by Covid and appreciated that officers had gone over and above for businesses within Newport.

Councillor Rahman also mentioned that Maindee had suffered but because of the quick action from the Council a lot of small businesses and families affected received financial support with a slow recovery taking place. Businesses within other council areas asked how did Newport City Council act so quickly and this was because Newport was ahead of the curve. Councillor Rahman thanked to Leader and officers for reacting so promptly at the beginning of the Covid pandemic, as well as helping residents who were shielding.

Decision:

It was agreed by Cabinet to that the report could be taken to Full Council for approval.

7 May Revenue Budget Monitor

The Leader presented the May budget report, which was the first forecast of the year and highlighted the key financial issues arising from the Covid-19 pandemic and the ongoing impact that this may have upon the 2020/21 revenue budget.

It was important to note that during these unprecedented times there were a number of uncertainties around the lifting of the lockdown and what measures would need to be put in place that impacted on Local Authorities. A number of assumptions have therefore been required to be made within the projections including assumptions on further Welsh Government funding, future expenditure and income recovery.

In the first quarter of the pandemic the Council took significant steps to respond, with services transitioning into an essential services model delivering core services to the most vulnerable and the most affected by the threat of the virus.

During the first quarter, the Council had faced significant costs in delivering these services, however, up to the end of June, this expenditure was largely covered by the financial support provided by Welsh Government through the hardship fund. This fund covered specific groups such as homelessness, free school meal provision, social care providers and also a general fund to support Local Government to support the response to Covid-19. The Council had finalised its claim for June, with the value claimed by Newport for the quarter of over £7m.

There were however a number of ongoing financial pressures that would continue during this pandemic, including continuing additional costs to support our vulnerable residents and to maintain core services, and loss of income as a result of the pandemic.

These were in addition to other challenges facing the Council budgets including overspends on demand led services, delivery of savings (some of which have been directly or indirectly impacted as a result of the pandemic), and also the impact of on-going school budget overspending.

The May position was forecasting an overspend for the financial year of £5.4m assuming the that the revenue contingency budget was fully committed, this would reduce to £4m if the contingency remained available at year-end. This was a significant overspend against budget and reflected the challenge the Council continued to face in its response to the pandemic.

The main overspending areas that contributed to the position include the following, unavoidable costs that continued beyond the first quarter and were not assumed to be funded by Welsh Government of £1.7m; £3.7m in relation to loss of income as a result of the pandemic; c£400k of demand led service area overspending in social care; £1.1m undelivered savings for 2020/21 and c£840k due to the impact of schools overspending.

As highlighted earlier, the current situation added a layer of complexity and uncertainty to the forecasts, which needed to be worked through and forecasts would be updated through the year as there was more certainty provided around the recovery requirements and associated funding.

It was envisaged there may be both upsides and downsides relating to the current forecasts. The upsides being that firstly, there was currently no Welsh Government funding included for the loss of income in quarter one. Whilst WG had announced a value set aside for this purpose for all of Wales, there had not been confirmation of how this would be distributed and the final amount available to Newport. Secondly, there may be further WG support made available for costs and income losses in quarter two and beyond.

There may be further downside risks from the forecast, which could worsen the position, including an increase in level of Council Tax Reduction Scheme costs as the economic downturn bites and there was an increase in the number of claimants. Services would need to continue to work through the forecasts in detail on the impact of the responses to the pandemic.

Unavoidable continuing costs beyond quarter one

Within social care, whilst it was expected there would be continued increased costs beyond quarter one, it was currently expected that these would continue to be funded by WG.

There were however two main areas where forecasts had been included for significant costs to continue beyond quarter one, these were Waste and Cleansing and Housing including Homelessness, these contributed to close to £1.6m of the total unavoidable costs going forward.

The key assumptions for each of the main areas of costs and funding were outlined further in the report.

Loss of income

The loss of income was potentially very substantial at an estimated £3.7m for the year, with the loss at quarter one totalling £2m.

The main areas impacted included contributions from clients for non-residential services such as day centres, a significant impact on waste services of around £1m, and a significant loss of income on parking services of over £700,000 and bus station departure fees of £320k.

The Welsh Government had announced that £78m is available to account for lost income across Wales, however the method of allocation has not yet been confirmed. We do not know therefore how much Newport would receive from this fund. It was recognised that the Council was showing a worst case scenario in relation to lost income and any WG funding would improve the forecast position.

Demand led budgets overspending

As in previous year there continues to be a pressure in demand led services especially socially care despite significant investments in the budgets over recent years. Within children's independent fostering we invested £382,000 into the service in 2020/21, however the number of placements remains high and there is still a forecast overspend on the service of £419,000.

It was a similar story in Adult social care, where we invested £1.4m into the community care budget in 2020/21, this was to cover overspends seen in 2019/20, in line with expected demand, however, there continued to be an overspend on the service of £298,000, which was attributed to a non-delivery of saving impacted by Covid-19.

Non-delivery of savings

Within the forecasts were non-delivery of savings of £1.5m, with £1.1m related to 2020/21 targets and a further £400,000 in relation to undelivered savings from previous years. A large number of these were impacted by the Covid-19 pandemic, and delayed the achievability of the saving. In the majority of cases the savings were expected to be delayed but ultimately deliverable, therefore while impacting on the 2020/21 forecast, we would expect services to deliver the savings in order to not be a continued impact in future years.

Schools position

The position in schools has been challenging over the past few year with in-year overspending across the sector reducing the level of schools balances in total to £1.1m at the end of last year. Despite significant investment into the ISB in 2020/21, the forecasted financial position for schools continued to be an issue, with a forecast overspend in 2020/21 of £1.9m. With a reserves balance of £1.1m, leaving a net overspend to be covered by the Council of just over £800,000.

The education and finance teams were working closely with schools on their deficit recovery plans, but it was unlikely that the level of overspending would be resolved this financial year given the size of some of the large historical accumulated deficits.

Cabinet approved additional funding in the 2020/21 budget to resource some analytical and senior leadership capacity to this challenge. The current situation delayed recruitment to date, which was unhelpful, but unavoidable. Current officers, including the Chief Education Officer, Assistant Head of Finance and Head of Finance were engaged on this alongside colleagues. A detailed briefing on the situation was being completed, to be considered very soon.

Level of reserves

In context of all of the above, we needed to touch on our reserves overall. Our projections assumed that in line with planned and expected use the Council would utilise around 16% of the reserves. This however did not include covering the forecast overspend detailed in this report.

The Council had a good level of reserves and whilst the majority were earmarked they did provide some last resort mitigation for significant in-year overspending. If this was to happen, then future projects, may not be able to progress. If using other reserves, budgetary provision would need to be made to 'repay' these, creating further pressure on the Council's MTFP. There was no easy, impact free solution through reserves but they did ultimately provide some cover in the last resort.

In summary, it was evident that the Council is facing significant financial pressure arising from the pandemic, and while there are uncertainties and assumptions being made in the report these may have both upsides and downsides on the position being faced in the future. The level of funding continuing past quarter one provided by Welsh Government was crucial in improving this position, and service areas needed to ensure that additional expenditure was focussed on the unavoidable costs of supporting the Council and its residents.

The Leader invited Comments from Cabinet:

Councillor Rahman mentioned that under the circumstances, there would be uncertainty around the budget and the future, however the Council was a compassionate authority and there would be help available for the residents of Newport. Councillor Rahman also highlighted that the council faced a loss of income and had already cut £5-6M over the recent years. The people of Newport needed to understand that the council was struggling however, we would be there to help Newport Residents.

Councillor Davies referred to the impact on the Council tax reduction scheme as a result of Covid. People could be eligible to apply for this and must therefore contact the council to see if they were entitled to the fund. Councillor Davies stressed that we must support residents to ensure extra income went to households even though the council was also struggling.

Councillor Truman hoped that a vaccine would be available soon, however, the costs the council faced would continue for a number of years. Council staff had been putting themselves at risk during the pandemic and it had not gone unnoticed by Councillors. For the council to continue functioning, adequate funding was needed from Central and Welsh Government to try and get the adequate resources to deliver services.

The Deputy Leader agreed that this was a serious issue across Wales and that a significant amount of waste had been generated therefore, it was important to put on record a huge thanks to City Services; the refuse team and Waste Savers. The HWRC opened at Maesglas with an electronic booking system in place, which received many positive comments from residents.

Councillor Harvey echoed the comments of her colleagues, highlighting that Waste Savers and the refuse team were working really hard every week. In addition Councillor Harvey said that Newport City Council had the best staff in place, working really hard to get through this pandemic, and that their efforts, no matter how small, had made a significant impact. Finances were strict and there was a concern that Central and Welsh Government would impose sanctions on benefits and if systems could not be implemented until 10 August there would be a potential issue.

The Head of Finance was invited by the Leader to provide an update on current financial position. The Head of Finance announced that there were changes to report in terms of WG support who had allocated £78M for income loss, which had been agreed on how to be distributed, therefore the council should receive £800,000 in the first tranche. The balance was yet to be decided but it was predicted that another sum of money would be received, which was positive news taking us in the right direction. WG funding had been confirmed for the ongoing cost of social care and we would need to wait until the end of the second quarter to get an idea on what would happen in relation to the council tax reduction scheme.

The Leader thanked the Head of Finance for his update and also thanked him for his leadership during this difficult period.

Decision:

That Cabinet voted and agreed to

- Note the overall budget forecast position and the significant overspending within service areas which is predominately resulting from the on-going pandemic and action currently in progress to address some issues
- Note the planning assumptions within the forecast position and in particular, the uncertainty around (i) the ongoing impact that Covid will have upon service areas and (ii) funding support available from Welsh Government (WG) beyond quarter one of the financial year
- Note the level of undelivered savings within each directorate and the risks associated with this;
- Note the forecast movements in reserves
- Note the very significant financial challenges facing schools and the serious impact it will likely have on the Councils other revenue budgets and reserves. Note action currently in progress and the HoF comments on the seriousness of this position.

8 Newport City Council's School Recovery Programme (Covid 19)

The Leader presented the report advising those present that critical worker and vulnerable children childcare has been in place since schools closed in March. This has run alongside the partial opening of schools for other learners since 29 June.

Collaborative planning between Officers and head teachers was highly effective to develop a shared understanding issues and to address these concerns as quickly as possible.

Students have not sat exams this year and therefore their summer grades would be based on coursework and teacher predicted grades.

Schools were challenged by families for their adherence to Welsh Government advice and not mixing 'bubbles' of children between and within settings. This was put into operation in line with expert advice to protect children, staff and the wider community.

Around 5400 children and young people across Newport continued to be supported by a Free School Meal (FSM) scheme. Following the closure of schools in March the support developed from providing a lunch for collection from school to a voucher scheme sent directly to families.

The EAS have worked with schools to support the development of an effective blended learning programme, which supported learners in childcare provision, check-in classes and those who have not yet returned to school.

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

The Cabinet Member for Education and Skills informed Cabinet that within days of closing in March a significant number of childcare hubs for children of critical workers and vulnerable learners were in operation alongside the provision of distance learning. In addition to this, schools were supporting pupils transitioning to secondary school and to post-16 opportunities.

A total of 36 childcare hubs operated across the city enabling children to access childcare in their community. Since schools reopened on 29th June around 400 children had continued to attend childcare each day enabling critical workers to attend employment. It was challenging for schools to provide this service whilst also offering other children the ability to attend school to check in and catch up with school staff, whilst following their risk assessments which promoted the safety of all on site.

There remain a number of key areas to address. Provision of school transport, whilst adhering to social distancing requirements, posed a significant challenge, particularly for those learners attending Welsh Medium, Special and Catholic schools. Whilst some transport was in place, further was required for the autumn term.

Almost 800 digital and around 1260 MiFi units devices were issued to families to support distance learning. Additionally, a school wifi network allowing children and young people to bring their own devices to school (BYOD) was established. Building on this success remains a priority.

Pupil attendance at schools was not compulsory since schools reopening on 29th June and attendance at individual schools varied from between around 30% to 90%.

On 9th July 2020 Welsh Government announced that Schools would return to full capacity by mid-September, with only limited social distancing within contact groups.

At full operations, a contact group should consist of around 30 children. Some direct or indirect mixing between children in different contact groups would also be unavoidable, such as on transport, receiving specialist teaching or due to staffing constraints.

Social distancing for adults should remain in line with regulations and guidance. Every school should continue to be "Covid Protected" - having carried out risk assessments and mitigated them with a combination of controls such as hand and surface hygiene, one-way systems and so forth.

If early warning information showed a local incident or outbreak, then nearby schools should implement appropriate restriction measures. To support effective track and trace, each school would be provided with a supply of home testing kits.

A priority now was that we work with our communities to build their confidence in returning as many learners to school as possible.

The Leader invited Comments from Cabinet:

Councillor Rahman admitted that he was initially concerned about schools opening and how the BAME group was affected by Covid 19. However, he was impressed with how teachers and all of Education Services had reacted to the reopening of schools and passed on his thanks everyone involved and the Cabinet Member for Education and Skills. The additional advantage to schools reopening was that it improved the mental health of children who could access the pastoral care and support available from teachers, especially for pupils that had to deal with bereavement. Councillor Rahman referred to the support provided for the digitally excluded learners and the tremendous effort carried out to identify and connect those families that did not have the facilities to access virtual learning. Unfortunately the councillor felt that this also highlighted the areas of poverty in Newport and felt that there was a real need to invest in families that were struggling.

Councillor Truman was impressed with the Childcare hubs that were put in place at the beginning of lockdown and felt that the quick reaction from staff showed Newport at its best. The work by volunteers and staff implementing and running the hubs was outstanding.

The Deputy Leader agreed that the message of thanks was very much needed and echoed Councillor Rahman's view about his initial concerns with the reopening of schools. The Deputy Leader however had recently visited St Andrews Primary School during their reopening preparations. The hard work that staff, pupils parents and carers providing their support had put paid to his worries and he could see the benefits of children returning to school.

The Leader invited the Deputy Chief Education Officer to comment and he passed on his appreciation to the Cabinet and thanked them for their praise and felt humbled by the work of schools teachers, teaching assistants, governors for their collaborative effort during the pandemic. He added that Education Services were rearing to go for the new academic year in September and was proud of everything Education Services had achieved.

Decision:

The Cabinet voted and approved endorse the School Recovery Programme.

9 Western Gateway – The Newport Perspective

The Leader presented the report, highlighting that Western Gateway was established in November 2019, this was a strategic partnership which aimed to deliver an economic powerhouse along the M4 and M5 corridor, driving growth on both sides of the Severn. As one of five cities, Newport was expected to be a key player in the success of the partnership and stood to profit from the benefits greater collaboration would bring.

The region was already considered a major economic powerhouse containing three city regions, each of which had identified improved physical and digital connectivity, higher skills and employment levels, plus innovation, as being pivotal to their future economic development and prosperity. As a region we had a higher GVA per head than the Northern Powerhouse and the Midlands Engine and a pre lockdown economy in the region of £107 billion, nearly double that which existed with the former Great Western Cities partnership.

As a partnership we had nearly 4.4 million residents, approximately 160,000 businesses and in the region of 2.1 million jobs. We also enjoyed excellent connectivity with major motorways and roads, 2 airports and 9 ports.

A prospectus was published and included at the end of the report. It confirmed that the Western Gateway was 'propelling a greener, fairer, stronger Britain.' Three primary ambitions focussed on connectivity, being a global gateway, and innovation and all of these things resonated with the economic growth aspirations of Newport.

In respect of connectivity, Newport residents and businesses could benefit from quicker and more frequent services to London, a direct link to Heathrow and other core cities, and a Western Gateway smart ticket providing quicker travel around the region in a 'golden hour'. There was a commitment to provide more electric charging points along the M4 and M5 and we needed to be part of the aspiration to be the UKs most digitally connected region.

As a global gateway, there was huge potential to deliver a strategy which focused on trade, investment, the role of the ports and airports and the visitor economy.

In terms of innovation, the region had 10 Universities and a number of specialist academies and centres. Newport's cyber and software academies were considered key features of the innovation offer and being associated with other Innovation Centres such as the UK Digital Retail Innovation Centre in Cheltenham and Gloucester and the UK Space Agency in Swindon would increased our ability to collaborate and complement other exceptional research facilities.

Work is currently underway in relation to the governance structure of the partnership and the group are working towards formalising the partnership through the creation of a Partnership Board and Advisory Groups which are supported by a dedicated secretariat. An independent Chair has been appointed and Kathryn Bennett from Airbus is already leading discussions with UK Government on the benefits of the Western Gateway region.

An Independent Economic Review was commissioned which would provide an evidence base for future policy development and investment, something which was made more urgent by the economic downturn as a result of Covid-19.

Overall the Western Gateway presented Newport with an opportunity to be part of a strong strategic partnership which would help our businesses and industries collaborate and share innovation on a regional basis. Achieving such benefits on our own would be impossible but through partnership working, greater opportunities arise and Newport's economic growth ambitions to become much more achievable and realistic.

The Leader invited Comments from Cabinet:

Councillor Mayer was impressed by the creative sideways thinking which was common in Europe but not here. He felt it was good to take control of our areas and this was a fruitful arrangement.

Councillor Davies felt a vested interest as her parts of her family lived in most parts of the Western gateway areas. It was important to consider the opportunities it provided our youth and the potential job opportunities, as well as ease of travel. Councillor Davies considered that a long-term investment was a positive move for Newport.

Decision:

That Cabinet noted the content of the report and supported Newport's continuing involvement with the Western Gateway.

10 Strategic Recovery Aims – Governance and Democratic Arrangements

The Leader presented the report advising that at the last Cabinet meeting on 24th June, we agreed a number of Strategic Recovery Aims, which would underpin the corporate priorities as the Council moved into the recovery phase following the relaxation of the Covid-19 restrictions.

One of those commitments was to ensure that we introduced revised governance and democratic arrangements as soon as possible to facilitate the commencement of remote meetings, to change the way in which we operated and there was a continuing need for members to participate remotely in democratic decision-making processes.

As an Administration, we have been fully committed to a democratic decision-making process, which was open, transparent and publicly accountable. The immediate Covid-19 lock-down however, meant that all formal committee meetings needed to be suspended in March and decisions taken under member and officer schemes of delegation. That did not mean that there had been a lack of transparency or that delegated decisions taken during this period have not been capable of scrutiny and challenge. All Councillors have continued to be consulted in writing on all Cabinet Member report and written reports on Planning and Licensing decisions. In addition, members have been able to submit written Questions at Any Time, particularly in relation to Covid-related matters.

In the interests of open government, there was a need to re-commence meetings, once the law was changed to permit this to be done safely and remotely. We have endeavoured to do this in a pragmatic and phased manner, with the emphasis on getting this right rather than rushing to arrange virtual meetings quickly.

Therefore, we called for a further report with proposals for the phased introduction of remote Council meetings, recommended protocols and procedures for the conduct and management of these meetings and a training and development programme for members to ensure that they were able to participate fully in these revised governance arrangements.

The Report sets out the proposal and Cabinet was asked to approve and endorse the revised governance and democratic arrangements and the proposed Protocol for the conduct of remote meeting.

Although this was intended to apply during the immediate Covid-19 recovery period, we recognised that there would be a continuing need for the flexibility provided by remote meetings in terms of the local government equalities and diversity agenda. Therefore, these procedures would be kept under review and re-evaluated. We would look to refine and improve the remote arrangements, where appropriate, and would continue to look at further enhancements in technology.

This meeting today was the next step, as it was being broadcasted live. The press and public were able to click on the link published with the Cabinet agenda to view these proceedings via the live-stream. This technology could then be rolled-out to other Council and Committee meetings.

The forward work programme proposed that we hold a remote full Council AGM on 28th July, to deal with statutory appointments. August recess would be used to plan for the re-commencement of Planning and Licensing Committees as from September, together with Scrutiny Committee meetings in September and October.

Member training and development would be critical to the success of these revised governance arrangements. Councillors were urged to undertake this training as soon as possible and engage fully in the training sessions that are being organised by the Governance and IT support teams.

The August period to provide further member training, tailored to particular needs, and for specific Committees such as Planning and Licensing where there would be further complexities due to the need for public participation in proceedings.

Finally, although the Council did not need to formally amend its current Standing Orders to allow for these remote meetings to take place, it was recommended that a Protocol should be agreed for the conduct of remote meetings, to ensure fairness and consistency and to provide guidelines for participants regarding procedures, etiquette and conduct.

A suggested Protocol and Procedure was set out at Appendix 2 to the report. If Cabinet was content with this Protocol it was suggested that we recommend to Council that it be formally adopted at the AGM as part of the Constitution, until 1st May 2021 (when the remote meetings Regulations expire) or such earlier time as the Council may decide.

The Leader invited Comments from Cabinet:

Councillor Harvey had felt that the work carried out to prepare for the recovery arrangements had intensified and that Cabinet were receiving regular updates from officers.

Councillor Mayer agreed that this was a positive step forward and mentioned his recent Shared Resource Services (SRS) Board meeting where data on the usage of Teams was discussed. MS Teams was only rolled out in January 2020 and by March/ April, Newport were way ahead of anyone else using the MS Teams facilities. By comparison, Torfaen figures showed that in May/June 51,000 MS Teams meetings took place by mostly officers and in Newport 151,000 messages via MS Teams had taken place involving officers and Councillors, which showed that Newport was at the helm.

Councillor Davies mentioned that it there was a need for a focussed look at the strategic recovery programme and welcomed the return of Chairs of Scrutiny Committee in the coming months to scrutinise effectively decisions being taken on behalf of the residents of Newport.

Decision:

That Cabinet approved and endorsed the revised governance and democratic arrangements for the Covid-19 recovery period and endorsed the proposed procedures for the conduct of remote meetings.

11 Strategic Equality Plan 2020/2024

The Leader presented the report, which was the authority's third Strategic Equality Plan. This strategy represented an evolution from our 2016-2020 plan, with more outcome based objectives that were developed by working closely in partnership with various teams across the authority and in collaboration with key stakeholders and communities.

The Equality Objectives within this Strategic Equality Plan, have a good mix of internally focused objectives, such as our commitments to improving our workforce diversity through greater positive action, and more externally focused objectives such as our ongoing commitment to improving community cohesion across the city. This balance of internal self-reflection and an outwardly focused commitment to improve equality in key areas of our society is the strength of this strategy and I am confident it represents a positive step forward for Newport City Council.

The past few months, and no doubt the next few months to come, have been challenging, and have exposed many of the structural and social inequalities that continue to persist in our society, from the global Black Lives Matter protests, to our exit from the European Union, and of course the ramifications of the global COVID-19 pandemic. We find ourselves at a societal cross road as we look to recover and learn from events that have touched us all, but have impacted specific groups in our communities so acutely.

The Leader moved for the adoption of this strategy and thanked both the Cabinet Member for Community and Resources, David Mayer and Cllr Mark Whitcutt for their contributions to the plan and the Strategic Equality Group over the past four years.

The Leader invited Comments from Cabinet:

Councillor Mayer felt that Newport was ahead of the curve to address inequality in 2012. This paved way to integrate equality in all services. The Problems identified during the Covid pandemic brought this into the public eye. The Equalities team worked hard to embed this practise into the report and Councillor Mayer thanked all the team who contributed for their hard work.

Councillor Rahman echoed the comments stating that it was an important piece of work on what the Covid pandemic had uncovered and highlighted the risks and vulnerability of front line workers with no other choice but to risk catching Covid to earn a living to support their families. Work therefore needed to be done to address this. Councillor Rahman was part of the task force looking at the socio economic links in the BAME community, with the Welsh Government. With this in mind, he felt that Newport was ahead of WG and reason for that was because of the excellent work of officers involved at the outset. The Councillor also referred to the support provided for people with disabilities as well as the LGBTQ+ community support networks. Finally, Councillor Rahman thanked the Leader for her outstanding contribution and thanked officers for their hard work.

Councillor Giles also thanked everyone associated for their work with the youth council, who stepped up to the plate to support young people and were involved in the community impact assessment. Councillor Giles went on to say that the young people of Newport should be proud of themselves for what they had achieved.

Councillor Davies highlighted that staff reacted to the Covid crisis with an evidence based approach. A report on the socio economic impact of the Covid crisis was be due to go out to consultation soon and it assured specific actions for the future.

Councillor Cockeram mentioned the importance of increasing the safeguarding of children as well as the increase of domestic abuse during the crisis, which was a real issue and a worrying trend in the urban areas that needed to be addressed.

Decision:

That Cabinet approved the attached Strategic Equality Plan prior to presentation at Council.

12 Date of Next Meeting

Wednesday 16 September 2020 at 4pm.