

# Minutes



## Cabinet

---

Date: 6 March 2024

Time: 4.00 pm

Present: Councillors J Mudd (Chair), D Davies, D Batrouni, J Clarke, Y Forsey, D Harvey, J Hughes, L Lacey and S Marshall

---

### 1 Apologies for Absence

None received.

### 2 Declarations of Interest

Councillor Davies declared a conflict of interest under Item 7: Property Services Arrangements.

### 3 Minutes of the Last Meeting

The Minutes from 14 February 2024 were accepted as a true record.

### 4 Corporate Risk Register Update (Quarter 3)

The Leader introduced the first report on the Council's Corporate Risk Register for the end of Quarter 3 (1 October to 31 December 2023).

The Leader noted with colleagues that Cabinet review the risks; whilst Governance and Audit Committee review the risk management arrangements and governance processes and may provide their comments back to Cabinet following consideration of the Quarter 3 risk report at their meeting later this month.

At the end of Quarter 3, the Authority had 43 risks recorded across the Council's eleven service areas.

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

At the end of Quarter 3, 15 risks were recorded in the Corporate Risk Register.

- 8 Severe Risks (15 to 25).
- 7 Major Risks (7 to 14).

In comparison to the Quarter 2 Corporate Risk Register, one risk - completion of the Internal Audit plan - had decreased from 16 to 9 following the progress made by the Council's Internal Audit service. The Leader was pleased to report this back to Cabinet.

The remaining 14 risks were reported with the same risk score as Quarter 2.

#### Comments of Cabinet Members:

- Councillor Davies noted that the demand for additional learning needs (ALN) and specialist educational needs (SEN) remained at amber as there was an increasing number of children within Newport being diagnosed with ALN. This is not unique to Newport and appeared to be due to a range of factors. Councillor Davies mentioned that the service area was working hard with schools to provide assistance and support where necessary, whilst recognising that more funding was needed. As a consequence, Councillor Davies welcomed the additional £300,000 that was announced at the previous Cabinet meeting that would be used specifically to support these children.
- Councillor Lacey mentioned the assets and property estates which had increased risk from Quarter 1 2023-24 into Quarters 2 and 3 of 2023-24 from 16 to 20. While Councillor Lacey welcomed the additional sums of £200,000 into this area it must be noted that the maintenance backlog of Council buildings currently stood at £100M. Alongside other challenges of maintenance of these buildings owned by the Council, the decarbonisation project was also being managed across the estate. A new strategic asset management plan was being developed, supported by asset rationalisation, and was therefore hoping to manage the risks as best as possible.
- Councillor Forsey noted that the number one risk was in children services.
- Councillor Marshall echoed comments of colleagues about the risk factors in social services and reassured colleagues that the service area was looking at the best possibilities to mitigate it, including work involving investments.
- The Leader thanked colleagues for their contributions and hoped this made clear that, as a Cabinet, the understanding of the risks to the authority and the delivery of statutory services and corporate plan was demonstrated. In addition, Cabinet was able to address risk by putting in place mitigations to help manage the potential impacts.

#### **Decision:**

Cabinet considered the contents of the Quarter 3 update of the Corporate Risk Register and identified the risks.

## **5 Risk Management Policy**

The Leader introduced the approval of Newport City Council's Risk Management Policy including the Council's Risk Appetite Statement.

Newport City Council is responsible for delivering a multitude of services (both statutory and non-statutory) to residents, businesses, and other service users.

It is important that the Council is able to grasp the opportunities which improve the delivery of these services and improvements to communities, whilst managing the risks which could prevent the Authority from achieving its strategic priorities.

This Risk Management Policy set out this Council's risk appetite for managing these opportunities and risks, and its decision-making approach.

The development of the Risk Management Policy was completed in collaboration between Cabinet and the senior management team in the Council.

The Policy also considered the views of the Council's teams involved in operational and strategic risk activity such as Civil Contingencies, Health and Safety, Internal Audit, Insurance, Finance, and other service areas.

The Council's Risk Appetite statement is not a single or fixed concept and there are a range of appetites for different risks over time.

It is important that the Council adopted to take opportunities and risks based on informed, evidence-based decisions to ensure support of the long-term sustainability of services, social value and protection of those at most risk.

Ten risk areas were proposed to support the wide range of activities the Council undertook and aligned to best practice in risk management.

This Policy was presented to the Council's Governance and Audit Committee in January, who accepted the proposed Policy and Risk Appetite statement.

Following the Policy's approval, the Council's Risk Management team would communicate, provide training, and embed the policy into the Council's processes.

#### Comments of Cabinet Members:

- Councillor Davies welcomed the guidance the policy provided when determining a course of action. This is not a substitute for a full assessment of risk but shows the Council's stance when difficult decisions need to be taken. It is a real positive that Newport City Council has determined that their appetite for risk is defined by the activity; this was clearly explained in the policy and enabled Cabinet Members and officers to appropriately gauge the stance to be taken. Councillor Davies added that this was a well-informed and researched piece of work with a consultation process that underpinned it. Councillor Davies welcomed that there would be a regular review, as appetite for risk may change, sometimes reflecting dynamics and issues yet to be realised.

#### **Decision:**

Cabinet approved the Council's Risk Management Policy and Risk Appetite statement.

## **6 Pay and Reward Statement 2024/25**

The Leader presented the annual report to Cabinet for review and to recommend to full Council for approval as part of the normal annual cycle to allow for its publication.

The Council's Pay and Reward Policy for the workforce is an annual report that requires adoption by Council. The policy sets out the internal mechanisms for remunerating Council officers and provided an update on any changes since the last adoption in 2023.

Any changes that were made during the last 12 months were supported by the correct democratic or officer processes and noted in the covering report.

Cabinet noted the decision to align the Council's apprenticeship programme rates of pay to that of the Living Wage Foundation rates. This critical change was in line with the Council's aspiration to be a living wage city. This change also enabled the Council to successfully recruit an additional 20 apprentices over the last quarter using grant funding through the Levelling Up Fund. Offering and employing entry level roles such as apprenticeships was important for the Council in its ongoing recruitment and retention strategies and an important

intervention as part of the Council's new People Plan for its workforce. The Leader had the pleasure of meeting the newest cohort of apprentices recently.

Comments of Cabinet Members:

- Councillor Harvey was pleased that Newport was a living wage city and welcomed the news of the addition of 20 new apprentices.
- Councillor Batrouni supported the report.
- The Leader thanked Councillor Batrouni for his work on the report.

**Decision:**

Cabinet reviewed and recommended the Pay and Reward Policy to Council in order to meet the statutory requirement for a pay policy statement to be approved and published by Council on an annual basis.

## 7 **Property Services Arrangements**

*The Deputy Leader, Councillor Davies declared an interest in this item.*

The Leader presented the proposal to agree the future model for the delivery of property services at Newport City Council.

In July 2014, Newport City Council and Norse Commercial Services created a Joint Venture (JV) agreement to form Newport Norse for the provision of property services, which rebated over £4M to the Council to support the delivery of services to Newport residents in the last 9 years.

The current partnership provided a range of services including facilities management, estate management, design and building maintenance, premises management and cleaning.

In December 2022, Cabinet approved the extension of the current arrangement to December 2025. This allowed the Council to examine the current service model and to assess the future requirements to meet the Council's corporate priorities.

The Leader was pleased that the Cabinet report and recommendations presented work completed from collaboration with the Council's Overview Scrutiny Management Committee through a Policy Review Group, supported by external advice and a cross-organisational project board.

The findings of the review recognised and valued the successful track record and collaborative relationship between Newport City Council and Newport Norse but also recognised the need for change.

In the deliberations and assessment of options available to the Council, the Policy Review Group considered several options such as: insourcing of services to the Council; renewal or update of the current arrangement with Norse; a Community Interest Company; an arms-length Local Authority Trading Company; and a shared service model.

All of the options proposed were carefully considered, examining the opportunities and risks, strategic alignment to the Council's priorities, social value to the Council and residents of Newport, financial viability, service delivery quality and ease of deliverability.

The outcomes of the assessment identified that the preferred and most viable model for the Council was to move to a wholly owned Local Authority Trading Company (LATCo) for services currently delivered by Newport Norse.

The Council's Policy Review Group recommended that transition to the operating model should be adequately resourced and noted the importance of minimising staff attrition to reduce the risk on the important services delivered by Newport Norse.

The Review Group also recommended that the future model should be sufficiently flexible to allow for future growth such as shared services or additional service expansion; and that the ongoing programme of work was reported back to Scrutiny and Cabinet.

Throughout this process, management and staff from Newport Norse were involved and consulted with. On behalf of this Cabinet, the Leader thanked the Norse workforce for their involvement as the Council considered and deliberated the options.

The Leader also thanked the Councillors who participated as part of the Policy Review Group and Overview Scrutiny Management Committee.

#### Comments of Cabinet Members:

- Councillor Lacey was pleased to fully support the paper. This was an opportunity for the Council and looked forward to a wholly owned Newport City Council company. Councillor Lacey also wanted to thank Scrutiny and officers for a collaborative work and detailed review of options to better align priorities. It must be understood that this required an element of investment but as the Leader stated, there were also opportunities to develop this service in the future, expanding a range of services, or a shared service provision. Importantly, the Council was able to work with Norse management and staff and would continue to do so going forward. The Council would collaboratively work with stakeholders as this progressed but at the moment, it was business as usual, working with Norse.

#### **Decision:**

Cabinet agreed, in principle, the future model for delivery of property services as a local authority trading company as outlined in the report. Cabinet directed the Strategic Director for Transformation and Corporate Services, in consultation with the Council's Statutory Officers:

1. To prepare a proposal document regarding the setting up of an arms-length company wholly owned by the Council for the purpose of delivering property services to the Council from January 2026.
2. To obtain such advice and information as necessary in order to enable the preparation of that document.
3. To take such mobilisation steps as necessary to enable the setting up of the new model, but not including the registration of the company at Companies House.
4. To report back to the Cabinet at a later date regarding the proposal and progress of the above.

## **8 Sustainable Communities for Learning - Rolling Programme for Investment 2024/2033**

The Leader presented the next report to Cabinet. The Council was nearing the end of its Sustainable Communities for Learning Band B programme, which already delivered significant projects.

The Leader asked that Cabinet focus on the next wave of investment under this scheme, and to support this, the Leader was pleased that Welsh Government extended its financial commitment to supporting projects at a 65% intervention rate. Despite the challenges facing

the Council, the scheme therefore represented an excellent opportunity to invest in its school buildings.

The Strategic Outline Programme for the next 9-year rolling programme of investment needed to be submitted to Welsh Government for consideration by 31 March 2024. This report therefore asked Cabinet to consider whether the identified investment objectives were appropriate and should be supported.

The overall programme was driven by strategic aims such as reducing poor quality school accommodation, ensuring a sufficiency of school places, creating additional Welsh-medium places and pathways, and delivering carbon-neutral buildings. If approved, the 9-year programme would provide new and replacement education facilities at Millbrook Primary School and Caerleon Comprehensive School and would support the opening of two developer-led schools in the east of the city. It was designed to ensure the long-term sufficiency of secondary school places, to grow the Welsh-medium education offer, and to support learners with Additional Learning Needs.

The estimated value of the programme is £110M, and with Welsh Government providing 65% match funding, this required a Council commitment in the region of £38.5m over 9 years.

#### Comments of Cabinet Members:

- Councillor Davies highlighted the importance of the report as it worked towards developing the rolling programme and would improve schools in Newport. The 9-year rolling programme would see funding from WG of 65%, which went a long way towards building the new school in Bettws. This was a fantastic achievement for the children in Bettws. There was a specific focus on new education facilities to replace poor quality facilities and it was important to ensure adequate provision for both English- and Welsh-medium schools. The Council intended to expand the provision for children on the autism spectrum, with plans to provide an additional 40 places on an identified site in Newport. In this instance, WG would provide funding of 75%. Commitment to the reduction of carbon footprint is a key priority, and the programme intended to deliver net zero new builds, as part of the plan going forward. There is an estimated value of £110M, as mentioned by the Leader, with a spending commitment of £38M from the Council. This is an exciting opportunity, and it is important to get this right for the future of the children of Newport. As a listening council, future consultations and discussions at Scrutiny would take place as these plans evolved to support effective decision-making.
- Councillor Harvey supported the Deputy Leader's comments and mentioned the secondary school within her ward, which supports learners with autism spectrum disorder (ASD). Councillor Harvey pupils deserved to have what the Council was providing for them.

#### **Decision:**

Cabinet agreed that the investment objectives upon which Newport City Council's Sustainable Communities for Learning 9-year rolling programme was based on were appropriate, and the Strategic Outline Programme reflecting those objectives could be submitted to Welsh Government for consideration.

## **9 NCC External Pressures - Cost of Living**

This monthly report presented by the Leader provided an opportunity to ensure that Cabinet continued to address the challenges that residents faced on a daily basis.

The main challenges facing Newport continued to be the cost-of-living crisis, pressures on housing and homelessness services, and changes in the asylum and refugee process.

The Council continued to respond to these challenges through collaboration and partnership working to provide support, advice, and guidance to residents.

The Leader was pleased to note that there was another meeting of the Homewards coalition in Newport on the day prior to Cabinet, to drive forward strategies and plans in order to help address the Council's goals of ending homelessness.

The report provided examples of activities and support offered during this period, including activities and food provision during the school half term. There was a lot of excellent work being undertaken during this period including the distribution of essential food, cleaning and hygiene products, and food shopping vouchers.

Officers from across the Council, including its Prevention and Inclusion Service, were also working closely together and with partners to coordinate support over the next few months. This included planning Easter activities for children and young people, which the Leader was pleased to note.

Cabinet also noted the different projects that the Education department and schools were supporting to ensure all children and young people were able to reach their potential.

The Leader encouraged anybody in need to attend the 'Think Wise – Live Wise' drop-in events which provided cost-of-living related information and guidance on topics such as budgeting, managing utility bills and rent advice.

These sessions were hosted over three early evenings a week, in different areas across the city, and members of the public could attend any venue for advice and guidance.

The report provided information on national changes to the Ukraine support schemes and officers were working closely with clients and hosts to support them during this period.

The Leader noted that as the Leader of the Council and Chair of OneNewport, they continued to advocate for partnership working as being vital in supporting residents and businesses and once again encouraged anybody in need to access the support available.

#### Comments of Cabinet Members:

- Councillor Davies welcomed the detailed report on the Education team which showed that Newport schools, with the EAS team, had the roots to support families out of unemployment and out of poverty. Projects in schools included the Foundation of Community Engagement with 36 school settings within Newport working with the organisation and focussing on engagement with families to improve health, attainment, achievement and access to employment. Many of the schools in Newport were already going straight to gold rather than bronze, silver and amber, as they were already going above and beyond. The One Million Mentor Scheme was aimed at raising aspirations for learners to access further and higher educational training. Interim impact reports outlined that 63% of mentees came from disadvantaged backgrounds. A recent Welcome to Newport Education event was hosted by the Gwent Education Multi-Lingual Learners Service for school-aged children in temporary accommodation. It provided advice, guidance and support delivered by Housing officers and schools. In addition, free music and instrument lessons and activities were led by Gwent Music for all children receiving free school meals (FSM) children; 46 pupils in Newport had benefitted from this offer so far in this academic year. These were all positive things benefitting children within Newport.
- Councillor Marshall highlighted the excellent work undertaken within the community and noted a fantastic event that recently took place for artists at The Corn Exchange. There was also a neurodiversity job fair, and wellbeing groups for those between the ages of 7-

24 years, which was funded by Newport City Council. In advance of International Women's Day Councillor Marshall took the opportunity to thank women within the Council and the community for their inspirational leadership and for the amazing work that they did.

- The Leader echoed the comments of Councillor Marshall on International Women's Day and was delighted to attend a photography exhibition, taken by one of the representatives of the women of Newport, Camilla this year's exhibition was all about community champions. The Leader was humbled by the amazing women who worked every day to support their community.
- Councillor Harvey mentioned that in the report it stated that over 900 children attended half term activities. In Newport, 43% of people struggled with their energy, fuel, and food bills and 39% were working in poverty. Over 3,000 people attended over 157 warm space events. Councillor Harvey reiterated that there was no shame in reaching out and it was working families that were receiving food parcels.
- The Leader reflected on the value of public services and the importance of it to the fabric of society.
- Councillor Lacey echoed comments of colleagues and was grateful for Council officers and the amazing work they did for residents, as well as the schools, volunteers across the city, Cabinet Members, and ward members.
- The Leader said that it was important to emphasise the value of the people and volunteers across the community supporting residents on the front-line, particularly Council officers.

**Decision:**

Cabinet considered the contents of the report on the Council's activity to respond to the external factors on Newport's communities, businesses, and Council services.

10 **Work Programme**

This was the regular monthly report on the work programme.

**Decision:**

Cabinet agreed the Work Programme.