

# Minutes



## Cabinet

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Date: 17 July 2024

Time: 4.00 pm

Present: Councillors D Batrouni (Chair), R Howells, S Adan, P Drewett, E Stowell-Corten, J Clarke, Y Forsey and L Lacey

Apologies: Councillor D Davies

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### 1 Declarations of Interest

Councillor Adan declared an interest in Item 5.

Councillors Stowell-Corten and Drewett declared an interest in item 6.

Councillor Forsey Declared an interest in item 8.

### 2 Minutes of the Previous Meeting

The Minutes from 19 June were accepted as a true record.

### 3 Revenue Outturn Report 2023/24

The Leader introduced the first report to Cabinet colleagues, the Council's outturn for its 2023/24 revenue budget and the key issues arising.

The 2023/24 revenue outturn produced a net underspend of £5.4m against the £374m budget, after core budget contributions to/from reserves, which represented a 1.45% variance against budget.

This final position represented an improvement of £2.9m on the position reported to Cabinet in November, mainly due to better than anticipated income, the late distribution of grant funding from Welsh Government (WG), and the introduction of the Council Tax collection surplus.

The outturn position is largely explained by:

- Overspending in service area budgets - primarily due to increased demand, rising costs, and other service issues (as detailed in the report).

However, these service area overspends were more than offset by underspends against non-service budgets, specifically:

- Overachievement of interest receivable due to interest rates rising and higher than anticipated investment balances, and increased savings on interest payable due to the delayed need to undertake borrowing, caused by slippage in the capital programme.
- A Council Tax collection surplus due to increases in the tax base, and the one-off unwinding of a historic bad debt provision.

- The general contingency budget.

Detailed explanations of the over and underspending against budgets could be found in section 2 of the report.

Whilst the outturn was positive for the Council's finances overall; there were specific issues which had the potential to impact on the forthcoming year.

A number of these issues were addressed as part of the 2024/25 budget setting process, but challenges remained across several areas, in particular, housing needs and homelessness as demand and costs continued to be over and above what the budget could currently afford.

Mitigation from non-service budgets was available in 2024/25, but this would not be to the same extent as seen in 2023/24.

As school variances were managed via individual school's balances, the overall underspend of £5.4m did not reflect the school's position.

In 2023/24, schools collectively overspent by £2m, which saw school balances reduced from £14.4 to £12.5m, on 31 March 2024.

Schools had finalised their 2024/25 budgets, and all but one school had set balanced budgets for the year.

A temporary deficit license was granted to one secondary school and officers were providing additional support towards developing a viable recovery plan.

Schools at risk of future deficit continued to be closely monitored by the finance team and education colleagues, and regular meetings were held with the Assistant Head of Education to discuss each school in turn.

As well as the underspend on the budget, the closing of the accounts identified a number of reserves with balances that the Cabinet could consider for repurposing, amounting to nearly £2m and details of these were shown in section 5 of the report.

The Head of Finance indicated a small number of reserve related issues to the Council when they approved the 2024/25 budget and service area reserve requests were submitted for consideration by Cabinet including current unbudgeted short-term costs and dealing with financial impacts of operational risks.

At this stage, the Cabinet would keep these under review and allocate, from the 2023/24 underspend, the sum of £745k to support the NORSE Joint Venture review which was a key transformation project. The details behind this were available under Item 9 of the report pack.

The Cabinet would return to the balance in due course, including the additional sum identified for repurposing.

#### Comments of Cabinet Members:

- Councillor Lacey had noted the slight overspend in children services and mentioned to colleagues that the number of childcare placements were higher than they had been previously.

#### **Decision:**

That Cabinet –

1. Noted the outturn position, which was subject to audit; and the major variances for the year (Sections 1-3).
2. Agreed/approved the use of the underspend and other reserve transfers respectively as set out in Section 5 of the report, noting the resulting level of the Council's general and earmarked reserves.
3. Noted the schools' outturn and the position on the individual and total school reserves (Section 3).

#### 4 **Capital Programme Monitoring and Additions Report - March 2024**

The Leader informed colleagues that this was the final report of the year on capital activity, and it provided an overview of the final amount of capital expenditure incurred in the year, compared with the allocated budget.

The report outlined the level of slippage and underspend incurred and provided an update on the level of available capital headroom.

The report detailed the additions to the programme that were identified and sought Cabinet approval for these additions.

The first section outlined the movement in the capital budget since the last Cabinet monitoring report was presented to Cabinet in January.

The total value of additions and amendments was £33.7m, however, £2.9m of this was formally approved as part of agreeing the Capital Strategy for 2024/25. Therefore, the value of additions and amendments that required approval, the majority of which were externally grant funded, stood at £30.8m. £4.5m of these additions related to 2023/24 and took the total budget for the 2023/24 financial year to £97.7m.

A further breakdown of these additions and amendments was given in Appendix A.

Against the revised budget, total expenditure of £79.452m was incurred, resulting in a variance of £18.2m.

This variance comprised a net underspend of £498,000 and, more significantly, slippage totalling £17.7m. It was necessary for this slippage to be carried forward into future years in order for ongoing and previously approved schemes to be completed.

The overall value of slippage increased by £8.6m since the capital monitoring report. The amount of slippage compared to the size of the capital programme was less than in previous years, which was mainly due to the fact that a number of large schemes were now underway but also because of reprofiling undertaken in previous months.

It should be noted, however, that the overall level of slippage was still significant and was something that needed to be managed robustly in future years.

Further review of the 2024/25 capital programme was required, to ensure that it reflected a realistic profile. Currently, the budget stood at nearly £90.7m and would be a challenge to deliver.

It was necessary to reprofile this across the remainder of the programme to increase the chances of delivering against the budget and minimising the level of slippage reported in future years.

The report detailed the level of capital headroom currently available, which could be used to support new schemes and emerging priorities.

This now stood at £15.515m, having increased by £7.3m since the last monitoring report, following the approval of £595k as part of the 24/25 revenue budget: this equated to £7m of borrowing, plus £193k of Capital Receipts and £1.2m of decommitments, which was offset by £1.085m being allocated towards Infrastructure annual sums.

Whilst the level of headroom currently appeared reasonable, there remained a need to tightly control its use, so that the Council was able to respond to critical issues, as and when they emerged. This would require clear prioritisation of only the most pressing and urgent issues.

Any opportunity to further increase the headroom needed to be taken, to support as many priorities as possible and ensure that sufficient funding existed to respond to any issues that arose.

The 2021 Treasury Management Code introduced a new requirement that monitoring of the treasury management indicators and non-treasury management indicators should be reported on a quarterly basis, these were detailed in Appendix D of the report. As of 31 March 2024, the Authority complied with all of its treasury management indicators.

#### **Decision:**

That Cabinet -

1. Approved the additions to the Capital Programme requested in the report (Appendix A).
2. Noted the capital expenditure outturn position for 2023/24 and approved the slippage of the budgets highlighted.
3. Noted the amendments to the capital programme.
4. Noted the available remaining capital resources ('headroom') and the earmarked usage of that resourcing.
5. Noted the inclusion of the Treasury Management prudential indicators, included within the report.

## **5 Shared Prosperity Fund Update Report**

Councillor Clarke, Cabinet Member for Regeneration and Democratic Services presented the update report on the progress made in allocating and spending Shared Prosperity Funding (SPF), a programme introduced by the former UK Government in 2022.

Funding replaced previous European Union funding and comprised of £2.6 billion of funding across the UK.

The primary goal of SPF was to build pride in place and increase life chances across the UK.

It is intended to:

- Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they were lagging,
- Spread opportunities and improve public services, especially in those places where they were weakest,
- Restore a sense of community, local pride and belonging, especially in those places where they had been lost, and
- Empower local leaders and communities.

There were three core priority areas – Community and Place, Supporting Local Business, and People and Skills, and a separate allocation to support adult numeracy called 'Multiply'.

Newport received a core allocation of £27m with an additional £5.4m to invest via Multiply.

Cardiff Capital Region had an allocation of over £230 million and just over £48 million for Multiply.

Priority projects established through a public consultation in November 2022 and formed the Local Investment Plan, which was approved by Cabinet in May 2023, a copy of which can be found in Appendix 1.

Cabinet also gave delegated authority to an SPF Board, comprising senior officers from across the Council and the previous Cabinet Member for Economic Growth and Strategic Investment.

Delegation needed to be amended to the Cabinet Member with the Regeneration portfolio.

Updates on individual projects delivered by the Council continued to be provided by the responsible Service Area to their relevant Cabinet Member.

In terms of progress, 67 projects had been approved and were at various stages of delivery, including a number of external groups and organisations who received funding.

Over £400,000 of grant funding was awarded to a number of local providers, including Newport Rising, Operasonic, Urban Circle and Newport Aces Basketball Club.

Other key projects which have received funding also included:

- Works to the Monmouthshire and Brecon Canal.
- Purchase of Tredegar Park and upgrade works to provide a new splash park play facility.
- Funding for the Newport Yemeni Community Association, helping over 300 people.
- Warm Spaces funding to 27 organisations which supported 624 sessions for vulnerable Newport residents.
- Developing standalone training on English for Speakers of Other Languages which saw 404 referrals in 8 months with further training sessions being created due to demand.
- The establishment of the new Corn Exchange venue, providing a 500+ capacity live music venue in the city centre.
- Supporting the delivery of Wales Tech Week, the Nation's primary technology conference, attracting a global audience of thousands.
- Feedback to date has been positive and we are currently in delivery of Year 3.
- Prior to the recent general election, the former UK Government lobbied to extend the SPF programme by at least 12 months, and the new UK Government have also been asked for an extension to the scheme.
- Every penny of the funding received has been spent in Newport and it is clear that Newport residents were benefitting from SPF and as such the Council would continue to identify further funding for Newport residents.

Comments of Cabinet Members:

- Councillor Adan welcomed the forward-thinking approach of delegating the SPF to communities and organisations. Councillor Adan thanked the Cabinet Member for the allocation of money for the young people of Newport. Councillor Clarke also acknowledged the work of the former Leader, whose portfolio had previously overseen this work.
- The Leader added that the attention to detail and the diligence of officers preparing the report was welcomed.

- Councillor Forsey mentioned that it was energising to see the provision of the upgrading of parks and facilities for residents and looked forward to more park development and canal work.

### **Decision:**

That Cabinet -

1. Considered and noted the content of this report; and
2. Re-assigned the delegated authority granted to the previous Cabinet Member for Economic Growth and Strategic Investment on 10 May 2023 to the present Cabinet Member for Regeneration and Democratic Services whose portfolio included regeneration. This being the delegated authority to agree specific projects under each of the three Shared Prosperity Fund priorities and Multiply, and to recalibrate and realign as necessary in order to achieve outputs and outcomes against Shared Prosperity Fund interventions.

## **6 Urdd Eisteddfod 2027**

Councillor Stowell-Corten, the Cabinet Member for Communications and Culture, introduced the report to Cabinet seeking commitment to hosting the Eisteddfod yr Urdd in 2027.

The Eisteddfod yr Urdd is one of Europe's largest touring festivals attracting approximately 60,000 visitors over the course of the seven-day event.

Over 15,000 children and young people under the age of 25 compete as finalists at the event.

The 2024 event was held over May half-term in Powys and the 2025 event was being hosted in Margam Park.

The event would be broadcast on a variety of media outlets, including S4C, BBC Wales and ITV Wales, covering 80 television broadcast hours and over 50 radio broadcast hours.

There was coverage in the local and national press and the Urdd's social media accounts reach over 1.2million people during the week of the event.

Newport had previously hosted Eisteddfod events. One of the earliest Eisteddfod events was held in Belle Vue Park in 1897. More recently the National Eisteddfod was held in Tredegar House in 1988 and in 2004.

In order to host the event, commitment and effective co-operation between all parties was required Whilst the event was managed by the Urdd it would take at least two years of planning. A dedicated working group would be formed with representatives from across the Council and external partners.

The Urdd have provided the Council with specific requirements for the site and Officers were working with the Urdd to select a preferred location. Details of the selected site would be released at a public event in September.

The report listed a number of other requirements from the Council, including providing access to school halls and other Council venues to support rehearsals and meetings. Teachers and Council staff would need to be released to support rehearsals and overseeing the event from an operational perspective.

In respect of financial contributions, the report confirmed that the event costs in the region of £2.4m. The majority of this was provided by funding from Welsh Government and

sponsorship, but all host authorities were asked for a contribution of £200,000. This figure did not include any of the fees and charges, such as venue hire and licences which would be required to be funded separately.

Cabinet would be updated on these costs when more details were available.

The Urdd provided opportunities for young people from all parts of Wales to take part in activities relating to sport, culture, arts, community, and international activities.

In 2023, it was estimated that 90,000 children and young people competed in the Urdd District, Regional and National Eisteddfods.

Participants felt that they had benefitted from the Urdd events in respect of their attitude towards Welsh, their social skills and well-being, and their emotional skills.

Supporting the event in Newport also has wider benefits including:

- Direct links and contributions to the four purposes and six Areas of Learning in the Curriculum for Wales.
- The unique opportunity for Welsh first and second language learners to hear, practice and support their language skills, supporting the outcomes of the Welsh in Education Strategic Plan.
- Supporting the vision of the Youth Work Strategy for Wales, where all young people in Wales were thriving, with access to opportunities and experiences in Welsh.
- The Urdd would be a key milestone in supporting the Welsh in Education Strategic Plan which sought to promote the Welsh language in the City and achieve Welsh Government's Cymraeg 2050 Strategy.
- An opportunity to launch the Council's third Welsh Language Promotion Strategy, with the current plan being reviewed and updated in 2027.

Newport is a Welsh city with rich multicultural, multilingual communities: this was a chance to celebrate the Welsh language as part of our shared identity, and increase opportunities for everyone to see, hear, learn, use and love our national language.

An assessment of the economic value of the Urdd was published in November 2023 and stated that the economic value to Wales was £44.9m in 2022-23.

The report set this out in more detail, but the 2023 event in Carmarthenshire generated an economic value of £16.0m in Wales, including £5.8m of visitor spend during the event and within in the wider area.

Local businesses and supply chains also benefitted with an estimated £7.4m spent by visitors on goods and services and if accepted by the cabinet, there was a commitment to work with hospitality, leisure and retail businesses across the city to ensure that the whole city felt part of, and benefited, from this huge event.

The Eisteddfod yr Urdd Newport in 2027, if approved by Cabinet, would be the largest Welsh language event in the City since 2004.

#### Comments of Cabinet Members:

- Councillor Lacey welcomed the report adding that it was exciting to get the whole city involved. Councillor Lacey was also looking forward to practising Welsh, with her Cabinet Colleague Councillor Drewett.
- Councillor Drewett added that it was a positive move and should be supported with council funding. Welsh was very important as part of Newport's heritage and future.

- Councillor Adan echoed comments of his colleagues and mentioned Newport's strong links with democracy. This was pushing Newport's identity forward and was an ideal opportunity through public service, to support the youth of Newport.
- The Leader also mentioned the benefits for Schools across the city participating in this event.
- The Chief Executive added that this was an exciting opportunity and celebration of the Welsh culture and was looking forward to working with the Cabinet Member on this project.

**Decision:**

Cabinet resolved to –

1. Confirm Newport's commitment to hosting the Eisteddfod yr Urdd in 2027, and
2. Earmarked £200k of the Events reserve as the Council's contribution to delivering the event.

**7 Public Right of Way 406/58 Jubilee Park, Rogerstone**

Councillors R Howells, Cabinet Member for Assets and Infrastructure and Forsey, Cabinet Member for Climate Change and Biodiversity presented the report on the outcome of the public consultation on the permanent closure of footpath 406/58/1 in Rogerstone, Newport, due to river erosion and safety concerns. The footpath was established in 1959 as part of the development of the former Alcan site and was popular among residents and school children as a link to the Welfare Ground and the countryside.

A section of the riverbank collapsed in January 2023 after a storm event, which resulted in a section of the public footpath becoming unavailable and the areas in the vicinity of the collapsed path being dangerous. The land had no known landowner, the Council had no legal duty to reinstate the sections of the path that collapsed, and funding sources for reinstatement was not identified to date.

The consultation received 154 objections and a petition with 1500 signatures, mainly on the grounds of loss of amenity, unsuitability of the alternative route, breach of planning conditions, and impact on local businesses and facilities. The alternative route was safe, well-lit, and compliant with the Equality Act. Therefore, the report considered that there were no valid objections against the Traffic Regulation Order on health and safety grounds.

However, in considering the confirmation of the permanent traffic regulation order (TRO), the Council also considered the consequences of making this order. It was noted that the TRO would require physical measures to prevent access, which were considered to be costly and possibly ineffective, and would also hinder any future reinstatement as the order would have to be reversed to reinstate highway rights.

Comments of Cabinet Members:

- Councillor Forsey added that she recognised the importance of the public right of way for Jubilee Park residents and appealed to residents not to use the collapsed path.
- Councillor Drewett agreed it was a wise move forward for the purposes of safety.
- The Leader also echoed the comments of his colleagues and reiterated the importance of residents' safety.



## **Decision:**

Cabinet resolved to—

1. Decline to confirm the order but retained the section of path that was unaffected at suitable points.
2. Advise the public to use the alternative route as the public right of way has been lost and was unavailable.
3. Signpost the portion of path that was affected to warn of the danger.
4. Amend the definitive map.

## **8 Property Services Review**

The Cabinet Member for Assets and Infrastructure, Councillor R Howells reminded colleagues that in March 2024, Cabinet agreed to establish a new model for the delivery of property services at the end of the current joint venture (JV).

The Norse JV was established in July 2014 and came to an end in December 2025. Over the last 9 years this arrangement had rebated over £4m to the Council to support the delivery of services to Newport residents.

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

Supported by a member led Scrutiny review, it was agreed previously to set up a *wholly owned* local authority trading company (LATCO) which supported our Corporate Plan and social value aspirations.

This report considered the next steps including the use of reserve funds to develop the model and recommended a start date of 1 April 2026.

The report sets out how the previous Cabinet recommendations had progressed and the significant officer work to develop a business case.

Project leads continue to work with Norse, key stakeholders and external partners to analyse budgets and service delivery requirements.

The purpose of the financial business case was to quantify the costs and benefits of establishing a new model, taking into account potential risks and variances.

This report demonstrated the likely costs of setup and the payback period of a projected four years. The report further highlighted that the costs were neutral within the options over the same four-year period, with the new model providing significant financial and social value benefit potential over the longer term.

If Cabinet agreed with this proposal, then progress could be made to set up the new company funded by reserves, as agreed within the Revenue Report to Cabinet as part of July's Agenda items.

The report also considered the issues with an end date of 31 Dec 2025 and proposed an extension to 31 March 2026.

Importantly, the Scrutiny recommendation that the model could be expanded to consider more services was a consideration in this set up.

The next stage was for officers to develop the Business Plan and Cabinet would receive a further report on this.

The Cabinet Member wished to thank the previous Scrutiny committee group for their work on this, and the Norse workforce for working collaboratively with us as we planned this important change.

Comments of Cabinet Members:

- The Leader along with Councillor Howells met with Norse to discuss these proposals. The delivery of this model was ambitious, and Cabinet would be updated on its progress.

**Decision:**

Cabinet resolved to:

1. Delegate authority to the Strategic Director for Transformation and Corporate, in consultation with statutory officers, to take such steps as necessary to continue with the setting up the LATCo, including the preparation of all necessary documents, short of registration at Companies House. That final stage being subject to the development of a business plan for the LATCo's operations.
2. Agree the use of reserve funds as set out in this report for the one-off transition costs.
3. Give authority to the Strategic Director for Transformation and Corporate to enter into a three-month extension to the current Joint Venture.
4. Instruct the Strategic Director for Transformation and Corporate to produce a further report to Cabinet setting out the anticipated financial position of the LATCo including how it met the Council's strategic intentions and achieved social value. This would provide an indication as to its viability and sustainability.

**9 Corporate Risk Register Update (Quarter 4)**

The Leader presented the report on the Council's Corporate Risk Register for Quarter 4 (1 January to 31 March 2024).

The report provided an overview of the Council's risks which may prevent the achievement of its strategic priorities and delivery of services to Newport's communities.

The Council's Governance and Audit Committee was presented with the quarter 4 position in May 2024, where observations were made by the Committee, and these were noted in the Cabinet Report.

At the end of Quarter 4 Newport City Council had 44 risks recorded across the Council's 11 service areas.

- 15 out of 44 risks were recorded in the Corporate Risk Register.
- Severe Risks (15 to 25).
- Major Risks (7 to 14).

In comparison to the Quarter 3 corporate risk register, the following changes took place:

- 1 new risk – Welsh Community Care Information System WCCIS Replacement.
- 1 De-escalated risk – Delivery of the Internal Audit Plan

The Leader invited Councillor Lacey, Cabinet Member for Social Services, to address the new risk in relation to WCCIS

Councillor Lacey referred to the New Risk – WCCIS Replacement, Risk Score 20.

- Welsh Community Care Information System (WCCIS) supported the delivery of Social Services across Newport and will no longer be supported after December 2025.

- Newport City Council was collaborating with other local authorities and the health service to explore several options.
- The replacement system would be a major project for the Council to deliver over the next 18 months.

The Leader added that the De-escalated Risk – Delivery of the Internal Audit Plan. Risk score decreased from 9 to 2.

- At the end of 2023/24, the Council's Internal Audit service successfully delivered its Internal Audit Plan 2023/24.
- The Head of Finance has also secured the support of Southwest Audit Partnership (SWAP) in the delivery of the 2024/25 Internal Audit Plan as well as appointing new Auditors to the team.
- The risk would continue to be monitored by the Finance service area in 2024/25.

#### **Decision:**

Cabinet considered the contents of the Quarter 4 update of the Corporate Risk Register.

## 10 **Welsh Language Annual Report**

The Cabinet Member for Communities and Poverty Reduction, Councillor Drewett introduced the report.

Rydw i'n hapus i rhannu'r adroddiad yma Heddiw, I am happy to share today's report.

Following the implementation of the Council's Welsh Language Standards in March 2016, the Council had a statutory duty to produce an annual monitoring report on compliance with the Welsh Language Standards under the Welsh Language (Wales) Measure 2011.

This annual report represented the Council's eighth year of implementing the Welsh Language Standards and, in compliance with statutory requirements, provided an overview of the Council's progress in meeting the Standards during the financial year ending 2024.

The report included key performance information required by the Welsh Language Commissioner to be published annually, highlighted significant achievements during the year, and identified priority areas for future work.

The draft report was published online by the deadline date of 30 June 2024 to meet statutory requirements and would be updated immediately once agreed by Full Council.

Key highlights from the year included:

- **Cymraeg Gwaith Initiative** – A dedicated seconded tutor to facilitate NCC Welsh language training within Newport City Council in partnership with Coleg Gwent funded by the National Centre for Learning Welsh.
- **New Website, Welsh Language Domain, and Email addresses** – First fully bilingual website using the Gov Drupal platform, supported by a new Welsh language domain of [www.casnewydd.gov.uk](http://www.casnewydd.gov.uk) alongside translation of all council emails linking addresses to [@casnewydd.gov.uk](mailto:@casnewydd.gov.uk).
- **Many Faces of Welshness Campaign** – Worked with Urban Circle to produce video resources highlighting and celebrating the diverse nature of Newport's Welsh language community and why Welsh is important to the people of Newport, how it is used and the options available for those considering a Welsh medium education.

The report also identified priorities for the next reporting period, including an increased focus on recruitment, retention, and development of Welsh speakers across all service areas within

the Council and developing a Saint David's day event to celebrate Welshness, Welsh culture and Welsh heritage.

The role of Councillor John Harris, Welsh Language Champion, was instrumental in helping to highlight the importance of the Welsh language across the city whilst continuing to promote the Welsh language within the Council and across its workforce.

Comments of Cabinet Members:

- Councillor Lacey referred to how Welsh was once a dying language but that it was now encouraging to see that almost 30% of staff were Welsh speaking and that the Council was making tangible steps towards building on this achievement.
- Councillor Drewett highlighted the importance of speaking Welsh to the local culture and how it reinforced the positive aspects of the language.
- Councillor R Howells mentioned that Welsh has gained a lot of traction and hoped that her child would be bilingual. Welsh language being taught in all schools in Newport was important.
- Leader was pleased to see that Newport was making such progress and the key focus was the next generation of Welsh speakers. The Leader reiterated to residents 'please learn Welsh'.

**Decision:**

Cabinet approved and recommended the attached monitoring report to Full Council.

11 **Work Programme**

This was the regular monthly report on the work programme.

**Decision:**

Cabinet agreed the Work Programme.