

# Agenda



## Newport City Council

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Date: Thursday, 2 March 2017  
Time: 5.00 pm  
Venue: Council Chambers - Civic Centre  
To: **All Members of the City Council**

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### **WEBCASTING NOTICE**

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<b>Item</b>	<b>Wards Affected</b>
1. <u>Agenda - Welsh Version/ Cymraeg</u>	
2. <u>Apologies</u>	
3. <u>Declarations of Interest</u>	
4. <u>Preliminaries</u>	
5. <u>Minutes</u> (Pages 5 - 12)	All Wards
6. <u>Appointments</u>	
7. <u>Police Issues</u>	
8. <u>2017/18 Budget &amp; Medium Term Financial Plan</u> (Pages 13 - 104)	All Wards
9. <u>Social Services and Wellbeing Act: Population Needs Assessment</u> (Pages 105 - 204)	All Wards

Contact: Richard Jefferies  
Tel: 01633 656656  
E-mail: richard.jefferies@newport.gov.uk  
Date of Issue: 23February 2017

10. Questions to the Chair of the Cabinet

All Wards

To provide an opportunity for councillors to ask questions to the Chair of the Cabinet in accordance with the Council's Standing Orders.

Process: No more than 30 minutes will be allocated at the Council meeting for oral questions to the Leader

If members are unable to ask their question orally within the allocated time, remaining questions will be answered in writing. The question and response will be appended to the minutes.

The question must be addressed through the Mayor or the person presiding at the meeting and not directly to the person being questioned

11. Questions to cabinet members

All Wards

To provide an opportunity to pose Questions to Cabinet Members in line with Standing Orders

**Process:**

*No more than 10 minutes will be allocated at the Council meeting for questions to each Cabinet Member.*

*Members will have needed to submit their proposed questions in writing in accordance with Standing Orders. If members are unable to ask their question orally within the allocated time, remaining questions will be answered in writing. The question and response will be appended to the minutes.*

*The question must be addressed through the Mayor or the person presiding at the meeting and not directly to the person being questioned.*

Questions will be posed to cabinet members in the following order:

- I. Deputy Leader and Cabinet Member for Environment Sustainability and Transport
- II. Cabinet Member for Education & Young People
- III. Cabinet Member for Finance and Resources
- IV. Cabinet Member for Community Services, Work and Skills
- V. Cabinet Member for Regulatory Functions
- VI. Cabinet Member for Regeneration & Investment
- VII. Cabinet Member for Adult Social Services & Housing
- VIII. Cabinet Member for Culture, Leisure and Sport

**For Information:** *A digest of recent decision schedules issued by Cabinet, Cabinet Members and Minutes of recent meetings of Committees has been circulated electronically to all Members of the Council.*

12. Questions to Chairs of Committees

All Wards

To provide the opportunity to pose questions to the Chairs of the Comrn following order:

I. Scrutiny Committees

- Community Planning and Development
- Learning, Caring and Leisure
- Street Scene, Regeneration and Safety

II. Planning Committee

III. Licensing Committee

IV. Democratic Services Committee

***Process:*** *No more than 10 minutes will be allocated at the Council meeting for questions to each Chair.*

*Members will have needed to submit their proposed questions in writing in accordance with Standing Orders. If members are unable to ask their question orally within the allocated time, remaining questions will be answered in writing. The question and response will be appended to the minutes.*

*The question must be addressed through the Mayor or the person presiding at the meeting and not directly to the person being questioned.*

13. Standards Committee (Pages 205 - 206)

All Wards

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# Minutes



## Council

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Date: 31 January 2017

Time: 5.00 pm

Present: Councillors D Fouweather (Deputy Chair), M Al-Nuaimi, O Ali, T Bond, J Cleverly, P Cockeram, M Cornelious, K Critchley, D Davies, V Delahaye, C Evans, M Evans, E Garland, G Giles, J Guy, P Hannon, D Harvey, I Hayat, P Huntley, R Jeavons, C Jenkins, M Kellaway, M Linton, D Mayer, S Mlewa, R Mogford, R Poole, J Mudd, M Rahman, J Richards, M Spencer, C Suller, T Suller, H Thomas, K Thomas, R Truman, Townsend, T Watkins, M Whitcutt, R White, K Whitehead, D Wilcox and D Williams

Apologies: The Mayor (Councillor D Atwell) and Councillors D Atwell, R Bright, E Corten, C Ferris, R Hutchings, C Maxfield and A Morris

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### 1. **Declarations of Interest**

No declarations of interest were made at this stage – please see item X Below

### 2. **Preliminaries**

The Mayor

The Deputy Mayor stated that all members were aware that the Mayor was currently unable to attend the Council meeting. The Deputy Mayor reported that the Mayor was however undertaking a fair number of his duties and all members wished to pass on their best wishes to the Mayor for a speedy return to good health

Mrs Jane Morris

The Deputy Mayor informed members of the sad news of the death of Jane Morris, the wife of Councillor Allan Morris and a former Mayoress of the City. All members and officers wished to record their condolences to Councillor Morris and his family. Members and officers stood in silence as a mark of our respect.

### 3. **Minutes**

The minutes of the meeting held on 27 September 2016 were confirmed as a true record by the Council and signed by the Deputy mayor

### 4. **Appointments**

The following appointments were agreed or endorsed:

Appointment Panel for a Corporate Director (Place): The Leader of the Council and Councillors Gail Giles, Herbie Thomas and David Williams

Appointment Panel for a Head of People and Business Change: The Leader of the Council and Councillors Gail Giles, Herbie Thomas and Charles Ferris

Appointments made by the Panels were confirmed as:

Corporate Director (Place): Ms Beverly Owen  
Head of People and Business Change: Mr Rhys Cornwall.

The Cabinet Member for Community Services, Work and Skills was appointed to the Strategic Board of the Shared Resource Service

Mr Andrew Mitchell and Mr Kerry Watkins had been appointed to serve as lay members on the Standards Committee

Governing Bodies:

The following appointments were made:

Re-appointments

- Alway Primary – Cllr Debbie Harvey
- Lliswerry Primary – Cllr Allan Morris
- Malpas Park Primary – Hazel Allen
- St Michael's RC Primary – Michael Allen
- Fair oak Nursery – Cllr Carmel Townsend

New Appointments

- Caerleon Lodge Hill Primary – Kayleigh Pritchard-Parton
- High Cross Primary – Kath McCarthy
- Llanmartin Primary – Jonathan Barry
- Malpas CIW Junior – Iain Riley
- Malpas Park – James Clarke
- Milton Infant School – Laura Lacey
- Milton Junior School- Laura Lacey
- Newport High School – Michael Brunnock
- Ringland Primary – Rehmaan Hayat
- Ysgol Gyfun Gwent Is Coed – Cllr Ibrahim Hayat
- Ysgol Gymraeg Ifor Hael – Joseph Lewis

## 5. **Police Issues: Police and Crime Commissioner**

The Deputy Mayor welcomed to the meeting Mr Jeff Cuthbert, Police and Crime Commissioner for Gwent and Mrs Sian Curley, Chief of Staff.

The Police and Crime Commissioner made a presentation to the Council setting out the main aspects of his role and the role of his office.

The Commissioner then pointed out his key considerations as

- Improving further partnership working
- Building and maintaining cohesion and communication with all communities within Gwent
- Examining police visibility and accessibility with the Chief Constable

- Getting the balance right between provision and reassurance, which includes having well located Police Stations
- Building a strong and positive relationship with the Welsh Government and partners in the community

His main priorities were crime prevention; support for victims; community cohesion; dealing with antisocial behaviour; and effective service delivery

Members asked questions and made points to the Commissioner about

- The lack of parking enforcement throughout the city and particularly in the city centre and the fact that any decriminalisation process would take over two years with the need to address issues now.
- The need to review the business cases in relation to the closure of specific police stations
- The need to improve information to assist the Licensing Committee on applicants
- Reported low detection rates in specific areas of the city
- The need to improve the 101 service to allow easy access by the public
- The need to improve access to data on road traffic accidents to partners to help in road design
- The need to provide information on the intended use of the recently recruited 100 new police officers, where it was explained that the net increase would be in the region of 60 to 70.
- The need for a strategic approach to tackling drug dealing
- The continuing problem of antisocial behaviour
- The need for continued action to address hate crimes in the region
- The potential grey areas between operational and strategic decision making

## 6. City Deal

The Chief Executive reported that on 15<sup>th</sup> March 2016, each of the ten constituent council leaders in South East Wales, the First Minister, the Welsh Government Minister for Finance and Government Business, the Secretary of State for Wales and the Chief Secretary to the Treasury signed the Cardiff Capital Region ('CCR') City Deal Heads of Terms Agreement.

The City Deal is therefore an agreement between the UK Government, Welsh Government and the ten leaders of the CCR. It includes:

- A £1.2 billion investment in the CCR's infrastructure through a 20-year Investment Fund;
- The creation of a non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government;
- The creation of a CCR Skills and Employment Board;
- The CCR and the Welsh Government will work with the Department of Work and Pensions to co-design the future employment support from 2017 for people with a health condition or disability and/or long term unemployed;
- A CCR Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders; and
- The Welsh Government and the CCR commitment to a new partnership approach to housing development and regeneration. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

To ensure the right investments are made to achieve significant economic growth the CCR City Deal has set a small number of key targets, which are: the creation of 25,000 new jobs by 2036; and leveraging £4 billion of private sector investment as a result of the £1.2bn public sector investment.

The Chief Executive informed the Council that the stage had been reached where further consideration had been given to the principles outlined and the Council is now required to consider taking the next steps to commit to the terms of the city deal.

The full Joint Working Agreement was circulated to all members.

The Leader of the Council moved acceptance of the proposals saying that the Friars Walk development had transformed both the physical view and the 'feel good factor' in the city. The Leader mentioned the coming of the Convention Centre and positive impact on the city that would have. She said that location was at the heart of Newport's renaissance, connecting economies and providing an economic heart to the Cardiff City Region as well as providing access to markets across the UK.

The Leader stated that despite budgetary constraints, the Council continues to invest in the people of Newport and that opportunity was at the heart of what the Council does.

The Leader said that the City deal offered a unique opportunity to Newport and its partners and that one of the key elements was the devolution of decision making to a local level. There would be increased investment through improvements in infrastructure and skills development. The Leader stated that the City Deal would be a catalyst for working more effectively, bringing more and better opportunities to communities of the city and the wider region. The Leader considered a positive vote would show Newport was perfectly placed to deliver on the promise to make the City and the South East Wales Region a better place for its residents and future citizens

The Leader of the Opposition seconded acceptance of the proposals saying he had attended the recent seminar and that whilst the deal was not perfect, it provided an opportunities as we continue to lag behind much of the UK. Returns far outweighed the investment and managed properly it could transform the economy of South east Wales

A significant number of elected members from all political groups spoke in favour of the proposals. Councillor Hannon spoke against the proposals.

The Chief Executive confirmed that this deal does not stop our ability to invest in, and create, local projects.

**Resolved:**

- i. To approve the Joint Working Agreement (the 'JWA') as the legal document that formally establishes the Cardiff Capital Region ('CCR') Joint Committee (the 'Regional Cabinet') as a Joint Committee, with delegated functions, with a Commencement Date of the 1<sup>st</sup> March 2017. The elected member representative to the Regional Cabinet shall be the Leader of the Council, or his/her nominated Deputy;
- ii. To approve the financial contributions from each constituent council towards the collective £120m total, (together with such associated costs e.g. carry costs), as detailed in the body of this report;
- iii. To approve the carry forward of any remaining revenue funds from 2016/2017, contributed by each constituent council, into 2017/2018 in order that the support structure for the Regional Cabinet continues;
- iv. To approve the collective revenue contributions of up to £1m (inclusive of Recommendations (ii) and (iii) above, on a proportional basis as set out in the JWA)



to the 2017/2018 budget, in order that the support structure for the Regional Cabinet continues;

- v. To approve that the City of Cardiff Council acts as the Accountable Body with the responsibilities as set out in the JWA;
- vi. To approve the Assurance Framework as the open and transparent, robust decision making process for considering all proposals requiring support from the CCR City Deal Wider Investment Fund;
- vii. To approve the Implementation Plan in the form attached to the JWA, subject to each constituent council approving the JWA Business Plan;
- viii. To approve the Chief Executive in consultation with the Leader of the Council, the Monitoring Officer and s151 Officer be granted delegated authority to agree such amendments as are necessary to the JWA, Assurance Framework and Implementation Plan (as are appropriate) from the date of acceptance of these recommendations to the Commencement Date of the 1<sup>st</sup> March 2017;
- ix. To approve the Chief Executive in consultation with the Leader of the Council, the Monitoring Officer and s151 Officer be granted delegated authority to agree whether the Council should continue to explore the opportunity to continue to participate in the CCR City Deal in the event that one or more of the ten constituent councils fail to agree any of the recommendations; and
- x. To approve the Leader of the Council or her nominated Deputy be granted delegated authority to sign the JWA on behalf of the Council.

## **7. Social Services and Wellbeing Act: Population Needs Assessment**

The Leader of the Council introduced a report which referred to the range of things that will need to be considered by the Council and the Health Board.

Council was informed that under the Social Services and Wellbeing Act (2014) there is a statutory duty on local authorities and health boards to prepare a regional population needs assessment (PNA) in relation to people requiring care and support. The PNA would be signed off by full council in each Local Authority and by each Health Board

Council was informed that a draft population needs assessment has been jointly developed across the region (Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen) by Aneurin Bevan University Health Board and Gwent Transformation Team.

Details of the content of the draft were set out in the report. Members were informed that it was based on national research/reports and on the views of citizens, providers and the third Sector

The Council was informed that the PNA was the first of its kind and would set the direction of travel for health and social care services. It would act as the 'shop window' in terms of priorities and next steps

The Cabinet had previously considered the report and had recommended the draft assessment to Council so that in accordance with statutory requirements, the final PNA can be approved before March 31<sup>st</sup>. This will take place during Council on March 2<sup>nd</sup> and then the PNA will subsequently be published on the Newport City Council website.

## **Resolved**

To adopt the draft PNA report, priorities and suggested actions so that in accordance with statutory requirements, the final PNA can be approved before March 31<sup>st</sup>. This will take place during Council on March 2<sup>nd</sup> and then the PNA will subsequently be published on the Newport City Council website.

### **8. Improvement Plan Review for 2017-18**

The Leader of the Council introduced a report informing the Council that the Improvement Plan helps the authority to show that we have met our duty to continuously improve in line with the Local Government Measure 2009.

In order to clearly demonstrate that the council is fulfilling this duty, eight priority areas were identified in which measurable improvement should be demonstrated.

The current Improvement Plan covers a 2 year period and contains eight objectives which were agreed by Cabinet in April 2016. The Leader stated that as it is a 2 year plan, a review at this point would ensure that the content of the objectives set at the start of 2016 is updated to remain relevant and meaningful for the second year. Extensive consultation had been undertaken before the eight priorities were set last year.

The Council was informed that the overall objectives remain the same and a few updates had been made to the content of the objectives.

Performance measures are included in the Improvement Plan to help monitor the success of activities some of the measures used here are also reported nationally. The National Strategic indicators (NSI) were revoked in July 2016, however many have now been included in the Public Accountability Measures (PAM) data set which is collected by the Data Unit Wales. Changes to measures and targets were reflected in the updated objectives.

The programme of Local Government Reform and the introduction of the Well Being of Future Generations (Wales) Act 2015, mean that local authority performance frameworks are changing to allow local authorities to focus on working more effectively to deliver the wellbeing goals, the content of the plan is now more closely aligned with the Wellbeing agenda.

The Leader stated that the updated plan will allow us to demonstrate continuous improvement in the eight areas that are focused on and to contribute to the Wellbeing goals.

## **Resolved**

To adopt the updated Improvement Plan 2016-2018

### **9. Council Tax Reduction Scheme**

The Cabinet Member for Finance and Resources introduced a report stating that the Council Tax Reduction Scheme for 2017/18 updates the scheme that was introduced on 1st April 2014.

The Council is not required to consult on the proposals of the new scheme as the amendments made are in consequence of amendments made to the Prescribed Requirements Regulations. The local discretions that are available to the Council will remain unchanged. This report provides information on the proposed Council Tax Reduction Scheme.

The Cabinet Member recommended no change in the use of discretions as in previous years and to disregard the whole amount of War Disablement Pensions and War Widows Pensions when calculating income of the claimant

### **Resolved**

That Council approves the Council Tax Reduction Scheme for 2017/18 in accordance with the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2014 ("the Prescribed Requirements Regulations") exercising its local discretions as indicated above.

## **10. Treasury Management**

The Cabinet Member for Finance and Resources introduced a report stating that the report provided an update on the half year position of the Treasury Management activities of the Council to 30<sup>th</sup> September 2016.

The cabinet member stated that the report was taken to audit committee on 1<sup>st</sup> December 2016, who noted the report and agreed with proposals within.

The cabinet member stated that overall, the treasury management activities for the year to date have followed that agreed in the Treasury Management Strategy approved earlier in the year, meaning that the Council continues to be a short term investor in cash to cover day to day cash-flow activities, and has only undertaken new temporary borrowing (that under 12 months), as required to fund normal trading activities and to fund borrowing in relation to the Friars Walk Development.

Treasury Management activities had stayed within the borrowing limits as set in the strategy, however there is the need to increase the percentage limit of total borrowing with a maturity date within 12 months to 80%. The reason for this was that there was a wish to keep borrowing in relation to Friars Walk short- term. This increase in percentage was at very minimal risk to the Council, as it was over the short term and the spread of borrowing over long term is still prudent.

### **Resolved**

To note the report on treasury management activities for the period to 30 September 2016 and approve the requirement to increase the percentage limit of total borrowing with a maturity date within 12 months to 80%.

## **11. Schedule of Meetings**

The proposed diary / schedule of meetings for the coming municipal year was adopted as a guide, recognising that individual Committees would agree their start times and that amendments to the schedule could be agreed as necessary

## **12. Nomination of the mayor for the coming municipal year**

*Councillor Fouweather declared an interest in this item and did not vote*

The Leader of the Council moved that the Council nominates Councillor David Fouweather to serve as Mayor of the City for the coming municipal year. The Leader of the Opposition seconded the motion and it was **unanimously resolved**

To nominate Councillor David Fouweather to serve as Mayor of the City for the coming municipal year

13. **Questions to the Chair of the Cabinet**

No questions were submitted on this occasion

14. **Questions to Cabinet Members**

No questions were submitted on this occasion

15. **Questions to Chairs of Committees**

No questions were submitted on this occasion

The meeting terminated at 6:50 pm



# Report

## Council

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### Part 1

Date: 02 March 2017

Item No:

**Subject 2017/18 Budget and Medium Term Financial Plan**

**Purpose** To agree the Council's 2017/18 overall revenue budget and the resulting Council Tax resolution, 2017/18 capital budget, the Council's Treasury Management Strategy, Investment Strategy, Minimum Revenue Provision policy, Prudential Indicators and the reserves policy as recommended by Cabinet on 20th February, 2017.

**Author** Head of Finance

**Ward** All

**Summary** Following recommendation by Cabinet, the Council needs to make decisions on:

- the level of Council Tax and overall revenue and capital budgets;
- the Council's Treasury Management and Investment strategies; and
- Minimum Revenue Provision policy and Prudential Indicators.
- Reserves Policy

Cabinet met on the 20th February and finalised detailed budget recommendations plus the various Treasury Management strategies and policies outlined above. This paper shows the 2017/18 detailed budget proposals, resulting service cash limits, council tax increase and recommendations for the Council's general reserve and contingencies. An increase in council tax of 3.5% (£1,008.72 per annum at Band D) for Newport City Council is recommended.

The Cabinet have built on the Medium Term Financial Plan approved last February and approved further savings to meet the increased financial challenges facing the Council. The programmes are fully outlined within the Medium Term Financial Plan (MTFP), (Appendix 8).

Based on these Change and Efficiency Programmes, Cabinet has taken a strategic and medium term approach and agreed all investment and saving proposals over the life of the current MTFP, together with the final year of the current Capital programme. Council is asked to note this decision.

**Proposal** That Council:

**Revenue budget and Council Tax 17/18 (paragraphs 4-32)**

- Note that an extensive consultation exercise has been completed on the medium term change/efficiency programme, including the 2017/18 budget proposals and that Cabinet have taken these into account in recommending final details of the programme and the resulting 2017/18 overall revenue budget recommended to this Council;
- Note the Head of Finance's recommendations that minimum General Fund Balances be maintained at £6.5million;
- Note that, in line with the requirements of the Local Government Act 2003, the Head of Finance confirms the robustness of the estimates underlying the proposals and the adequacy of the General Reserves in the context of other earmarked reserves and a revenue budget contingency of c£1,500k;
- Approve the total revenue budget, shown in Appendix 1;
- Approve a Council Tax increase for Newport City Council of 3.5%, a band D tax of £1,008.72;
- Approve the formal Council Tax resolution, included in Appendix 5 which incorporates The Police and Crime Commissioner for Gwent & Community Council precepts.

**Capital Programme and 2017/18 budget (paragraphs 43–56)**

- Approve the 2017/18 capital budget, this being the final year of the current 4 year programme. Detail contained in Appendix 6.

**Treasury Management and Investment strategies, Minimum Revenue Provision Policies, Prudential Indicators and Reserves Policy (paragraphs 57-90)**

- To approve Treasury Management Policies in line with the detail contained in Appendix 7;
- To approve the Annual Investment Strategy in line with the detail contained in Appendix 7;
- To approve the Council's Counterparty list (external bodies for Council investments) in line with the detail contained in Appendix 7;
- To approve the Prudential Indicators in line with the detail contained in Appendix 7
- To approve the Minimum Revenue Provision policy in line with the detail contained in Appendix 7;
- To approve the Reserves Policy in Appendix 9c.

**Medium Term Financial Plan and Capital programme (paragraphs 1 – 3 and 43 - 56)**

- To note the MTFP and the challenging financial climate over the medium term.
- To note Cabinets approval of the implementation of the full 4 year change and efficiency programme, including all budget investments and saving options (Appendices 2 - 3), as summarised within the Medium Term Financial Plan (Appendix 8) and the final year of the current capital programme (Appendix 6). Noting they are subject to on-going review and updating.

**Action by** Head of Finance – prepare 2017/18 Council Tax billing and Newport City Council detailed budgets in line with recommendation

**Timetable** Immediate

This report was prepared after consultation with:

- Chief Executive / Corporate Directors
- Head of Law & Standards
- Head of People & Business Change

## **Background**

### **A 'joined up approach'**

1. The Council is required to approve an overall total budget and resulting Council Tax level for 2017/18 and the proposed budget is attached at Appendix 1. Cabinet is responsible for the detailed spending plans of the budget, the total budget is based on detailed proposals reported to Cabinet on 20<sup>th</sup> February 2017 and shared with Members via the Council's Scrutiny Committees in January 2017.
2. As in prior years, and in line with best practice, we are asking Council to consider the key budget issues together and:
  - approve the overall revenue & capital budget and resulting Council Tax; and
  - approve the Council's treasury management and investment strategies, minimum revenue provision policy, prudential indicators and a new reserves policy, following recommendation from external audit that this was developed and approved.
3. As last year, Council should note that Cabinet continue to take a strategic and medium term view and approve the implementation of the Council's four year change and efficiency programme, including all budget investments and saving options, as summarised within the Medium Term Financial Plan and the remaining year of the Capital Programme. Noting that these plans are subject to on-going review and updating.

### **THE COUNCIL'S 2017/18 REVENUE BUDGET AND COUNCIL TAX**

4. During the Summer and Autumn of 2016, Cabinet Members and Directors / Heads of Service developed a detailed update to the existing change and efficiency programme with a range of new proposals with associated business cases. Considerable 'budget conversations', building on the extensive exercise was carried out for the current year's budget.
5. The resulting budget proposals agreed by Cabinet in December have also been consulted on as follows:
  - With Trade Unions via the Employee Partnership Forum on 12 January 2017. The Unison and GMB unions have also separately responded with their observations.
  - With all Scrutiny Committees in their January 2017 meetings where Members discussed the detailed change and efficiency programmes plus the MTFP.
  - With the Schools' Forum on 10 January.
  - With the public from 21<sup>st</sup> December 2016 to 20 January 2017.
  - Newport Fairness Commission has reviewed the proposals in terms of their parameters of fairness.
  - The GAVO Engage Portfolio which represents hard to reach client groups.
  - Representations were received from Marshfield Community Council following a public meeting
6. Details of the consultation responses were included in the Cabinet report on the 20<sup>th</sup> February 2017 and considered by Cabinet in finalising the details of the budget proposals for this Council meeting along with their Equality Impact Assessments.



## The proposed budget 2017/18

7. The starting point for the 2017/18 budget is the current year's budget. Whilst it is a challenging year, services, with the exception of Social Services, Education and StreetScene are currently forecasting to operate close to or under their approved budget. Notwithstanding this, regular budget monitoring has identified a number of base budget issues that require adjustment in 2017/18 and beyond and where required these have been included in service pressures / investment proposals.
8. Funding levels for service areas based on the draft proposals are shown in Appendix 1 with the detailed budget investments / pressures and savings shown in Appendix 2 and 3 respectively. Proposals for 2017/18 include c£6.6 million of budget investments / pressures over and above the costs of inflation. The most significant area of additional expenditure are linked to:
  - £1,100k additional investment in schools
  - £1,025k for pay increments
  - £547k pressure from shortfall in delivering cross cutting savings
  - £447k cost of paying National Minimum Wage to Council contractors, mainly Social Care
  - £400k for underlying / historical demand for adult social care services
  - £400k for increasing number of children in out of County placements
  - £324k of pressure from implementing national policy of increasing 'capital limit' before any contributing is payable for residential care charges
  - £321k new responsibility for Homelessness Prevention
  - £316k cost of national Apprenticeship Levy
  - £250k pressure from undelivered landfill income target saving
  - £150k pressure from shortfall in delivering 'double handling' target saving
  - £137k for adult social care demographic increase
  - £110k for pension auto enrolment costs
9. As is the case each year, the Welsh Government (WG) transfers some specific grants into the Council's overall grant settlement. The proposals make the assumption that these are included in those service area budgets which were funded from the specific grants. This allows continuation of those services in the first year. Service funding levels in Appendix 1 reflect these changes.
10. In addition, significant specific grants are received from WG each year and at this time we still await the finer details of funding levels for 2017/18. It is highly probable that we will see decreases in some of these grants. It is proposed, in line with the Council's current working policy in that service areas deal with these matters with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to resolve them. This may involve reducing / stopping services that WG specific grants no longer fund.
11. For 2017/18, the WG also transferred 'new responsibilities' to Local Councils and the settlement included provision for the cost of these, namely (i) Homelessness Prevention and (ii) reduced income stemming from the increased capital limits for residential care.
12. The need to identify a significant level of savings to balance the budget, both for 2017/18 and the next three years was recognised at the early stages of budget preparation and a robust process has identified new savings of c£5.7m of savings over the 4 years, of which c£3.4m is for 2017/18. These are in addition to already agreed savings of c£2.5m of savings over the next 4 years, of which just under £2.2m is for 2017/18. The savings are shown in Appendix 3.
13. The need to find savings has come mainly from increasing cost pressures and investments as well as a reduced WG revenue support grant. Whilst the overall WG grant settlement to Local Government has increased slightly, it decreased for this Council following change as to how population numbers are forecasted/ measured plus an increasing tax base.

14. Cabinet considered the schools' funding position in its December 2016 and February 2017 meetings, noting that additional funding had been consistently given to schools over the last 4 years or so, both from the Council and specific grants from WG. Further increases in some WG grants have been indicated for 2017/18, and also an announcement of a new grant to help reduce class sizes, though no detail is yet available on its distribution. Some grants will also be decreasing. At its February meeting, in response to consultation, Cabinet approved an increase to the overall school's budget of £1.1m for 2017/18, which schools can allocate as normal themselves, including sustaining the proposals for Learning Support Centres in secondary schools and the Learning Resource Base in Llanwern High School if they wish.

### **The grant settlement (RSG) and Tax Base**

15. The finance settlement from WG is important to the financial position of the Authority making up approximately 80% of its net budget funding. The Council received its final settlement on 21<sup>st</sup> December 2016 and as predicted, and planned for, it confirmed a significant reduction in the grant for 2017/18. The reasons for the disappointing draft settlement were explained in the December 2016 report on the draft budget and the final settlement reduced again due to the increased tax base in Newport, with the ability to raise funding from council tax being higher than the Welsh average. The equalisation of the RSG for different Council's ability to raise funding from council tax is a key feature of the system.
16. Councils must set Council Tax on or before 11<sup>th</sup> March each year but, in practical terms, to delay beyond this meeting date would cause delays to billing and collection of Council Tax. This would have a significant adverse impact on the Council's cash-flow.
17. The final budget is therefore based on the final RSG settlement of £208.3m, which represents a 0.4% decrease in cash funding from the current year level, but a 0.7% decrease after taking account of specific grant transfers into the settlement and new responsibilities.
18. The tax base is the estimated number of Band D equivalent properties within the City. As this number increases, it generates additional income through council tax, however, as noted above a reduction is made to the Council's settlement from WG if any increase is disproportionate to average increases across Wales and this adjustment is included in the final settlement figure. An allowance for the increased costs of benefits is also required. For 2017/18, the tax base is 57,619.96 (2016/17 - 56,145.64.) which is a 2.6% increase.

### **General and Specific Reserves, Contingencies and Financial Risks**

19. The proposed budget incorporates a number of assumptions in terms of likely levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget. The key financial risks are highlighted below.
20. Any overspend in 2016/17 over and above the revenue contingency budget would be an issue. However, currently no overall overspend is forecast. There are, however, a number of significant base budget pressures and overspends in the current 2016/17 year and these have been considered alongside the challenging savings targets for 2017/18. Additional significant budget capacity has been provided where it has been deemed necessary.
21. New saving proposals and additional income proposals over the 4 year period amount to approximately £5.7m and will need to be delivered in order to achieve a balanced outturn for 2017/18 and subsequent years. This will result in implementation costs and inevitable financial risk around full delivery of all savings. Realistic part year assumptions have been made where implementation cannot be immediate but there is an inherent financial risk around achieving changes in time to deliver the planned savings.

22. Cross cutting (Council wide) saving proposals in areas of procurement, administrative processing tasks and management/ supervisory de-layering have delivered significant savings over the last 3 years. Any outstanding/undelivered targets are currently reflected within current year (2016/17) budget and have been adjusted as needed for 2017/18, reducing the budget risk from these areas.
23. Inflationary increases in budgets have been set at a low level, consistent with most other local authorities. Invariably, this introduces a degree of financial risk as key inflationary pressures are not known with certainty at this time but this financial risk is no higher than in any other year. In particular, any risk here in the area of 'pay inflation', being the highest risk value potentially, is covered by the Council's 'Pay Reserve'.
24. In terms of any contingencies and reserves, the Head of Finance needs to review these in their totality in conjunction with the base budget itself and the financial risks which face the Authority. In addition, this review should incorporate a medium term view where needed and should take into account key developments that may impact on the need for and use of one off resources. In this respect, Council will be aware that the current base budget has a c£1.5million contingency budget.
25. In light of the financial risks highlighted above, a robust view is being taken on managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and Appendix 13a shows the current 'snapshot' of key data and information, alongside the current and projected position on the Council's reserves.
26. The financial resilience 'snapshot' shows that the Council is mitigating potential risks through a number of avenues, there are sufficient levels of general reserves (discussed further below) and there are a number of earmarked reserves which are set aside to mitigate against specific risks such as the insurance reserve. There are also earmarked reserves set aside to fund expected future increases in costs for projects and furthermore a reserve set aside for the smoothing of the funding associated with these projects, the most significant example being the Private Finance Initiative (PFI) reserves. These contribute to a strong balance sheet position that is shown in the 'snapshot'.
27. The Council has also been able to show strong financial control and has managed within its budget over a number of years, despite the high level of savings. This is projected to be the case for 2016/17 again which is summarised in the financial resilience 'snapshot' appendix.
28. Specific one off costs for implementation of the change & efficiency programme will be funded from the current Invest to Save. Our forecasts indicate that there will be sufficient funds within this reserve to meet the above one off costs over the medium term of the current list of saving proposals here.
29. A 'rule of thumb' analysis for determining the level of general reserves suggests this is at least 5% of net revenue expenditure (excluding schools' budgets), unless a formal risk assessment justifies a lower level. This implies a level of c£8.7million for Newport.

However, taking the approach outlined above:

30. Whilst it is accepted that as significant budget reductions are made it invariably introduces financial risks, Newport has a reputation of managing within its budget. Budget risks have been addressed within the proposals.
31. Protection against budget risks is provided through earmarked reserves and contingencies. Whilst no general revenue contingency reserves are currently held (excepting the base budget provision), the Council has a number of earmarked reserves for known but not always easily quantifiable financial risks.

32. In the context of the above and the financial risks inherent in the proposed budget, it is recommended that the minimum level of general reserves remain at its current level of £6.5million, supported by the base budget contingency of £1.5m.
33. The base budget contingency built into the budget, alongside the level of recommended general and earmarked reserves reflect the overall potential financial risk associated with delivering the budget proposals in 2017/18. With general reserves, this provides sufficient capacity to cover financial risks. In light of this approach, the Head of Finance, as part of his S151 responsibilities, is content that the 2017/18 budget as proposed is robust.

### Proposed Budget & Newport Council Tax Level

34. Newport continues to have the second lowest Council Tax in Wales and amongst the lowest in the UK and significantly spends lower than its SSA compared with other Local Authorities. Whilst changes in Council Tax levels are usually noted in percentage terms, the cash increase this delivers in Newport will be smaller against other Local Authorities as our starting point is lower in the first place.
35. Based on a 3.5% Council Tax, the table below compared the available and required budget funding which Cabinet considered at its meeting on 20<sup>th</sup> February 2017. The additional funding for schools and deletion of the Linc ExtraCare Home saving proposal are already included in the budget investments/ savings.

The table below shows the available and required budget funding with a 3.5% increase in Council Tax. In setting Council Tax, the Council needs to be aware of the need to set a balanced budget.	<b>3.5% Increase</b>
<b>Council Tax at Band D at 3.5%</b>	£1,008.72
<b>Budget requirement</b>	<b>£000</b>
Base Budget 2016/17	263,864
Inflation & Re-pricing adjustments	2,151
Technical Adjustment and transfer from reserves	(1,138)
<b>BASE BUDGET 2017/18 (before investments/savings)</b>	<b>264,876</b>
Budget investments – (£6,606k shown in list of pressures plus increase of £680k required in Council Tax Benefit based on 3.5% Council Tax increase)	7,286
Budget savings (£5,575k shown in list of savings less £138k relating to council tax funding adjustment)	(5,438)
Estimated Specific Grant – Social Care (estimated)	(353)
<b>DRAFT BASE BUDGET 2017/18</b>	<b>266,372</b>
<b>Funding available</b>	
Draft WG Settlement	208,250
Current Council Tax at new tax base	56,157
Increased Council Tax @ 3.5%	1,965
<b>Total</b>	<b>266,372</b>
<b>Balance available 'in hand'</b>	<b>-</b>

36. In recommending a final budget to Council, the Cabinet agreed the following
- Reduce Council Tax increase to 3.5%
37. The final budgets, as detailed in Appendix 1, incorporate the above recommendations. In finalising the budgets from the draft, which was consulted upon, Cabinet were aware of the key messages/ concerns/ support coming out of the Consultation.
38. The Cabinet was also mindful of the need to balance the interests of service users with tax payers given the current economic climate and in addition, noted that the council tax, even with the increase recommended, would still be the second lowest in Wales, below other Welsh cities and well below the average for Wales.

### **Community / Police precepts and Council Tax calculation**

39. The Council Tax calculation includes precept figures from The Police and Crime Commissioner for Gwent and Community Councils within the City as well as the City Council's own budget and these are shown in Appendix 4. The resulting Council Tax Resolution is set out in Appendix 5. These are based on the budget proposals agreed by Cabinet on 20<sup>th</sup> February 2017.

### **Equalities Impact Assessments (EIA)**

40. In delivering its services the Council has to be mindful of its duties to discharge its statutory obligations for Equal Pay, Disability Discrimination Act (DDA) and other equalities legislation including The Race Relations (Amendment) Act 2000 and the Equality Act 2006.
41. The Council carries out an impact assessment to identify equalities issues across the breadth of the budget as part of the MTFP and annual budget setting process to inform spending decisions. As part of the budget process, equalities implications are considered for all budget proposals and an EIA is carried out by the relevant service manager, supported by the Council's Policy team.
42. In finalising its budget proposals, Cabinet took account of the equalities impact assessments carried out, which was reported to them in their meeting on 20<sup>th</sup> February 2017.

### **THE COUNCIL'S CAPITAL BUDGET**

43. The Council's capital resources come from four main sources:
- (i) Supported borrowing allocation from Welsh Government;
  - (ii) Unsupported or "Prudential" borrowing;
  - (iii) Capital receipts from the sale of Council owned assets;
  - (iv) WG General Capital Grant / other external grants and contributions.
44. In reality, there is little difference between (i) and (ii) as they are both 'borrowing' and the Council is required to identify a revenue budget to fund the financing costs that result from this type of capital expenditure (i.e. capital principle repayment – MRP, and interest charges).
45. In February 2014 a four-year capital programme was approved as part of the budget setting process, for the years 2014/15 to 2017/18. Over the three financial years since then, the programme evolved to reflect the key requirements and priorities across the Council. New schemes were approved and added to the budget as per the bidding process, as well as existing schemes being re-phased between financial years to reflect changes in deliverability. The table below summarises the current position as reported to Cabinet in January 2017, amended to reflect further updated forecasts of expenditure and funding.

	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	Total £000's
Original Programme February 2014	42,619	12,222	11,414	14,296	80,551
Currently Reported Programme as at January 2017	27,197	25,783	37,798	23,063	113,841
Remaining One-Year Programme to be approved February 2017 (this report)	27,197	25,783	36,628*	36,724	126,332
<b>Change</b>	<b>0</b>	<b>0</b>	<b>(1,170)</b>	<b>13,661</b>	<b>12,491</b>
<b>Change Funded by:</b>					
General Capital Grant			0	0	<b>0</b>
Supported Borrowing			0	0	<b>0</b>
Unsupported/ Prudential Borrowing			(1,417)	938	<b>(479)</b>
Capital Receipts			2,292	(369)	<b>1,923</b>
Other External Grants			(1,928)	13,067	<b>11,139</b>
Revenue Contributions			(1,457)	0	<b>(1,457)</b>
S106 & Other Contributions			1,340	25	<b>1,365</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>(1,170)</b>	<b>13,661</b>	<b>12,941</b>

\*forecast outturn

46. The final remaining year of the capital programme is detailed in Appendix 8 and totals £36.724m. This 2017/18 budget includes slippage that has occurred against schemes in the 2016/17 programme, based on forecast outturn as at January 2017. This is subject to change, as it is only when the final outturn position is confirmed at the end of March (for reporting in June) that the final slippage figures can be incorporated into the 2017/18 programme.
47. In the table above, the increase of £13.661m to the 2017/18 budget compared to that reported at January Cabinet is made up of:
- £11m additional budget, funded by WG and NCC match, for the Ysgol Gyfun Gwent Is Coed project, recently approved by the WG capital panel. Whilst approved by Cabinet in September 2016, officers awaited confirmation from WG before increasing the capital programme;
  - £1.65m allocation, as a result of the WG approval to increase the 21<sup>st</sup> Century Schools programme, to commence the proposed Maes Ebbw project (with a further £1.65m allocated in 2018/19);
  - £1.011m slippage, largely relating to the Gypsy/ Traveller Site Development, currently forecast against the revised 2016/17 capital programme of £37.798m.

The remaining difference in 2016/17, of £159k, is due to various small anticipated underspends across a number of projects.

48. The final year of the programme as shown in Appendix 8 includes the following key schemes:
- The Ysgol Gyfun Gwent Is Coed provision and John Frost School redevelopment projects have remaining allocations of £16m and £2m respectively.
  - The Caerleon Lodge Hill Primary project will now gather pace, with additional funding approved by the WG capital panel, to be added to the 2018/19 allocation. The current profiling of £3.5m budget for 2017/18 remains unchanged.

- The Gypsy/ Traveller Site Development project continues, with £1.7m available via a combination of WG grant and NCC borrowing.
  - Annual allocations for Disabled Facility and Safety at Home Grants (£1.4m), asset maintenance (£1.5m before adjusting for slippage), and Highways Capitalised Maintenance (£500k).
  - Fleet replacement programme continues with £1.5m budget available in 2017/18.
  - £2.2m set aside for any Change/ Efficiency Programme schemes that may yet materialise.
49. The final capital settlement (made up of a general cash grant of £2.465m and supported borrowing funding of £4.051m) for 2017/18 from WG is a small reduction of 0.5% on the 2016/17 allocation. Due to uncertainty around spending plans from Central Government, WG no longer provide indicative settlement figures for the medium term, so assumptions of future reductions each year have been made in order to maintain prudent estimates for the purposes of MTFP forecasting.
50. External grant funding continues to be an important source of funding for specific capital schemes, with the 2017/18 programme being 27.9% grant funded. The Authority will continue to seek opportunities to secure external funding to finance both existing schemes and new priorities that may emerge.
51. As previously agreed by Cabinet, the majority of capital receipts funding is earmarked for use on the 21<sup>st</sup> Century Schools programme (a minimum of £9.5m for Band A including Ysgol Gyfun Gwent Is Coed is required to keep within current funding plans and assumptions), as match funding against WG grant. Of this allocation, approximately £3.6m will have been spent by the end of 2016/17 and, based on current projections for capital receipts to be achieved this year, an overall balance of circa £7.5m is estimated to remain as at 31<sup>st</sup> March 2017.
52. While the Council strategically continues to attempt to minimise its actual long term borrowing and maximise funding of the capital programme from applicable 'cash' sources (grants, capital receipts, contributions), it is recognised that in certain cases this may not be possible due to limited availability of cash resources. Funding capital expenditure via borrowing in a given year results in revenue cost implication beginning in the subsequent financial year. In 2017/18, capital financing costs are estimated to account for approximately 8.5% of the overall revenue budget and further capital expenditure funded from borrowing would increase this figure.
53. With this in mind, work on developing the new four-year capital programme from 2018/19 will progress soon and will be driven, in the main, by emerging priorities in the new corporate plan and detailed plans which support it, the Band B 21C school programme, the Regional City Deal programme and Newport City centre regeneration schemes.

Officers have estimated the approximate level of the future capital funding envelope if the Council's capital financing budgets were to remain at today's level. However, as noted above, Corporate priorities and programmes will need to influence this alongside affordability. This is summarised in the table below.

	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000
Ongoing schemes already approved	4,251	0	0	0	4,251
Annual Sums (eg. Asset, Fleet, Highways, IT replacements, Disabled Facilities Grants.)	5,245	5,245	5,245	5,245	20,980
Replacement of printers/ photocopiers	0	170	0	0	170
New Capital schemes	13,162	6,772	5,609	65,478	32,020
<b>Total Annual Capital Spend including Annual Capital Grant</b>	<b>22,658</b>	<b>12,187</b>	<b>10,854</b>	<b>11,723</b>	<b>57,421</b>

### City Deal

54. On 31<sup>st</sup> January 2017 the Council approved the next stage of the authority's commitment to the Cardiff Capital Region ("City Deal"). This is a significant commitment and will involve the council contributing a financial commitment of 9.8% to the project costs and based on initial financial modelling would result in the following financial commitments over the life of the programme:
- A revenue contribution of £20.7m over the 25 year programme
  - Year 1-5 revenue contribution of £1,045k
  - Revenue contribution peaking in year 11 at £1,307k in that year
55. Once the Joint Working Agreement is approved, councils will be 'locked-in' for a minimum period of five years. As with other Joint Committee's the legal implications set out that the cost of withdrawing are likely to be substantial and are effectively designed to keep councils locked in for the duration of the City Deal.
56. Included within the current MTFP is the initial revenue contributions to the Joint Committee, however the ongoing capital and capital financing costs are not currently included within the programme being approved, and will be included when there is more certainty around the delivery of the City Deal projects and the timing of capital expenditure. This will be reflected in the new capital programme for 2018/19 to 2021/22.

### **TREASURY MANAGEMENT STRATEGY & PRUDENTIAL INDICATORS 2017/18**

57. The Council is involved in two types of treasury activity:
- Borrowing long-term for capital purposes and short term for temporary cash flow;
  - Investment of surplus cash

Within this, the overarching strategy is to

- Limit the need to actually borrow cash by using the positive cash-flow the Council has to fund capital expenditure funded from borrowing, wherever possible;
- Borrow and invest in the short-term to manage the shorter term cash-flow requirements of the Council.

58. The borrowing and investment activities are controlled primarily via the Council's Treasury Management Strategy and various measures and limits set via its Prudential Indicators to regulate/control the implementation of that strategy. These were reviewed and discussed at the



Authority's Audit Committee on the 26<sup>th</sup> January 2017 and comments and observations were made in the following area;

- a. More information on actual borrowing and lending activity in following the strategy recommended. *This is included paragraph 66*
  - b. They reviewed the proposed change in MRP calculation noting that this was already an option within the approved strategy. *Comments made and feedback as shown in paragraph 86.*
59. CIPFA requires local authorities to determine their Treasury Management Strategy Statement (TMSS) and Prudential Indicators (PIs) on an annual basis. This requires approval by full Council following a recommendation from the Cabinet. The TMSS also includes the Annual Investment Strategy (AIS) that is a requirement of the Welsh Government's (WG's) Investment Guidance.
60. Our detailed Treasury strategies for 2017/18 are included at Appendix 9. In addition, planned strategies to 2020/21 are also included, in line with the Council's 5 year Medium Term Plan. Key points of interest are summarised below.

### **Treasury Management Strategy**

61. The Council's overall Treasury Management Strategy takes into account, the current outstanding borrowing that it has due to capital expenditure incurred in the past, and links this into the future expectations for the Council around future capital expenditure to be incurred and future cash flows. As noted, the plan aims to limit new long term borrowing, wherever possible by using internal cash resources.
62. This Treasury Management Strategy highlights that the Council has an inherent need to borrow and therefore the borrowing strategy discussed below is an important part of the overall Treasury Management Strategy.
63. Due to the revenue implications of undertaking capital expenditure and the need to charge a Minimum Revenue Provision (MRP) for capital expenditure funded by borrowing, the strategy of the Council, is where possible, to limit increases in the capital expenditure financing costs in the Medium Term Financial Plan. 2017/18 is the final year of our current capital programme and work is continuing over the next few months to complete the next four year programme. The prudential indicators for these are shown in the appendix to this report.
64. In summary, following this strategy, the Council does not envisage taking out further long-term borrowing over the short-term, but in conjunction with advice from our Treasury Advisors, there will become a point where current borrowing will need to be re-financed, and a decision will need to be taken as to the appropriate timing of that borrowing. There are a lot of uncertainties on the level of borrowing or investment that will be required and this is dependent on the outcome of re-payment of any loans in relation to the Friars Walk development.

### **Borrowing Strategy**

65. The Council has significant long term borrowing requirements but in recent years, the strategy has been able to fund its capital expenditure from reducing investments rather than undertaking more expensive new borrowing i.e. using 'surplus cash'. This is because the rates achievable on the Council's investments are lower than the rates that would be payable on long-term borrowing and therefore this strategy is more cost effective.
66. The CFR (Capital Financing Requirement) in table 1 below highlights the Council's investment and borrowing requirement over the next four years. This shows that given the current capital programme and borrowing levels, the Council will have an inherent need to undertake new borrowing to re-finance borrowing maturing in the coming years. Following our strategy, this means:

- a. The Councils current strategy includes the need to replace existing long-term borrowing when this is re-payable, with new borrowing.
  - b. Timing of new borrowing would be uncertain and is dependent on a number of factors including, expected future interest rates, internal cash levels, earmarked reserves and levels of in year capital expenditure.
  - c. Advice will be taken from treasury advisors on the timing of undertaking new long-term borrowing, to ensure minimal risk and cost of carry to the authority.
  - d. The Councils overall treasury management strategy and decisions on the future capital programme are intrinsically linked to the Medium Term Financial Plan and the revenue implications of undertaking capital expenditure funded by borrowing i.e. increased MRP and interest costs. The future strategy must ensure this is affordable and prudent
  - e. The prudential indicators in Appendix D, show the prudent levels of capital financing and borrowing limits the Council are agreeing to for the treasury management strategy.
67. In terms of the revenue budget, the Council must ensure it sets aside sums to repay capital expenditure funded from borrowing (irrespective of whether the borrowing itself is undertaken externally or through dis-investing). This is done via the 'Minimum Revenue Provision' (MRP). In addition, a budget is also needed to fund actual interest payable on loans taken out, which are based on predictions of actual external borrowing. Both are discrete budget lines in the Council's overall revenue budget.
68. 2017/18 is the final year of the current four-year programme, and work has commenced on providing figures for the future programme from 2018/19 to 2021/22. Further work on this will be carried out over the next 6-12 months to determine the priority schemes that will be emerging. Appendix D shows the estimated capital expenditure for the Council over the medium term, assuming no additional capital financing costs are occurred, although the future capital programme will be driven by the emerging priorities of the Council.
69. There are currently on-going discussions on the Council's involvement in the 'City Deal' project which would involve the Council signing up to a significant capital investment over the next 20 years. There is still a significant amount of work required to finalise the full financial implications of the project, and an update will be brought to the Audit Committee, Cabinet and Council on the treasury management impact of any approval to proceed with the scheme in the future. The figures for City Deal have not been included in any estimates on capital expenditure or CFR in Appendix D, but the borrowing limits for 2017/18 are deemed sufficient if and when the Council signs up to the scheme.
70. Local Authorities measure their underlying need for long-term borrowing through their 'Capital Financing Requirement' (CFR). This takes into account the amount of capital expenditure that needs to be funded through borrowing, (as opposed to external funding - from cash grants, capital receipts or S106 contributions for example) irrespective of whether the borrowing itself is undertaken externally or through dis-investing.
71. In addition to normal planned capital expenditure, in December 2013 the Council approved a loan of up to £89.1million to Queensbury Real Estates (Newport) Ltd (QRE) to fund the building of the Friars Walk Development. The Council's own borrowings to make the onward loan are kept separate from the Council's other borrowing requirements as these loans are relatively short term given the loan is to be paid off via a capital receipt upon sale of the development or re-financed if a sale does not conclude. Following any sale, the Council's own borrowings for this will then be redeemed as soon as is possible. On this basis, the Council will not be required to make MRP charges to the revenue budget in relation to the Friars Walk Development loan as the borrowing will be paid off in full at the end of the scheme via the repayment of the loan by QRE (Newport) Ltd. Loans in relation to the Friars Walk development have been taken at various stages throughout the scheme, therefore have variable dates in which the loans are redeemable. £40 million of loans are redeemable in July 2017, with the balance being taken over shorter terms, with rolling one month terms. This would mean if the loan by QRE (Newport) Ltd is repaid before July 2017, for a short

period, the Council will have surplus funds to invest, unless we are able to redeem early at nil or minimal cost.

72. The table below shows the estimated Capital Financing Requirement / New Net Borrowing Requirement position for Newport City Council for 2016/17 to 2019/20:

**Table 1: Newport City Council – CFR**

	31.3.16 Actual £m	31.3.17 Estimate £m	31.3.18 Estimate £m	31.3.19 Estimate £m	31.3.20 Estimate £m
CFR	230.5	233.8	238.1	241.7	243.1
Less: External borrowing *	(223.3)	(187.7)	(146.3)	(144.9)	(103.4)
<b>Internal (over) borrowing</b>	<b>7.2</b>	<b>46.1</b>	<b>91.8</b>	<b>96.8</b>	<b>139.7</b>
Less: Usable reserves	(101.3)	(92.3)	(89.4)	(86.7)	(83.8)
Less: Working capital	90.7	7.7	7.7	7.7	7.7
<b>Investments / (New Borrowing)</b>	<b>3.4</b>	<b>38.5</b>	<b>(10.1)</b>	<b>(17.8)</b>	<b>(63.6)</b>
<b>Net Borrowing Requirement</b>	<b>219.9</b>	<b>149.2</b>	<b>156.4</b>	<b>162.7</b>	<b>167.0</b>

\* shows only loans to which the Authority is committed and excludes optional refinancing

73. As the table shows, the inherent 'need to borrow' as shown by the CFR is predicted to be £64 million by March 2020. The significant reduction in the CFR between 2015/16 and 2016/17, and again to 2017/18 is due to the anticipated repayment of the loan in relation to the Friars Walk development. This borrowing would need to be refinanced if the sale did not proceed.
74. Given **current** borrowing levels no additional long term borrowing is likely to be required during 2017/18. However, the Authority will be required to be flexible to borrow up to the Authorised Limit, as there will be uncertainty over the timing of the repayment of the outstanding loan in relation to Queensberry.
75. The Authority will adopt a flexible approach to any borrowing necessary in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:
- Affordability
  - Maturity profile of existing debt
  - Interest rate and refinancing risk
  - Borrowing source

### Investment Strategy

76. The Authority holds minimal invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £0m and £25 million. In 2017/18, the investment balances could increase significantly dependent on the timing of the repayment of loans in relation to Queensberry, where a substantial receipt may be achieved in advance of borrowing required to be repaid.
77. **Objectives:** Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the

highest rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses.

- 78. Given the increasing risk and continued low returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding classes during 2017/18. This is especially the case for any surplus funds available for investment following the repayment of the Queensberry loan, before it is used to repay its own loans for this purpose.
- 79. **Approved Counterparties:** Whilst investment funds remain available and based on the treasury management advice from Arlingclose; the Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown will invest in the following areas:

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	Not applicable	Not applicable	£ Unlimited 50 years	Not applicable	Not applicable
AAA	£5m 2 years	£10m 2 years	£10m 2 years	£5m 2 years	£5m 2 years
AA+	£5m 2 years	£10m 2 years	£10m 2 years	£5m 2 years	£5m 2 years
AA	£5m 2 years	£10m 2 years	£10m 2 years	£5m 2 years	£5m 2 years
AA-	£5m 2 years	£10m 2 years	£10m 2 years	£5m 2 years	£5m 2 years
A+	£5m 2 years	£10m 2 years	£5m 2 years	£5m 2 years	£5m 2 years
A	£5m 13 months	£10m 2 years	£5m 2 years	£5m 2 years	£5m 2 years
A-	£5m 6 months	£10m 13 months	£5m 2 years	£5m 13 months	£5m 2 years
BBB+	£2.5m 100 days	£5m 6 months	£2.5m 2 years	£2.5m 6 months	£2.5m 2 years
BBB	£2.5m overnight	£5.0m 100 days	Not applicable	Not applicable	Not applicable
None	£1m	Not applicable	£10m	Not applicable	Not applicable
	6 months		25 years		
Pooled funds	Not applicable				

- 80. Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody’s or Standard & Poor’s. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. Whilst the credit ratings score drives the approved listing, the day-to-day operational counterparties are generally limited to named counterparty listing as documented in Appendix C. However, where it is

prudent to do so the Authority may also use other approved investments based on the approved credit ratings as documented in the table above.

81. A more detailed explanation of the different approved counterparty types are included in Appendix 1 but for the sake of clarity, the Council's investment strategy will, as per the Welsh Governments Investment Guidance, give priority to security and liquidity and will aim to achieve a yield commensurate with these principles.

### **Minimum Revenue Provision (MRP) Policy**

82. Officers have completed a review of how we charge MRP in relation to unsupported borrowing. Appendix E shows the MRP Policy, and there will be no change to this policy, however Newport, as with the majority of local authorities, use option 3 the asset life method as a basis to charge MRP on unsupported borrowing.
83. Currently this is charge through equal instalments over the life of an asset on a straight line basis. Officers have completed a review to move from this method, to using the annuity method. The annuity method still has asset life as its main basis, but takes into account the time value of money. Therefore, the charges in year one will be less than the charge in say 25 years time, increasing year on year.
84. This method is prudent as it still keeps asset life as its main basis, and therefore the repayment will be the same over the life of the asset in both the equal instalment and annuity methods.
85. This has been discussed with Wales Audit Office, and they have indicated that this would be an acceptable change to the method of charging MRP on unsupported borrowing, and that it fits within the aspects of the Future Generations Act.
86. The change in method was also discussed at Audit Committee on 26<sup>th</sup> January 2017, where the following observations and comments were made:
  - a. Concern that this was putting off the day when we need to charge the MRP into the future was raised - While this observation is correct and the Council would gain from a saving in the early years and the cost would be increased in the future, the overall total payment would be the same and would be charged over the same period.
  - b. Observation that MRP charge would need to remain prudent – this was understood, and as discussed it is felt that this is still a prudent method of charging MRP due to the main principle of it being charged over the asset life.

Therefore, the change to the method of charging MRP from equal instalment method to annuity method will be applied from 2017/18.

### **Prudential Indicators**

87. The Council must establish certain 'checks' required by CIPFA to ensure that its Treasury Management Strategy is operating effectively. These are known as Prudential Indicators, and they will be reported to the Council on a 6 monthly basis.
88. Examples of our key indicators are noted below; again more detail is supplied at Appendix 9.

## Net Borrowing/Capital Financing Requirement

89. The Council's net borrowing should not exceed its Capital Financing Requirements as outlined earlier. This ensures that borrowing is only used to finance capital over the long term. The Council does not note any difficulty in meeting this requirement.

## Financing Costs to Net Revenue Stream

90. This ratio shows how much of the Council's total revenue budget is used for capital financing costs, as a percentage. The ratio for 2017/18 is 8.4%.

## Timetable

The timetable for approval of the 2017/18 budget is as follows:

Cabinet agreed options as a basis for consultation	21st December 2016
Consultation period	21st December 2016 to 20th January 2017
Cabinet considers feedback from consultation and recommends an overall budget & resulting Council Tax, based on agreed final proposals	20 February 2017
Council approves the overall budget and Council Tax required	2nd March 2017

## Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Budget savings not delivered	H	L	(i) robust budget monitoring (ii) service planning (iii) retention of reserves and budget contingency	Head of Finance Heads of Service
Budget savings not delivered on time leading to in year overspending	H	M	(i) robust budget monitoring (ii) retention of reserves and budget contingency	Directors / Heads of Service Head of Finance
Unforeseen Pressures	H	L	(i) retention of reserves and budget contingency (ii) robust budget review	Head of Finance Directors / Heads of Service

\* Taking account of proposed mitigation measures

## **Links to Council Policies and Priorities**

In drawing up budget proposals, due regard has been given to key Council policies and priorities and Cabinet, in setting the detailed budget and spending plans, considered these in detail in their February meeting. Details are included in the February 2016 budget paper which conform that the new Council Improvement Plan objectives are funded appropriately to meet the targets proposed.

## **Options Available and considered**

The Council must approve a recommended Council Tax and 2017/18 resulting overall revenue budget and capital budget, plus the Council's Treasury and Investment strategies and prudential indicators.

## **Preferred Option and Why**

Council has various options open to them on the level of Council Tax and therefore the overall total revenue budget for the Council.

## **Comments of Chief Financial Officer**

The detailed financial implications stemming from this report are contained within the body of the report, including the statement from the HoF on the robustness of the budget.

The Council is required to set Council Tax by 11<sup>th</sup> March but in reality, it will need to be done at this meeting as to delay further will mean bills cannot be produced in time to give the required notice before the first instalments of Council Tax are due. Therefore, it is important that the Council decides on the level of Council Tax at this meeting.

The MTFP shown in Appendix 8 points to a significant on-going financial challenge and is an issue facing all Local Authorities across the UK. This Council has been successful in balancing its annual budgets whilst also investing in key priority areas over the last 5 years but this is becoming increasingly difficult to do as most / significant efficiency savings and tactical savings available have been implemented over this time. Increasingly, a different approach will now be needed in going forward which takes a more strategic and medium term approach to ensure the Council can set a balanced budget over the medium term, matched to strategic changes in services.

## **Comments of Monitoring Officer**

The Revenue Budget Report has been prepared in accordance with the requirements of the Local Government Act 2003 and the Local Government Finance Act 1992. In accordance with Section 25 of the 2003 Act, the Council must have regard to the advice of the Head of Finance, as the Council's Chief Finance Officer, regarding the robustness of the budget estimates and the adequacy of the financial reserves. This advice must be taken into account when considering the proposals in the Report and in setting a balanced budget for the forthcoming financial year and the Council tax rate. In accordance with the Functions and Responsibility Regulations, agreeing the overall budget and setting the Council Tax rate under the 1992 Act is a matter for full Council. Therefore, the recommendations from Cabinet, as set out in the Report, are subject to approval by full Council, insofar as they relate to the overall budget and Council tax proposals for 2017/18.

However, the implementation of individual savings proposals within the business cases and the medium term financial plan are executive matters for the Cabinet, provided that they are in accordance with the general budget framework set by the Council. Therefore, although full Council can agree a different base budget (provided it is a balanced one, as required by law) and can set a different Council tax rate to that being recommended by Cabinet, Council cannot change any of the executive savings proposals and can only make recommendations to Cabinet to reconsider any of these matters.

## **Comments of Head of People and Business Change**

This budget is being set against a backdrop of prolonged pressure on public services as a combination of reduced income, rising demands on services, increased expectations, compliance with new legislation and the increasing costs of running services which has seen the delivery of over £45m of revenue savings over the last five years. This major reduction in funding has largely been accomplished with minimal impact on frontline services. However, the increasingly challenging financial situation the Council faces means that it is no longer possible to protect specific services in their entirety as we might have done in previous years. Nevertheless we remain committed to maintaining core services, minimising the impact on disadvantaged communities and groups and also investing strategically in key services that have the potential to contribute to our stated mission of “improving people’s lives”. We will continue to engage with our citizens and partners to incorporate their priorities into the councils plans based on firm evidence and look for innovate ways in which to deliver our services.

The budget options outlined in the report will have a direct impact on employees across the Council, including schools. Changes to structures and staffing will be required to make the necessary service changes and savings. This will require meaningful consultation with trade unions and affected employees. This is an ongoing process. The Council will aim to minimise the impact of the budget on employees across our services, however, given the increasing scale of the challenges facing the Council over the next few years and beyond, it has to be recognised that the Council cannot rule out having to make redundancies. All employees directly affected will be supported by the provisions of the Council’s Job Security Policy, which aims to minimise compulsory redundancies and retain employees in our employment wherever possible.

Over the last three years extensive public engagement has been undertaken in relation to setting service delivery priorities and identifying which services matter most to people, and contribute to their wellbeing. Cabinet have considered the results of this engagement and this has been reflected in the budget programs taken forward.

## **Comments of Cabinet Member**

The Chair of Cabinet and the Cabinet Member for finance, confirm they have seen and approved this report.

## **Local issues**

The budget proposals as shown affect the city as a whole although some specific proposals may affect certain localities more than others

## **Scrutiny Committees**

All detailed proposals were reviewed by all Scrutiny Committees in their January 2017 meetings, as part of the wider budget proposals consultation undertaken and considered by Cabinet.

## **Equalities Impact Assessment and the Equalities Act 2010**

In finalising its budget proposals, Cabinet took account of the equalities impact assessments carried out, which was reported to them in their meeting on 20<sup>th</sup> February, 2017.

## **Children and Families (Wales) Measure**

Wide consultation on the budget has been undertaken, as outlined in paragraphs 4-6 of the report



## Wellbeing of Future Generations (Wales) Act 2015

The Wellbeing of Future Generations Act 2015, which came into force in April 2016 provides a framework for embedding sustainable development principles within the activities of Council and has implications for the long-term planning of finances and service provision. The business cases used to develop savings proposals include specific linkage with Future Generation Act requirements of the “five ways of working”. These pose the following questions:

**Integration** – *How does this proposal contribute towards the objectives of the key strategic documents of the Council i.e. Newport 2020, Corporate Plan, Single Integrated plan, Improvement plan etc.*

**Long Term** – *How does this proposal ensure that the short term and long term requirements are balanced in line with our key strategic plans. I.e. Newport 2020, Corporate Plan, Single Integrated Plan, Improvement Plan.*

**Prevention** – *How does this proposal prevent future problems occurring or getting worse in trying to meet our objectives.*

**Collaboration** - *How does this proposal demonstrate that we are working in collaboration either across the organisation or between organisations.*

**Involvement** – *How does this proposal involve key stakeholders in the development and implementation of this proposal.*

Similar revisions have been made to report templates and the Fairness and Equality Impact Assessment format.

The Well-being of Future Generations Act has involvement as one of the five ways of working under the sustainable development principle. Involvement in the development of this budget has included a four week period of public consultation and consultation with Trade Unions via the Employee Partnership Forum, with all Overview and Scrutiny Committees, with the Schools’ Forum, with the Council’s Fairness Commission and with representatives from the business and voluntary sector.

## Crime and Disorder Act 1998

N/A

## Consultation

Wide consultation on the budget has been undertaken, as outlined in paragraphs 4-6 of the report

## Background Papers

Cabinet report on budget February 20<sup>th</sup> 2017.

## Appendices

Appendix 1	Service Area Budgets
Appendix 2	Budget Investments
Appendix 3	Budget Savings
Appendix 4	Precepts / Council Tax
Appendix 5	Council Tax Resolution
Appendix 6	Capital programme/budget 2017/18
Appendix 7	Treasury Management Strategy and Prudential Indicators
Appendix 8	Medium Term Financial Plan (MTFP)

- Appendix 9 Financial Resilience, Earmarked Reserves & Invest to Save requirements - summary position
- Appendix 9a Financial Resilience Snapshot
- Appendix 9b Projected Earmarked Reserves
- Appendix 9c Reserves Policy
- Appendix 9d Summary of Invest to Save Spend and Forecast

Dated:

## APPENDIX 1 – SERVICE AREA BUDGETS

Summary Revenue Budget		
2017-18	2016/17 Current Budget	2017/18 Base Budget
	£'000	£'000
<b>PEOPLE</b>		
Children & Young People	21,436	21,433
Adult & Community Services	39,346	41,003
Education	14,575	14,859
Schools	89,232	90,297
	<b>164,589</b>	<b>167,592</b>
<b>PLACE</b>		
Regeneration, Investment & Housing	9,041	9,526
Streetscene & City Services	16,911	17,464
	<b>25,952</b>	<b>26,990</b>
<b>CHIEF EXECUTIVE</b>		
Directorate	552	557
Finance	2,742	2,719
People & Business Change	6,420	6,232
Law & Regeneration	6,521	6,494
	<b>16,235</b>	<b>16,002</b>
<b>CAPITAL FINANCING COSTS &amp; INTEREST</b>		
Capital Financing Costs MRP	10,813	11,032
Interest Payable	9,145	9,085
Interest Receivable	(37)	(37)
PFI Grants	8,262	8,315
	<b>28,183</b>	<b>28,395</b>
<b>SUB TOTAL - SERVICE/CAPITAL FINANCING</b>		
	<b>234,959</b>	<b>238,979</b>
<b>CONTINGENCY PROVISIONS</b>		
General Contingency	1,473	1,473
Centralised Insurance Fund	570	570
Non Departmental Costs	5	5
Other Income & Expenditure	4,110	4,488
	<b>6,158</b>	<b>6,536</b>
<b>LEVIES / OTHER</b>		
Discontinued Operations - pensions	1,790	1,577
Discontinued Operations - Ex Gratia Payments	2	2
Levies - Drainage Board, Fire service etc	8,208	8,207
Non distributed grants	-	-
CTAX Benefit Rebates	11,735	12,072
Charity Rate Relief	-	-
	<b>21,735</b>	<b>21,858</b>
<b>TRANSFERS TO/FROM RESERVES</b>		
Base budget - Planned Transfers to/(from) Reserves	1,086	(1,001)
	<b>1,086</b>	<b>(1,001)</b>
<b>TOTAL</b>	<b>263,938</b>	<b>266,372</b>
<b>Funded by</b>		
WAG funding (RSG & NNDR)	(209,142)	(208,250)
Council Tax	(54,720)	(58,122)
Council Tax Surplus	(76)	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

APPENDIX 2 – BUDGET INVESTMENTS

(i) NEW BUDGET INVESTMENTS

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
<b>PEOPLE</b>						
1	Education (Schools)	<b>Ysgol Gyfun Gwent Is Coed:</b> This is the new Welsh Medium Secondary School, which is being established from September 2016. The schools is opening as a seedling school with intake of pupils up to the following numbers in September of 2016 (90), 2017 (120), 2018 (120), 2019 (120), 2020 (120) and 2021 and thereafter (150). The costs now built into the MTFP are those costs associated with the growth of the school, as it takes in the additional year groups, and significantly grows its curriculum towards year 11 and GCSE year groups. The initial operating costs in 16/17 have been met through a school reserve, which has been exhausted covering the initial seven months of operation and set up.	0	202	271	275
2	Education (Schools)	<b>New ASD School Provision:</b> This is the new ASD Special School which is being established on the site of Gaer Primary School. The school building is due for completion in early 2017. The school is being built to accommodate 48 pupils and will be a 3-16 school. The MTFP assumes that the school will open with pupils in September 2017, and costs reflect full staffing and running costs of the school as demand indicates that the school should be full. Costs have been therefore indicated over two financial years to reflect the academic year trans versing the 17/18 and 18/19 financial years.	0	314	0	0
3	Education (Schools)	<b>New Jubilee Park Primary School:</b> This school will be established on the housing development of the former Alcan Site, and is being built by the developer as part of S106 agreements. The school will be a 1.5 FE school, with a nursery and LRB unit on site. The MTFP	0	393	225	90

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Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
		assumes that the school will open in September 2017 as a seedling school with cohorts of up to 45 pupils being admitted each year until all year groups are admitted. The costs that are therefore built into the MTFP are those costs associated with the growth of the school.				
4	Education (Schools)	<b>New Llanwern Village Primary School:</b> This school will be established on the housing development of the former steelworks Site, and is being built by the developer as part of S106 agreements. The school will be a 2 FE school, with a nursery and LRB unit on site. The MTFP assumes that the school will open in September 2022 as a seedling school with cohorts of up to 60 pupils being admitted each year until all year groups are admitted. The costs that are therefore built into the MTFP are those costs associated with the growth of the school.	0	0	0	0
5	Education (Schools)	<b>New West Glan Lllyn Primary School:</b> This school will be established on the housing development at St Modwens, and is being built by the developer as part of S106 agreements. The school will be a 2 FE school, with a nursery and LRB unit on site. The MTFP assumes that the school will open in September 2018 as a seedling school with cohorts of up to 60 pupils being admitted each year until all year groups are admitted. The costs that are therefore built into the MTFP are those costs associated with the growth of the school.	0	519	411	122
6	Education (Schools)	<b>New Primary School:</b> This school will be established on the housing development at the Whiteheads site, and is being built by the developer as part of S106 agreements. The school will be a 2 FE school, with a nursery and LRB unit on site. The MTFP assumes that the school will open in September 2020 as a seedling school with cohorts of up to 60 pupils being admitted each year until all year groups are admitted. The costs that are therefore built into the MTFP	0	0	0	519

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
		are those costs associated with the growth of the school.				
7	Education (Schools)	<b>New Nursery units:</b> Additional Nursery units are being developed for additional pupil demand on for Primary School Sites, these being Llangstone, Mount Pleasant, Marshfield and Pentrepoeth, costs put into the MTFP are for associated costs of running the units with up to 20 FT places in one school, and 16 places in the other three.	0	0	0	0
Page 8 38	Education (Schools)	Further funding for Schools following consultation. Funded from underspend in current 16/17 year which will be reserved for this purpose. This funding will be reviewed as part of the 18/19 budget.	1,100	0	0	0
9	Adult & Community Services	<b>Double Handling Pressure</b> - £300k 16/17 savings project that the service area is unable to achieve in their entirety.	150	0	0	0
10	Adult & Community Services	<b>Supporting People Grant Reductions:</b> Due to the application of the pricing policy of LD supported living following WG review. £726k budget pressure profiled over next three years.	300	150	276	0
11	Adult & Community Services	<b>Underlying budget deficit in Community Care.</b>	400	0	0	0

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
12	Adult & Community Services	<b>Capital Limit</b> - one of the Government's top six 'Taking Wales Forward' commitments is to uplift the capital limit as it applies in residential care charging from £24,000 to £50,000. No commitment has been made as to the timing of this, or how the uplift should be introduced (in one go or on an incremental basis).	324	TBC	TBC	TBC
13	Adult & Community Services	<b>Specific grants transferred into settlement:</b> Delivering Transformation Grant.	144	0	0	0
<b>PLACE</b>						
Page 14 39	Regeneration, Investment & Housing	<b>Play Development</b> - legislative changes and reductions in grant have resulted in increasing costs.	25	0	0	0
15	Regeneration, Investment & Housing	<b>Homelessness</b> - Additional pressures resulting from increased statutory duties under the Housing (Wales) Act 2014 and increased costs associated with the management of private sector leasing scheme.	50	0	0	0
16	Regeneration, Investment & Housing	<b>Provision Market</b> - significant under recovery of income from the market.	126	0	0	0
17	Regeneration, Investment & Housing	<b>Disabled Facilities Grant (DFG)</b> - provision of the Disabled Facility Grants (DFG) service in the private sector housing department.	90	0	0	0

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
18	Regeneration, Investment & Housing	<b>NDR Property valuation</b> from April 2017.	72	0	0	0
19	Regeneration, Investment & Housing	<b>RSG New responsibility</b> – Homelessness Prevention	321	0	0	0
20	Streetscene & City Services	<b>Landfill site income target</b> - Assumed additional income in 16/17 has not been realised as a result of commercial operators taking waste to the new PG incineration plant.	250	TBC	TBC	TBC
21	Streetscene & City Services	<b>Waste Strategy</b> – Reduction in waste grant	0	269	393	511
<b>CORPORATE</b>						
22	Corporate	<b>Public Sector Broadband Aggregation (PSBA)</b> - Introduction of new method of core cost reallocation which has led to an increased cost to the Council. PSBA transformation exercise is currently underway to transform both the core and the connectivity of each organisation which means that a number of circuits will have to be provisioned. The revenue costs to the Council will increase but these are yet to be determined. The ongoing upgrades will be funded by the Council post march '18 - the financial costs of this are yet to be determined.	34	0	0	0
<b>NON SERVICE</b>						



Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
23	Non - Service	<b>New Ways of Working</b> - Undelivered savings target relating to previous years.	547	0	0	0
24	Non – Service	<b>Apprenticeship Levy</b> - New government initiative announced in the 2015 Summer Budget. Levy is to be applied to total pay bill for large employers across all industries. The government is introducing the apprenticeship levy to help fund three million new apprenticeships by 2020.	316	0	0	0
25	Non - Service	<b>Pension Deficit</b> - Market conditions have continued to worsen for funds and the deficit is likely to increase from £47bn since the last valuation by around £20bn. The exact increase of individual employer contributions are to be negotiated once the details of the LGPS triennial valuation have emerged. 1% increase currently assumed, however, final details not due to be confirmed until Summer 2016.	0	860	660	660
26	Non - Service	<b>City Deal</b> – Contribution to funding	0	100	0	0
<b>NEW INVESTMENT TOTAL</b>			<b>4,249</b>	<b>2,807</b>	<b>2,236</b>	<b>2,177</b>

## (ii) AGREED/ REVISED INVESTMENTS

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
<b>PEOPLE</b>						
27	Education	<b>3 and 4 Year Olds</b> - The expansion of the Welsh Government Flying Start initiative, coupled with the general increase in population and the Local Authorities development of additional Nursery provision means that from 2017/2018 additional funding is required to meet additional capacity needs.	0	0	0	0
28	Education (Schools)	<b>Secondary School Demographics</b> - net increase for 2016/2017 financial year and beyond. Snapshot taken of known position at 6th March 2015. The figures show increases of 28, 81, 121, and 335 for 2016/2017 to 2019/2020 respectively into the system. For 16/17 & 17/18 proposal is to limit schools to cash limit of 15/16 budget, therefore no pressures included for these years.	0	266	263	550
29	Education (Schools)	<b>Primary School Demographics</b> - net increase between primary and nursery pupils for 2016/2017 financial year and beyond. Snapshot taken of known position at 6th March 2015. The figures show increases of 298, 209, 258, and 367 for 2016/2017 to 2019/2020 respectively into the system. For 16/17 & 17/18 proposal is to limit schools to cash limit of 15/16 budget, therefore no pressures included for these years.	0	462	466	162
30	Education (Schools)	<b>Maes Ebbw Special School</b> - capacity building through Capital investment. Revenue consequences of Capital Bid being presented to cater for additional staffing with regard to the creation of additional Capacity proposed to be created at the school, and the ability to take further additional pupils over above current levels. The current position within the school is it has capacity for 100 pupils, but at the present time has 124 pupils on site. The capital bid, which is to be submitted for 6 additional classrooms at £2.3m will give capacity at 148, allowing the school to safely deliver education to those currently on site, and allow additional known demand to be catered on site. The revenue	40	0	0	0

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
		consequences of the development is additional staffing of 6 Teachers and 12 Teaching assistants at total cost of £550k, of which circa £100k can be found from within current ISB resources when pupils move, and a further £180k from anticipated savings falling out of a schools reorganisation programme to be finalised during the current MTFP process. Therefore the revenue burden sits at £270k over two years.				
31	Adult & Community Services	<b>Adults - Demographic Growth.</b> Funding based on current trends and demographic forecasts.	137	157	169	0
Page 43 32	Adult & Community Services	<b>Transitions</b> - Children due to turn 18 that are in the children with disabilities team (CDT) and are therefore likely to go into the adult social care system. This is worked out based on the full year cost of 4 children at the current package cost within Children's services. Not all LAC's who turn 18 would apply here, only those in the CDT.	57	297	180	0
33	Children & Young People Services	<b>Kinship</b> - There have been increases of children being granted Special Guardianship Orders of around 25% per year, for the last couple of years. Based on reviewing these trends and current numbers, these pressures are needed until the situation plateaus in the years to come. Based on end of May 2016 projection Kinship budget is anticipated to underspend therefore no growth required in 17/18.	0	100	0	0
34	Children & Young People Services	<b>Out of Area Residential Placements</b> - Based on an age profile showing children turning 18 and a trend analysis of the likely number of new cases, gives rise to this budgetary pressure. June 16 forecasts anticipate a £426k overspend in this area.	400	0	0	0

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
35	Children & Young People Services	<b>New legislation/Regulation - Fostering 'When I'm Ready'/Leaving Care</b> - This is an amendment to a line in the last agreed MTFP, where some costs can now be estimated. There are changes to legislation regarding support for foster children up to the age of 25. We are still awaiting final guidance on this but these calculations are based on foster carers receiving the WG minimum allowance for 16-18 year olds until the age of 25, assuming that all children as they turn 18 are included. These can be children from Independent Fostering Agencies, Out of Area Residential Placements and in house looked after children.	141	187	163	150
<b>NON-SERVICE</b>						
Page 36 44	Non-Service	<b>Non-teaching staff increments</b>	717	777	0	0
37	Non-Service	<b>Teaching staff increments</b>	308	759	607	486
38	Non-Service	<b>Auto enrolment in Pension scheme</b> Newport's staging date will be somewhere between 1st April and 30th June 2013. Staff earning over £8,105 will automatically be enrolled into a pension scheme for one month and will then have the ability to opt out of the scheme. Assuming all classes of employee currently not in a pension scheme stayed enrolled the maximum employers contribution (LGPS existing scheme) will cost £1.618m per annum. However it is assumed for budget purposes that only permanent staff will potentially stay in the scheme and that there will be minimal take up from Casual, Fixed Term, Seasonal, Sessional, and Temporary staff. It is not possible to assess how many permanent staff will remain in the pension scheme but it is felt prudent to make budget provision for 30% of this potential cost which equates to £0.507m.	110	0	0	0

Unique ID	Service Group	Description	17/18	18/19	19/20	20/21
			£'000	£'000	£'000	£'000
39	Non-Service	<b>Other pressures' - To Be Identified</b> as annual detailed budget work undertaken - there is normally miscellaneous budget pressures identified. This amount here provides an 'allowance' for this - so that the overall budget gap in each year takes account of some amount for this.	0	1,000	1,000	1,000
40	Non-Service	<b>Capital programme MRP / Interest</b> Costs of capital programme MTFP/ interest, following a review of the programme in Sept/Oct 2014 and subsequent re-phasing of projects.	0	200	0	0
Page 41 45	Non-Service	<b>National Minimum Wage</b> - Subject to significant uncertainty but preliminary work confirms that increase in cost to our contractors will be very substantial. Contracts & Commissioning manager has advised to reduce down from initial estimate and advised 5% annual increase would be passed to external providers.	447	472	498	525
<b>AGREED/REVISED INVESTMENT TOTAL</b>			<b>2,357</b>	<b>4,677</b>	<b>3,346</b>	<b>2,873</b>
<b>BUDGET INVESTMENT TOTAL</b>			<b>6,606</b>	<b>7,484</b>	<b>5,582</b>	<b>5,050</b>

## APPENDIX 3 – BUDGET SAVINGS

### (i) NEW BUDGET SAVINGS FOR CONSULTATION

#### Cabinet

Unique ID	Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact FTE
<b>PEOPLE</b>							
CF171801	Children & Young People Services	Realignment of funding for children's preventions services	55	0	0	0	2
AS171810	Adult & Community Services	Review of charging policy within Adult Services	181	0	0	0	0
EDUC171802	Education (Schools)	Cease funding to the Learning Support Centres in eight secondary schools	256	184	0	0	16
EDUC171804	Education (Schools)	To Cease funding and close the Learning Resource Base in Llanwern High School	79	56	0	0	4
<b>NEW BUDGET SAVINGS TOTAL - Cabinet</b>			<b>571</b>	<b>240</b>	<b>0</b>	<b>0</b>	<b>22</b>

Cabinet Member

Unique ID	Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact FTE
<b>PEOPLE</b>							
CF171804	Children & Young People Services	Reduction of a post in Integrated Family Support Services	24	0	0	0	1
AS171808	Adult & Community Services	Review of Supporting People Programme's Grant (SPPG) funding contribution to Social Services	300	150	0	0	0
<b>PLACE</b>							
SS171804	Streetscene & City Services	Withdrawal of bus service X16 as a supported service and re-tender of evening and Sunday services to achieve better value.	69	0	0	0	0
<b>CORPORATE</b>							
FIN171804	Finance	Re-focus of the Strategic Procurement Function.	28	0	0	0	1
PBC171803	People & Business Change	Review of the social care training unit provision.	40	0	0	0	0
<b>NEW BUDGET SAVINGS TOTAL – Cabinet Member</b>			<b>461</b>	<b>150</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>NEW BUDGET SAVINGS TOTAL</b>			<b>1,032</b>	<b>390</b>	<b>0</b>	<b>0</b>	<b>83.82</b>

(ii) NEW BUDGET SAVINGS IMPLEMENTED UNDER DELEGATED AUTHORITY

Head of Service

Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
<b>PEOPLE</b>							
CF171802	Children & Young People Services	Reduction of a post in the Fostering Team - In managing the workload in the fostering team we will make an efficiency saving of one social work post.	42	0	0	0	1
Page 48 CF171803	Children & Young People Services	Reduce Specialist and Career foster carers - This is a proposal to cap recruitment to two fostering enhanced payments schemes at the present level.	48	0	0	0	0
AS171802	Adult & Community Services	Various Budget reductions - A reduction in various budgets across Adult & Community Services.	129	20	20	20	0
AS171806	Adult & Community Services	Review of the Council's In House Day Opportunities Service - This proposal outlines opportunities to reduce expenditure in the provision of internal day services.	20	60	0	0	3.5
AS171807	Adult & Community Services	Review of the Social Work requirements within the Hospital Social Work team - To review the Social Work requirement within the Hospital Team once the 'In Reach' Project is embedded within the hospital discharge process.	39	0	0	0	0



Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
AS171809	Adult & Community Services	Review and retendering of frailty care support team (Hospital Discharge service) - Remodelling the Frailty Care Support Team to improve capacity and minimise the number of handoffs between different teams and services	32	0	0	0	0
<b>PLACE</b>							
RIH171801	Regeneration, Investment & Housing	Transfer of the Access Supported Employment post to external funding - To transfer into external funding the Job Coach position that delivers the activities carried out through the Access Supported Employment Team, supporting people with disabilities to find employment.	25	0	0	0	1
Page 49 RIH171803	Regeneration, Investment & Housing	Reallocation of external funding from the Flying Start programme to support the post of the Play Development Manager - Additional capacity has been identified within the play development manager's post that will complement the work of Flying Start and amalgamate / reduce 2 x FTE management posts into one.	22	0	0	0	0.5
RIH171805	Regeneration, Investment & Housing	Adult and Community Learning Transfer - To transfer Adult and Community Learning to Community Regeneration to maximise administrative and support efficiency, while developing the service to exploit commercial and funded training opportunities. Efficiency and generated income will see £32k increase in surplus above budget	31	0	0	0	1

Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
RIH171806	Regeneration, Investment & Housing	Deletion 0.6FTE Technical Support post - Development Services – reduction of Technical Building Control Support Team by 0.6 FTE.	6	6	0	0	0.6
RIH171807	Regeneration, Investment & Housing	Reduced Local development Plan (LDP) budget - review of base budget requirements - Development Services - Reduction of LDP budget by £15,000	15	0	0	0	0
RIH171809	Regeneration, Investment & Housing	Reduction of Building Control supplies and services budget and increase Building Control income - Reduction of Building Control supplies and services budget by £8,000 and Increase in Building Control Income by £17,000.	25	0	0	0	0
RIH171810	Regeneration, Investment & Housing	Reduction of Development Management supplies and services budget - Reduction of Development Management supplies and services budget by £12,000	12	0	0	0	0
RIH171811	Regeneration, Investment & Housing	Budget Efficiency - Reduction of the Centralised Property Rates - To reduce the centralised properties building rates budgets in alignment with the occupied number of buildings by Newport City Council.	95	0	0	0	0
RIH171812	Regeneration, Investment & Housing	Energy Efficiency - Energy Budget Savings and Reduce the Carbon Reduction Budget - Reduction in energy budgets and carbon reduction budgets as a result of improved monitoring, consumption and forecasting.	60	0	0	0	0

Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
RIH171813	Regeneration, Investment & Housing	Reallocation of external funding to create a shared resource - Currently the community regeneration service is supported by a number of finance and admin functions that predominantly are externally funded. We have reviewed the structure of Admin and finance officers and are currently restructuring the team.	12	0	0	0	0.5
SS171808	Streetscene & City Services	Collaboration of Passenger Transport Units of Newport City Council and Monmouthshire County Council - Monmouthshire County Council are providing management support to the passenger transport unit, the proposal is to take this forward with a full collaboration of this service between the two local authorities to achieve savings for both authorities.	14	0	0	0	0.4
SS171810	Streetscene & City Services	Review of lodges within Streetscene portfolio - To implement the findings of a property valuation, currently being undertaken by Newport Norse, of the occupied and empty lodge buildings within the Parks and Cemeteries of Streetscene. To bring residential rentals into line with appropriate market level for condition and age of the property.	10	10	0	0	0
SS171813	Streetscene & City Services	Provision of car parking facilities to Aneurin Bevan University Health Board (ABUHB) - Part one and part two - This business case confirms an external income opportunity for the provision of car parking spaces at Park Square car park via a negotiated contract	39	39	0	0	0

Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
SS171815	Streetscene & City Services	Southern Distributor Road (SDR) operation and maintenance contract award - Part one and part two - To report on the income generation following the successful award of the operating and maintenance contract for the SDR	40	10	0	0	-4 (increase)
SS171816	Streetscene & City Services	Removal of vacant posts from the Green Services Establishment - Removal of the vacant posts from the financial establishment of Countryside, Parks & Open spaces for 2016/17.	99	0	0	0	4.5
<b>CORPORATE</b>							
Page 52 FIN171801	Finance	Centralisation of Accountancy Assistants - To centralise accountancy assistants within the service, provide more focus on tasks and review working practices, thereby allowing a reduction in the number of accountancy assistants by 2 FTE	0	46	0	0	2
FIN171802	Finance	Restructure of 'Place' Finance Business Partner - To re-structure Place accountancy team with resulting reduction in staff resource of 0.5FTE	28	0	0	0	0.5
FIN171803	Finance	Restructure of Internal Audit and revisions to the operating model - Reduced internal audit work across the Council, thereby allowing for a reduction in Internal Audit staffing establishment by 1 FTE	21	0	0	0	1

Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
FIN171805	Finance	Increase council tax collection rate - When setting C Tax, an allowance for non-collection is incorporated into the process. The proposal is to reduce this allowances, thereby, from the same level of C Tax, increase funding / income from C Tax by increasing the collection rates– 0.1% in 2017/18 and 2018/19 and 0.05% in 2019/20.	62	62	31	0	0
PBC171801	People & Business Change	Reduction of HR budget	20	0	0	0	1.5
PBC171802	People & Business Change	Review of partnership team structure - Review the structure of the partnership team releasing interim funding.	27	0	0	0	0
PBC171804	People & Business Change	Digital savings - Digital cost savings primarily in the areas of mail and print facilitated by Xerox Mail “FlexiMail” solution and new Multi-Function Device (MFD) print contract.	61	0	0	0	1
PBC171805	People & Business Change	Business Improvement & Performance Team (BIPT) - Income generation	48	0	0	0	0

Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
LR171805	Law & Regulation	Public protection structure review - A review of the Public Protection Structure to create multidisciplinary service teams within the service to increase resilience and to provide a more joined up service to the residents and businesses of Newport	38	121	0	0	6
LR171807	Law & Regulation	Restructure of Public Relations (PR)/ Communication and Democratic services - To amalgamate the PR/Communications and Democratic Services teams under a single management structure and with combined, integrated teams to provide greater resilience	59	0	0	0	1
<b>NON – SERVICE</b>							
NS171801	Non-Service	<b>Municipal Mutual Insurance (MMI)</b> - Removal of contribution to MMI reserve - Remove the contribution to the MMI reserve as the current level is deemed sufficient for future calls on the Council.	250	0	0	0	0
NS171802	Non-Service	<b>MRP/ Interest budgets</b> - Expected interest rate savings when bonds mature - A large number of the bonds the Council have are due to mature in the 2019/20 financial year. Due to the current low level of interest rates, when these are re-financed there will be significant savings on the financing cost of these bonds	0	0	1,500	0	0
NS171803	Non-Service	Surplus energy budgets - Remove surplus energy budget held centrally	263	0	0	0	0

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Unique ID	Service Group	Proposal – Summary Description	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
NS171804	Non-Service	Net saving resulting from HoS restructure and pay and grading review - Remove the budget in relation to the net savings resulting from the Head of Service restructure and Pay and Grading Review within non service.	48	0	0	0	0
NS171805	Non-Service	Review of levies budgets - To reduce the budgets for both Non-operational Pensions and South Wales Fire and Rescue Levy.	212	0	0	0	0
NS171806	Non-Service	Council Tax Reduction Scheme	400	0	0	0	0
<b>DELEGATED HEAD OF SERVICE BUDGET SAVING TOTAL</b>			<b>2,352</b>	<b>374</b>	<b>1,551</b>	<b>20</b>	<b>22</b>

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(iii) **BUDGET SAVINGS PREVIOUSLY APPROVED/ REVISED**

Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Education	<b>Joint Working with Social Services</b> - Anticipated saving in respect of reduced out of county placements and potential to income generate through offering school places across Gwent. This saving has been profiled in line with the opening of the new Autistic Spectrum Disorder school.	0	0	0	0

Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Education	<b>Home to School Transport</b> The home to school transport distance was changed from the discretionary three miles to the statutory limit of two miles in September 2014. It only applies to new pupils as they enter secondary school.	60	0	0	0
Regeneration, Investment & Housing	<b>Property Services</b> - The service is now being delivered by a joint venture company.	106	0	0	0
Streetscene & City Services	<b>Prosiect Gwyrd</b> - Commencing 1 April 2016. Associated landfill site savings and additional income generated from external customers	0	0	0	0
Streetscene & City Services	<b>Commercial Waste</b> - Additional income opportunities by allowing more commercial waste to be deposited at the landfill site.	0	0	0	0
Finance	<b>Council Tax &amp; Non-Domestic Rates (NDR): Implement e-transactions and e-billing</b> To increase the volume of online transactions, especially e-billing, leading to reduced billing and postage costs.	5	0	0	0
Law & Regulation	<b>Warden Service</b> Increase proactive fixed penalty enforcement work, increasing income from fines.	5	0	0	0
Non Service	<b>Council Tax 1%</b> This is the additional income from a 1% council tax rise across the period of the medium term financial plan	0	0	0	0
CS & DI	<b>Information Governance</b> - Reduce postage budget by 7% (over a two	5	0	0	0



Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
	year period) across the Council. This would be achieved through reductions in 1st class mail, maximising royal mail discounts and through the use of an automated mail service (hybrid mail solution).				
CS & DI	<b>Information Governance</b> - Reduce budget for external storage of documents. Documents previously held in storage externally have now been transferred to the internal modern records facility therefore reducing the cost in future	3	0	0	0
CS & DI	<b>Information Technology</b> - Budget reduction to reflect the Egress (secure email) sliding scale of charges	29	0	0	0
CS & DI	<b>Information Governance</b> - PSBA (Public Sector Broadband Aggregation) circuits. Greater Gwent Network project developed involving the provision of a new wide area network funded by Welsh Government	61	12	0	0
Finance	<b>Internal Audit</b> - Reduction in Audit staffing resources	26	0	0	0
Finance	<b>Procurement and Payments</b> - Reduction of staff within the two teams	27	0	0	0
Law & Regulation	<b>Land Charges</b> - To increase the fee income projections for local land charges searches fees	25	0	0	0

Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Law & Regulation	<b>Legal Services</b> - Reduction of staff within the Legal section	43	0	0	0
Law & Regulation	<b>Kennel Service</b> - Redesign the service at the kennels moving it towards more of a rehoming centre which drives income to eventually pay for its self	10	0	0	0
People & Business Change	<b>Voluntary Sector Grants</b> - The re-commissioning of voluntary sector organisation provision - replaces original PBC06 & RIH9	63	0	0	0
Adult & Community Services	<b>Promoting Independence</b> - LD Service Development and Reviews	531	0	0	0
Adult & Community Services	<b>Modernisation of Transport Provision</b>	104	0	0	0
Adult & Community Services	<b>Review of Telecare Service</b>	78	0	0	0
Adult & Community Services	<b>Improving the efficiency of Homecare and Extracare service</b>	90	0	0	0

Service Group	Proposal	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000
Children & Young People Services	<b>Reduction in Social Worker posts</b>	144	144	0	0
Children & Young People Services	<b>Review of residential provision</b>	594	0	0	0
Children & Young People Services	<b>Review Voluntary Sector Contracts</b>	23	0	0	0
Streetscene & City Services	<b>Bus routes</b> - Removal of subsidy to support evening and Sunday bus services	69	0	0	0
Streetscene & City Services	<b>Trade Waste</b> - Review of charges and increase the number of contracts	90	0	0	0
Streetscene & City Services	<b>Waste</b> - Review of charging for special collections - applying a new pricing mechanism to ensure that the minimum charge covers the operating and disposal costs of the service	0	0	0	0
Streetscene & City Services	<b>Newport LIVE</b> - Efficiency savings from Newport Live operation	0	60	60	0
<b>Total agreed budget savings</b>		<b>2,191</b>	<b>216</b>	<b>60</b>	<b>0</b>

SAVINGS SUMMARY

Savings Decision Type	17/18 £'000	18/19 £'000	19/20 £'000	20/21 £'000	Staff Impact (FTE)
Cabinet Budget Savings	571	240	0	0	22
Cabinet Member Budget Savings	461	150	0	0	2
<b>New Budget Savings for consultation</b>	<b>1,032</b>	<b>390</b>	<b>0</b>	<b>0</b>	<b>24</b>
Delegated Head of Service Budget Savings	2,352	374	1,551	20	22
Budget Savings previously agreed/revised	2,191	216	60	0	25.4
<b>TOTAL BUDGET SAVINGS</b>	<b>5,575</b>	<b>980</b>	<b>1,611</b>	<b>20</b>	<b>71.4</b>

## APPENDIX 4 – PRECEPTS/ COUNCIL TAX

The funding required from Council Tax for the recommended draft 2017/18 budget is an increase of 3.50%. The tables below show all the figures involved in that calculation.

### **The tax base**

This is the number of properties that attract Council Tax for the year, expressed as if they were all in Band D. In practice, Band A properties only pay 66% of the Band D Council Tax whilst a Band I property pays 233% of the Band D Council Tax. For 2017/18, the tax base is 57,619.96 (2016/17 – 56,145.64).

### **Calculation of the Council Tax – Newport City Council**

The calculation of the Council Tax follows the process shown below

	<b>£000</b>
Net budget requirement	266,372
Less WAG funding	208,250
Equals that which needs funding from Council Tax	58,122
	<b>£</b>
Divided by tax base (57,619.96) gives a Council Tax at Band D	1,008.72

### **Calculation of the Council Tax – The Police and Crime Commissioner for Gwent & Community Councils**

The final Council Tax also incorporates other demands (precepts) that the Council collects on behalf of other bodies. These bodies are The Police and Crime Commissioner for Gwent (PCC for Gwent) and the Community Councils within the City's boundary. Of these, The Police and Crime Commissioner for Gwent is the largest and for 2017/18, has set a precept of £13,185,752.00.

Authority	Budget requirement / Precept from Council Tax (£'000)	Tax Base	Council Tax at Band D		% Change
			2017/18	2016/17	
Newport City	58,122	57,619.96	£1,008.72	£974.61	3.50%
PCC for Gwent	13,186	57,619.96	£228.84	£220.06	3.99%

The table below lists the precepts and Band D Council Tax for the Community Councils within Newport City boundary, for which the Council collects Council Tax

Community Council	Council Tax Base	2017/18 Precept (£)	Council Tax at Band D		% Change
			2017/18	2016/17	
Bishton	754	9,053.64	12.00	10.90	10.1%
Coedkernew	982	2,945.52	3.00	3.00	-
Goldcliff	185	2,966.56	16.00	15.00	6.7%
Graig	2,866	55,632.94	19.41	18.49	5.0%
Langstone	1,897	39,456.56	20.80	20.80	-
Llanvaches	242	6,044.75	25.00	25.00	-
Llanwern	595	7,500.00	12.61	17.00	-25.8%
Marshfield	1,514	27,243.36	18.00	18.00	-
Michaelstone - Y - Fedw	168	3,635.62	21.70	21.70	-
Nash	135	1,239.70	9.20	9.20	-
Penhow	449	11,552.77	25.73	21.22	21.3%
Redwick	113	2,734.19	24.16	24.16	-
Rogerstone	4,847	88,990.00	18.36	18.36	-
Wentlodge	353	4,247.95	12.04	12.00	0.3%

The Council Tax payable by households is the total of the Newport City Council, The Police and Crime Commissioner for Gwent and, where relevant, the Community Council taxes payable in the above tables. As already noted, the actual Council Tax payable by households will vary from the figures above as they represent those at the Band D only. The tables included in section 5 of the Council Tax Resolution at Appendix 5 show the actual Council Tax for each Band.

## APPENDIX 5 – COUNCIL TAX RESOLUTION

### RESOLUTION TO SET COUNCIL TAX LEVELS

1. That the revenue estimates for 2017/2018, as recommended by the Cabinet on 20th February 2017 be approved.
2. That it be noted that the Council at its meeting on 20<sup>th</sup> February 2007 delegated the setting of the tax base to the Head of Finance and that on 03 November 2016, the Head of Finance acting in accordance with that delegation calculated the following amounts for the year 2017/2018 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:-

(a) Council Tax Base

57,619.96 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its council tax base for the year;

(b) Council Tax base for parts of the Council's Area

Area	Tax base
Bishton	754
Coedkernew	982
Goldcliff	185
Graig	2,866
Langstone	1,897
Llanvaches	242
Llanwern	595
Marshfield	1,514
Michaelstone	168
Nash	135
Penhow	449
Redwick	113
Rogerstone	4,847
Wentlooge	353

3. That the following amounts be now calculated by the Council for the year 2017/2018 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:-
  - (a) £405,507,621.61 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act **(Gross Expenditure)**.
  - (b) £138,871,714.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act **(Gross Income)**.
  - (c) £266,635,907.61 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 32(4) of

the Act, as its budget requirement for the year (***Budget + Community Council precepts***).

- (d) £208,250,266.00 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant or additional grant (***RSG + NNDR***).
- (e) £1,013.29 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year (***Average Band 'D' Tax for NCC including Community Councils***).
- (f) £263,243.56 being the aggregate amount of all special items referred to in Section 34(1) of the Act and detailed below (***Community Council precepts***).

Area	Special Item £
Bishton	9,053.64
Coedkernew	2,945.52
Goldcliff	2,966.56
Graig	55,632.94
Langstone	39,456.56
Llanvaches	6,044.75
Llanwern	7,500.00
Marshfield	27,243.36
Michaelstone	3,635.62
Nash	1,239.70
Penhow	11,552.77
Redwick	2,734.19
Rogerstone	88,990.00
Wentlooge	4,247.95
	<b>263,243.56</b>

- (g) £1,008.72 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (***NCC Band 'D' Council Tax***).



(h) Council Tax level for parts of the Council's Area

Area	Basic Council Tax £
Bishton	1,020.72
Coedkernew	1,011.72
Goldcliff	1,024.72
Graig	1,028.13
Langstone	1,029.52
Llanvaches	1,033.72
Llanwern	1,021.33
Marshfield	1,026.72
Michaelstone	1,030.42
Nash	1,017.92
Penhow	1,034.45
Redwick	1,032.88
Rogerstone	1,027.08
Wentlooge	1,020.76

Being the amounts given by adding to the amount at 3(g) above, the amounts of the special item or items in 3(f) divided by the amount at 2(b) for the specified area of the council. These amounts are calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

NCC + Community Councils	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
Bishton	680.48	793.89	907.31	1,020.72	1,247.55	1,474.37	1,701.20	2,041.44	2,381.68
Coedkernew	674.48	786.89	899.31	1,011.72	1,236.55	1,461.37	1,686.20	2,023.44	2,360.68
Goldcliff	683.15	797.00	910.86	1,024.72	1,252.44	1,480.15	1,707.87	2,049.44	2,391.01
Graig	685.42	799.66	913.89	1,028.13	1,256.60	1,485.08	1,713.55	2,056.26	2,398.97
Langstone	686.35	800.74	915.13	1,029.52	1,258.30	1,487.08	1,715.87	2,059.04	2,402.21
Llanvaches	689.15	804.00	918.86	1,033.72	1,263.44	1,493.15	1,722.87	2,067.44	2,412.01
Llanwern	680.89	794.37	907.85	1,021.33	1,248.29	1,475.25	1,702.22	2,042.66	2,383.10
Marshfield	684.48	798.56	912.64	1,026.72	1,254.88	1,483.04	1,711.20	2,053.44	2,395.68
Michaelstone	686.95	801.44	915.93	1,030.42	1,259.40	1,488.38	1,717.37	2,060.84	2,404.31
Nash	678.61	791.72	904.82	1,017.92	1,244.12	1,470.33	1,696.53	2,035.84	2,375.15
Penhow	689.63	804.57	919.51	1,034.45	1,264.33	1,494.21	1,724.08	2,068.90	2,413.72
Redwick	688.59	803.35	918.12	1,032.88	1,262.41	1,491.94	1,721.47	2,065.76	2,410.05
Rogerstone	684.72	798.84	912.96	1,027.08	1,255.32	1,483.56	1,711.80	2,054.16	2,396.52
Wentlooge	680.51	793.92	907.34	1,020.76	1,247.60	1,474.43	1,701.27	2,041.52	2,381.77
All Other Parts of the City	672.48	784.56	896.64	1,008.72	1,232.88	1,457.04	1,681.20	2,017.44	2,353.68

Being the amounts given by multiplying the amounts at 3(g) and 3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in the valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted for the year 2017/2018, that The Police and Crime Commissioner for Gwent has stated the following amount in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

The Police and Crime Commissioner for Gwent	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
All Parts of the City	152.56	177.99	203.41	228.84	279.69	330.55	381.40	457.68	533.96

5. That having calculated the aggregate in each case of the amounts at 3(i) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2017/2018 for each of the categories of dwelling shown below:-

Total Council Tax Demand	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
Bishton	833.04	971.88	1,110.72	1,249.56	1,527.24	1,804.92	2,082.60	2,499.12	2,915.64
Coedkernew	827.04	964.88	1,102.72	1,240.56	1,516.24	1,791.92	2,067.60	2,481.12	2,894.64
Goldcliff	835.71	974.99	1,114.27	1,253.56	1,532.13	1,810.70	2,089.27	2,507.12	2,924.97
Graig	837.98	977.65	1,117.30	1,256.97	1,536.29	1,815.63	2,094.95	2,513.94	2,932.93
Langstone	838.91	978.73	1,118.54	1,258.36	1,537.99	1,817.63	2,097.27	2,516.72	2,936.17
Llanvaches	841.71	981.99	1,122.27	1,262.56	1,543.13	1,823.70	2,104.27	2,525.12	2,945.97
Llanwern	833.45	972.36	1,111.26	1,250.17	1,527.98	1,805.80	2,083.62	2,500.34	2,917.06
Marshfield	837.04	976.55	1,116.05	1,255.56	1,534.57	1,813.59	2,092.60	2,511.12	2,929.64
Michaelstone	839.51	979.43	1,119.34	1,259.26	1,539.09	1,818.93	2,098.77	2,518.52	2,938.27
Nash	831.17	969.71	1,108.23	1,246.76	1,523.81	1,800.88	2,077.93	2,493.52	2,909.11
Penhow	842.19	982.56	1,122.92	1,263.29	1,544.02	1,824.76	2,105.48	2,526.58	2,947.68
Redwick	841.15	981.34	1,121.53	1,261.72	1,542.10	1,822.49	2,102.87	2,523.44	2,944.01
Rogerstone	837.28	976.83	1,116.37	1,255.92	1,535.01	1,814.11	2,093.20	2,511.84	2,930.48
Wentlooge	833.07	971.91	1,110.75	1,249.60	1,527.29	1,804.98	2,082.67	2,499.20	2,915.73
All Other Parts of the City	825.04	962.55	1,100.05	1,237.56	1,512.57	1,787.59	2,062.60	2,475.12	2,887.64

APPENDIX 6 – CAPITAL PROGRAMME 2017/18

SCHEME	2017/18 APPROVED £000's	NOTES
<b>EDUCATION</b>		
STEP 4	247	Ongoing scheme
21C Schools - School Reorganisation - Lodge Hill New Build	3,518	Ongoing scheme
21C Schools - Capacity Building – Demountable Replacement	2,307	Ongoing scheme
21C Schools - Ysgol Gyfun Gwent Is Coed / John Frost	16,000	Ongoing scheme
John Frost School - Additional Funding	2,000	Ongoing scheme
21C Schools - Special Sector Maes Ebbw	1,650	New scheme
Jubilee Park Primary FF&E	375	Ongoing scheme
<b>Total Education</b>	<b>26,097</b>	
<b>REGENERATION, INVESTMENT &amp; HOUSING</b>		
Gypsy Traveller Site Development	1,663	Ongoing scheme
City Centre Redevelopment CPO Schemes	66	Ongoing scheme
Renovation Grants	1,436	Annual allocation
Asset Management	1,664	Annual allocation
Central Library Structural Safety Works	320	Reprofiled existing allocation
<b>Total Regeneration, Investment &amp; Housing</b>	<b>5,149</b>	
<b>CUSTOMER SERVICES &amp; DIGITAL INNOVATION</b>		
Replacement of High Volume Printing/ Copying Machines	210	Cyclical requirement
MFD Lease	0	Cyclical requirement
IT Replacement Schemes	200	Annual allocation
Corporate EDMS Rollout	9	Ongoing scheme
<b>Total Customer Services &amp; Digital Innovation</b>	<b>419</b>	

SCHEME	2017/18 APPROVED £000's	NOTES
<b>PEOPLE &amp; BUSINESS CHANGE</b>		
Implementation of HR self-serve System	85	Ongoing scheme
Preparatory Works Allocation	100	Annual allocation
Amount Reserved for Change & Efficiency Programme	2,200	TBD
<b>Total People &amp; Business Change</b>	<b>2,385</b>	
<b>LAW AND REGULATION</b>		
Schemes yet to be determined	0	No projects identified
<b>Total Law and Regulation</b>	<b>0</b>	
<b>ADULT &amp; COMMUNITY SERVICES</b>		
Appliances/Equipment for Disabled	165	Annual allocation
Telecare Service Equipment	30	Annual allocation
<b>Total Adult &amp; Community Services</b>	<b>195</b>	
<b>CHILDREN &amp; YOUNG PEOPLE SERVICES</b>		
Schemes yet to be determined	0	No projects identified
<b>Total Children &amp; Young People Services</b>	<b>0</b>	
<b>STREETSCENE &amp; CITY SERVICES</b>		
Fleet Replacement Programme	1,500	Annual allocation
Decommissioning of Public Toilets	20	Reprofiled existing allocation
Llisbury Recreation Ground Changing Rooms	189	Ongoing scheme
Maplewood Play Area	176	Ongoing scheme
Maintenance, Footways and Street Lighting	500	Annual allocation
Pye Corner Development Works	26	Ongoing scheme
Peterstone Sewage Scheme	68	Reprofiled existing allocation
<b>Total Streetscene &amp; City Services</b>	<b>2,479</b>	

<b>SCHEME</b>	<b>2017/18 APPROVED £000's</b>	<b>NOTES</b>
<b>TOTAL EXPENDITURE</b>	<b>36,724</b>	
<b>Funded By:</b>		
General Capital Grant	2,465	
Supported Borrowing	4,051	
Unsupported/ Prudential Borrowing	6,566	
Capital Receipts	6,957	
External Grants	16,110	
Revenue/ Reserve Contributions	0	
S106 & Other Contributions	365	
Finance Lease	210	
<b>TOTAL FUNDING</b>	<b>36,724</b>	

## APPENDIX 7 – TREASURY MANAGEMENT STRATEGY & PRUDENTIAL INDICATORS

### Prudential Code Indicators, Minimum Revenue Policy, Treasury Management and Investment Strategy Statements 2017/18

#### Introduction

In June 2009 the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.

The Authority borrows/invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

**Revised Strategy:** In accordance with the WG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of its investment balance.

#### External Context

##### Economic Background

The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsets.

#### **Credit outlook:**

Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

#### **Interest rate forecast:**

The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

#### **Local Context**

On 31 December 2016, the Authority held £215.9 million of borrowing and £8.2 million of investments. This is set out in further detail at Appendix B. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below:

**Table 1: Balance Sheet Summary and Forecast**

	31.3.16 Actual £m	31.3.17 Estimate £m	31.3.18 Estimate £m	31.3.19 Estimate £m	31.3.20 Estimate £m
CFR	230.5	233.8	238.1	241.7	243.1
Less: External borrowing *	-223.3	-187.7	-146.3	-144.9	-103.4
<b>Internal (over) borrowing</b>	<b>7.2</b>	<b>46.1</b>	<b>91.8</b>	<b>96.8</b>	<b>139.7</b>
Less: Usable reserves	-101.3	-92.3	-89.4	-86.7	-83.8
Less: Working capital	90.7	7.7	7.7	7.7	7.7
<b>Investments / (New Borrowing)</b>	<b>3.4</b>	<b>38.5</b>	<b>-10.1</b>	<b>-17.8</b>	<b>-63.6</b>
<b>Net Borrowing Requirement</b>	<b>219.9</b>	<b>149.2</b>	<b>156.4</b>	<b>162.7</b>	<b>167.0</b>

\* shows only loans to which the Authority is committed and excludes optional refinancing

### **Capital Financing Requirement**

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Authority has an increasing CFR during 2015/16 due to the capital programme and the on-going loan to Queensbury Real Estates (Newport) Ltd, but holds minimal investments and will therefore be required to borrow up to £50m during 2015/16. However, during 2016/17 the sale of the development will reduce the CFR significantly and dependent on timing of loan re-payments and capital receipts, significant investments are likely to be required over the forecast period.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2017/18.

### **Borrowing Strategy**

The Authority currently holds £215.9 million of loans as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2017/18, but this is dependent on the outcome of the repayment or refinancing of the Queensberry loan. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the recommended authorised limit for borrowing of £354 million.

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.



By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2016/17 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2016/17, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board and any successor body
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- Special purpose companies created to enable joint local authority bond issues.

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

The Authority holds £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the automatic option to either accept the new rate or to repay the loan at no additional cost. £25m of these LOBOS have options during 2017/18, and although the Authority understands that lenders are extremely unlikely to exercise their options in the current low interest rate environment, there remains a remote element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

**Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest

rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

### **Investment Strategy**

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £0 million and £25 million. In 2017/18, the investment balances could, for a short period, increase significantly dependent on the timing of the repayment of loans in relation to Queensberry, where a substantial receipt may be achieved in advance of borrowing required to be repaid. As per the strategy, balances could first be used to reduce levels of borrowing required before the Authority invests funds, this is in relation to long term loans which become redeemable.

Both the CIPFA Code and the WG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income. Where balances are expected to be invested for more than a year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sums invested.

Given the increasing risk and falling returns from short-term unsecured bank investments, the Authority aims to diversify into more secure and/or higher yielding classes during 2017/18. This is especially the case for any surplus funds available for investment following the repayment of the Queensberry loan.

- **Credit Rating:** Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit level is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
- **Banks Unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and designated building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.
- **Banks Secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and designated building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

- **Government:** Loans, bonds and bills issued or guaranteed by UK government, regional and local authorities. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Government may be made in unlimited amounts for up to 50 years.
- **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.
- **Registered Providers:** Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services they retain the likelihood of receiving government support if needed. The Authority will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.
- **Pooled Funds:** Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.
- **Bond, equity and property** funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- **Risk Assessment and Credit Ratings:**

Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where the Treasury advisor provides advice relating to a specific named counterparty then the Authority will act upon that advice relating to the duration of exposure and amount.

Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will

not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

**Specified Investments:** The WG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - the UK Government,
  - a UK local authority, parish council or community council, or
  - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

- **Non-specified Investments:** Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement; those that are defined as capital expenditure by legislation, such as shares in money market funds and other pooled fund; and investments with bodies and schemes not meeting the definition on high credit quality. Appendix C sets out the investment limits/ maximum maturity periods for Non-specified investments.
- **Approved Instruments:** The Authority may lend or invest money using any of the following instruments:
  - interest-bearing bank accounts,
  - fixed term deposits and loans,
  - callable deposits and loans where the Authority may demand repayment at any time (with or without notice),

- certificates of deposit,
  - bonds, notes, bills, commercial paper and other marketable instruments, and
  - shares in money market funds and other pooled funds.
- Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.
  - **Liquidity management:** The Authority uses purpose-built cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

### **Monitoring & reporting on the Treasury Management and capital Prudential Indicators**

The Head of Finance will report to the Audit committee/ Cabinet/ Council on treasury management activity, performance and Treasury/Capital Prudential Indicators (set out in Appendix D) as follows:

- Half Yearly and then annually against the strategy approved for the year. The annual report will be produced normally by July of the following year but in any event no later than 30<sup>th</sup> September.
- The Audit Committee will be responsible for the scrutiny of treasury management activity and practices.

### **Other Items**

- There are a number of additional items that the Authority is obliged by CIPFA or WG to include in its Treasury Management Strategy.
- **Policy on Use of Financial Derivatives:** In the absence of any legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.
- **Investment Training:** The needs of the Authority's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff members regularly attend training courses, seminars and conferences provided by Arlingclose and other organisations.

- **Investment Advisers:** The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The service provided by Arlingclose continues to meet all expectations and the advice given especially in relation to investment counterparties and credit ratings has allowed the Council to action the changes needed, especially in removing counterparties from the approved list, in a prompt and timely manner.

### **Financial Implications**

- The approximate debt interest of £8.6 million and principal of £1.3 million is expected to be paid in 2017/18. In addition to this, principal of c£69m in relation to Queensberry loans (as detailed in Appendix B) will be paid or re-financed in 2017/18 depending on the status of the sale. If actual levels of investments and borrowing differ from those forecast, performance against budget will be correspondingly different.

### **Other Options Considered**

- The WG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

<b>Alternative</b>	<b>Impact on income and expenditure</b>	<b>Impact on risk management</b>
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Reduced risk of losses from credit related defaults, but any such losses will be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses will be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

## **Appendix A – Arlingclose Economic & Interest Rate Forecast November 2016**

### **Underlying assumptions:**

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely

### **Forecast:**

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.

- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

	Dec -16	Mar -17	Jun -17	Sep-17	Dec -17	Mar-18	Jun -18	Sep-18	Dec -18	Mar-19	Jun -19	Sep-19	Dec -19	Average
<b>Official Bank Rate</b>														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
<b>3-month LIBID rate</b>														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
<b>1-yr LIBID rate</b>														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
<b>5-yr gilt yield</b>														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
<b>10-yr gilt yield</b>														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
<b>20-yr gilt yield</b>														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.70	1.50	1.40	1.40	1.40	1.40	1.40	1.45	1.50	1.55	1.60	1.65	1.70	1.75
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
<b>50-yr gilt yield</b>														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.60	1.40	1.30	1.30	1.30	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.41
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57



## Appendix B – Existing Investment & Debt Portfolio Position

	<b>31/12/16 Actual Portfolio £m</b>
<b>External Borrowing:</b>	
PWLB – Fixed Rate	71.79
Market Loans	35.00
Stock Issue	40.00
Temporary loans - Queensberry	69.08
Other Soft Loans	0.00
<b>Total External Borrowing</b>	<b>215.87</b>
<b>Other Long Term Liabilities:</b>	
PFI	49.51
Finance Leases and other	0.13
<b>Total Gross External Debt</b>	<b>265.51</b>
<b>Investments:</b>	
Short-term investments	8.20
Long-term investments	0.00
<b>Total Investments</b>	<b>8.20</b>
<b>Net Debt</b>	<b>257.31</b>

**Appendix C – Operational Investment Counterparties List**

**COUNTERPARTY LIMITS FOR BANKING – UK INSTITUTIONS**

	Unsecured Investments		Secured Investments	
<b>Counterparty - Banking UK Institutions</b>	<b>Maximum Counterparty Limit and Group Limit (if applicable)</b>	<b>Maximum Lending Period</b>	<b>Maximum Counterparty Limit and Group Limit (if applicable)</b>	<b>Maximum Lending Period</b>
Bank of Scotland	£5,000,000	13 Months	£10,000,000	2 years
Barclays Bank Plc.	£5,000,000	100 Days	£10,000,000	2 years
Close Brothers Ltd	£5,000,000	6 Months	£10,000,000	2 years
Goldman Sachs International Bank	£5,000,000	100 Days	£10,000,000	2 years
HSBC Bank Plc.	£5,000,000	13 Months	£10,000,000	2 years
Lloyds Bank Plc.	£5,000,000	13 Months	£10,000,000	2 years
National Westminster Bank Plc.	£2,500,000	35 Days	£10,000,000	2 years
Nationwide Building Society	£5,000,000	6 Months	£10,000,000	2 years
Royal Bank of Scotland	£2,500,000	35 Days	£10,000,000	2 years
Santander UK Plc. (Banco Santander Group)	£5,000,000	6 Months	£10,000,000	2 years
Standard Chartered Bank	Suspended		£10,000,000	2 years

\* based on advice from Arlingclose

## Appendix D - Prudential Indicators 2017/18 – 2019/20

### 1. Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

### 2. Gross Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that the net external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

If in any of these years there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement, which is used for comparison with gross external debt.

The Head of Finance reports that the authority will have no difficulty meeting this requirement in 2017/18, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### 3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax.

<b>Capital Expenditure</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate*</b> £m	<b>2019/20 Estimate*</b> £m	<b>2020/21 Estimate*</b> £m
<b>Total</b>	<b>36.6</b>	<b>36.7</b>	<b>22.7</b>	<b>12.2</b>	<b>10.9</b>

\* *The Capital Programme for 2018/19 to 2021/22 is currently being assessed and compiled. The estimated capital expenditure included in the figures above, give an indication of the level of capital expenditure that could be allowed in the financial year which will keep the revenue costs within the current MRP headroom. The estimated capital expenditure does not currently include, as shown in the table 3.2 below, any estimates for specific grants (which could be significant) or any revenue contributions, which would have no impact on the CFR or borrowing. This has been updated since the report to Audit Committee due to the ongoing work on the 2017/18 programme which is discussed in the main body of the report.*

3.2 Capital expenditure will be financed or funded as follows:

<b>Capital Financing</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
Capital receipts	3.5	7.0	0.4	0.0	0.0
Government Grants	2.5	2.5	2.2	2.0	2.0
Other Specific Grants	13.6	16.1	2.7	0.0	0.0
S106 Contributions	3.9	0.4	0.0	0.0	0.0
Revenue contributions	1.8	0.0	0.0	0.0	0.0
<b>Total Financing</b>	<b>25.3</b>	<b>26.0</b>	<b>5.3</b>	<b>2.0</b>	<b>2.0</b>
Supported borrowing	4.1	4.0	4.0	3.8	3.6
Unsupported borrowing	7.2	6.5	13.4	6.2	5.3
Finance Leases	0.0	0.2	0.0	0.2	0.0
<b>Total Funding</b>	<b>11.3</b>	<b>10.7</b>	<b>17.4</b>	<b>10.2</b>	<b>8.9</b>
<b>Total Financing and Funding</b>	<b>36.6</b>	<b>36.7</b>	<b>22.7</b>	<b>12.2</b>	<b>10.9</b>

#### 4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

<b>Ratio of Financing Costs to Net Revenue Stream</b>	<b>2016/17 Estimate %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>	<b>2019/20 Estimate %</b>	<b>2020/21 Estimate %</b>
<b>Total</b>	8.6%	8.4%	8.4%	7.8	7.8%

#### 5. Capital Financing Requirements:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

<b>Capital Financing Requirement</b>	<b>2015/16 Actual £m</b>	<b>2016/17 Estimate £m</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>
<b>Total CFR</b>	230.5	233.8	238.1	241.7	243.1

#### 6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

<b>Actual External Debt as at 31/03/2016</b>	<b>£000</b>
Borrowing	230,008
Other Long-term Liabilities	49,656

<b>Total</b>	<b>279,664</b>
--------------	----------------

## 7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

<b>Incremental Impact of Capital Investment Decisions</b>	<b>2017/18 Estimate £</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>	<b>2020/21 Estimate £</b>
Increase in Band D Council Tax*	1.93	3.18	-2.78	3.43

\*Assumes a 4% increase in Council Tax although no decision has been taken to this effect. The Friars Walk Loan have been excluded from this calculation as it is not part of the capital programme.

## 8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external-borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long-term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

<b>Authorised Limit for External Debt</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
Borrowing	308	276	283	287
Other Long-term Liabilities	46	44	43	42
<b>Total</b>	<b>354</b>	<b>320</b>	<b>326</b>	<b>329</b>

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Head of Finance has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported in the next regular capital/treasury monitoring report to be submitted to Cabinet/Council.

<b>Operational Boundary for External Debt</b>	<b>2017/18 Estimate £m</b>	<b>2018/19 Estimate £m</b>	<b>2019/20 Estimate £m</b>	<b>2020/21 Estimate £m</b>
Borrowing	288	256	263	267
Other Long-term Liabilities	46	44	43	42
<b>Total</b>	<b>334</b>	<b>300</b>	<b>306</b>	<b>309</b>

## 9. Adoption of the CIPFA Treasury

### Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

#### Adoption of the CIPFA Code of Practice in Treasury Management

The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 29<sup>th</sup> June 2009.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies and procedures and will update its treasury management practice documentation in due course.

## 10. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

10.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments)

10.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises that could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	<b>Existing limit at 31/03/16 %</b>	<b>2017/18 Estimate %</b>	<b>2018/19 Estimate %</b>	<b>2019/20 Estimate %</b>	<b>2020/21 Estimate %</b>
<b>Upper Limit for Fixed Interest Rate Exposure</b>	100%	100%	100%	100%	100%
<b>Upper Limit for Variable Interest Rate Exposure</b>	50%	50%	50%	50%	50%

10.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

## 11. Maturity Structure of Fixed Rate borrowing:

11.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to

protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

- 11.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.
- 11.3 LOBO's are classified as maturing on the next call date i.e. the earliest date that the lender can require repayment and as most of these loans are on six monthly notice period, then they increase the under 12 months percentage accordingly, though it is considered unlikely all will be called within one financial year.
- 11.4 The greatest concentration of debt is in the financial year 2019/20 when the stock issue (£40m) matures. A strategy to deal with the repayment will be prepared closer to the maturity date.

<b>Maturity structure of fixed rate borrowing (Newport CC debt)</b>	<b>Existing level at 31/12/16 %</b>	<b>Lower Limit for 2017/18 %</b>	<b>Upper Limit for 2017/18 %</b>
under 12 months	46%	0%	80%
12 months and within 24 months	0%	0%	70%
24 months and within 5 years	21%	0%	70%
5 years and within 10 years	17%	0%	50%
10 years and within 20 years	6%	0%	30%
20 years and within 30 years	0%	0%	20%
30 years and within 40 years	6%	0%	20%
40 years and within 50 years	2%	0%	20%
50 years and above	2%	0%	20%

## **12. Credit Risk:**

- 12.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.
- 12.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.
- 12.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:
- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
  - Sovereign support mechanisms;
  - Credit default swaps (where quoted);
  - Share prices (where available);
  - Economic fundamentals, such as a country's net debt as a percentage of its GDP;
  - Corporate developments, news, articles, markets sentiment and momentum;
  - Subjective overlay.

12.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

**13. Upper Limit for total principal sums invested over 364 days:**

13.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m
	5	5	5	5



## **Appendix E – Minimum Revenue Provision (MRP) Statement 2017/18**

1. The Welsh Government's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Welsh Ministers and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.
2. The four MRP options available are:
  - Option 1: Regulatory Method
  - Option 2: CFR Method
  - Option 3: Asset Life Method
  - Option 4: Depreciation Method
3. MRP in 2016/17: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4 (which may also be used for supported Non-HRA capital expenditure if the Authority chooses). There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.
4. The MRP Statement will be submitted to Council before the start of the 2016/17 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Authority at that time.
5. The Authority will apply Option 1/Option 2 in respect of supported Non-HRA capital expenditure funded from borrowing and Option 3/Option 4 in respect of unsupported Non-HRA capital expenditure funded from borrowing.
6. MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.
7. In December 2013 the Council approved a loan of up to £89.1million to Queensbury Real Estates (Newport) Ltd (QRE) to fund the building of the Friars Walk Development. The loan is anticipated to be paid off in full via a capital receipt at the end of the three-year period. On this basis, the Council will not be required to make MRP charges to the revenue budget in relation to the Friars Walk Development loan as the borrowing will be paid off in full at the end of the scheme.

## APPENDIX 8 – MEDIUM TERM FINANCIAL PLAN (MTFP)

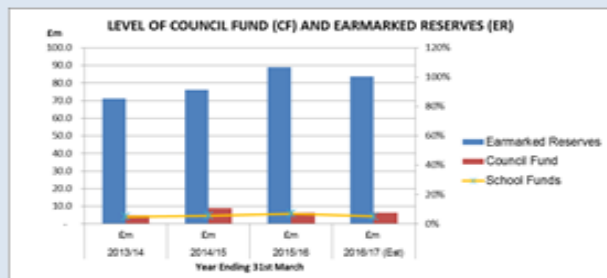
	2017/18	2018/19	2019/20	2020/21	TOTAL
<b>Pressures</b>					
Inflation	2,151	3,501	3,586	3,682	12,922
Other	6,606	7,484	5,582	5,050	24,722
<b>Total Pressures</b>	<b>8,758</b>	<b>10,985</b>	<b>9,169</b>	<b>8,732</b>	<b>37,644</b>
<b>Technical Adjustments</b>	- 1,138	-	-	-	- 1,138
(INCREASE)/DECREASE IN REVENUE SUPPORT GRANT(0.43% 17/18, assumed 1.5% 18/19 and thereafter	892	3,090	3,044	2,998	10,024
Estimated Specific Grant - Social Care	- 353	-	-	-	- 353
Increase in tax base - C. Tax @ 16/17 rate	- 1,299	-	-	-	- 1,299
C. Tax @ 3.5% in 17/18 (4% thereafter)	- 1,965	- 1,985	- 2,005	- 2,025	- 7,982
Less consequential increase in benefits	680	457	461	466	2,064
<b>GAP</b>	<b>5,575</b>	<b>12,547</b>	<b>10,668</b>	<b>10,171</b>	<b>38,960</b>
Savings	5,575	980	1,611	20	8,186
Balance - @ -0.43% WG reduction 2017/18 ( and 1.5% 2018/19 onwards)	0	11,567	9,057	10,151	30,775
Balance - @ -1.5% WG reduction	N/A	11,567	9,057	10,151	30,774
Balance - @ -1% WG reduction	N/A	10,547	11,107	12,180	33,834
Balance - @ -2% WG reduction	N/A	12,576	13,074	14,087	39,737

# APPENDIX 9a

## FINANCIAL SNAPSHOT REPORT - UPDATE TO FEBRUARY CABINET

The following tables, charts and figures give an indication of the financial resilience of the Council as per the Statement of Accounts.

### Level of Council Fund (CF) and Earmarked Reserves (ER)



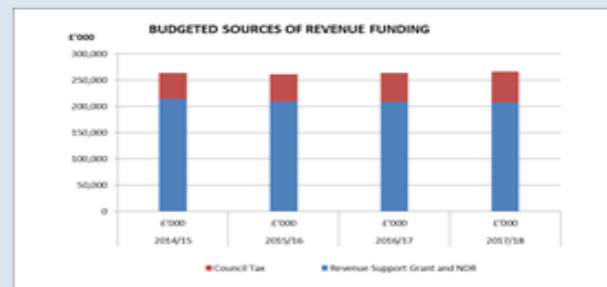
### Level of Reserves

	2012/13	2013/14	2014/15	2015/16	2016/17 (Est)
Earmarked Reserves	64.5	71.2	76.1	88.9	83.7
Council Fund	5.0	5.0	5.0	5.0	5.0
School Funds	4.4	4.2	4.8	5.0	4.3

### Budgeted Sources of Funding

	2014/15	2015/16	2016/17	2017/18
Revenue Support Grant and NDR	214,926	209,254	209,142	208,250
Council Tax	48,194	52,117	54,796	58,122

### Budgeted Revenue Funding Split



### Financial Performance and Ratios

Ratio	Calculation	2012/13	2013/2014	2014/2015	2015/2016
Net Worth	(Assets - Liabilities)	£39,688	£4,261	£4,714	£1,240
Net Worth (as % of Pension Liab.)	(Assets - Liabilities) / Pension Liab.	282,222	280,878	286,814	247,585
Working Capital Ratio	(Current Assets - Current Liabilities) / Current Liabilities	0.88	0.79	0.89	1.02
Gearing Ratio	(Borrowing / Total Reserves)	44.1%	51.2%	48.9%	44.0%

The figures below shows the 16/17 forecast position for both revenue and capital.

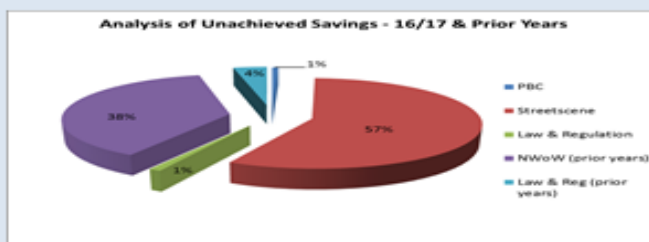
### 2016/17 December Revenue Position

Directorate	Net Expenditure Budget	Forecast	Variance	Variance
	£'000	£'000	£'000	%
Children & Young People	21,438	21,746	310	1
Adult & Community Services	39,348	39,609	263	1
Education	13,807	14,298	491	4
Schools	90,500	91,500	1,000	2
Regeneration, Investment & Housing	9,841	9,939	2	(0)
Streetscene & City Services	16,911	17,646	735	4
Corporate Services	16,235	15,883	-352	(2)
<b>Total Directorates</b>	<b>266,776</b>	<b>269,821</b>	<b>3,045</b>	<b>1.47</b>
Capital Financing	28,183	28,101	(82)	(0)
Contingency/ Provisions	6,189	6,389	221	4
Levies / Other	21,735	20,434	(1,301)	(6)
Reserves / Transfer	1,088	(539)	(1,624)	(150)
<b>Total Budget</b>	<b>263,938</b>	<b>264,196</b>	<b>259</b>	<b>0.10</b>
Additional funding - CT surplus	(76)	(724)	(648)	-
Projected Over/ (Under) spend			(389)	-

### Revenue Savings Achieved and Unachieved (December FIP)



### Analysis of Unachieved Savings



### 2016/17 December Capital Position

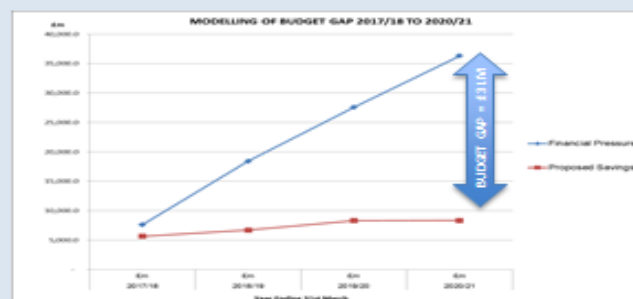
Directorate	Final Budget	Final Outturn	Variance	Variance
	£'000	£'000	Spillage	(Under)/ Overpend
Education	18,599	19,217	(618)	748
Regeneration, Investment & Housing	12,008	11,878	130	-
Customer Services & Digital Innovation	1,014	921	93	(84)
People & Business Change	185	-	185	(100)
Law & Regulation	179	179	-	-
Adult & Community Services	736	736	-	-
Children & Young People Services	55	55	-	-
Streetscene & City Services	5,922	4,962	960	-
<b>Total Budget</b>	<b>37,798</b>	<b>37,548</b>	<b>(250)</b>	<b>165</b>

The tables below show the Medium Term Financial Plan (MTFP) and the risks facing the Council.

### MTFP Scenario (To be approved by February Cabinet)

	2017/18	2018/19	2019/20	2020/21	Total
Technical Provisions	8,730	10,960	9,199	9,770	38,659
Technical Adjustments	(11,102)	-	-	-	(11,102)
Funding Reserves	290	2,060	2,044	2,969	10,324
Reserves Requirement Reduction	8,417	14,879	13,253	11,770	48,319
Unallocated specific grant - Social care	250	-	-	-	250
Revenue - Other Items	19,782	21,529	21,544	21,569	74,424
Income	25,077	28,369	27,917	28,208	110,571
Expenditure	(26,347)	(26,409)	(26,718)	(26,438)	(105,912)
<b>Surplus to requirement</b>	<b>8,730</b>	<b>11,960</b>	<b>9,997</b>	<b>16,770</b>	<b>36,774</b>
Based on 1.0% reduction	N/A	11,307	9,207	16,117	36,774
Based on 1.50% reduction	N/A	10,644	8,110	15,166	31,914
Based on 2.00% reduction	N/A	9,981	6,913	14,215	26,714

### Modelling of Budget Gap 2017/18 to 2020/21



### Capital Expenditure & Capital Financing Requirement (CFR)

	2015/16	2016/17	2017/18	2018/19	2019/20
Actual		Estimate	Estimate	Estimate	Estimate
Total capital expenditure	21.8	34.8	36.7	22.7	12.2
Capital Financing Requirement	11.8	11.8	16.8	23.4	16.8
CFR	206.5	233.8	238.1	241.7	243.1

### Affordability Indicators -

**Ratio of Financing Costs to Net Revenue Stream** - highlight the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.

	2016/17	2017/18	2018/19	2019/20	2020/21	
Ratio of Financing Costs to Net Revenue Stream	%	8.6	8.4	8.4	7.8	7.8
Incremental Impact of Capital Investment Decisions	£	-	1.80	1.18	2.78	3.43

\* Assumed 4% cumulative increase in Council Tax although no decision has been taken to this effect.

## APPENDIX 9b - Projected Earmarked Reserves

Reserve	Estimated Balance at year end					
	Balance at 31-Mar-16	Balance at 31-Mar-17	Balance at 31-Mar-18	Balance at 31-Mar-19	Balance at 31-Mar-20	Balance at 31-Mar-21
	£'000	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(5,881)	(4,280)	(4,280)	(4,280)	(4,280)	(4,280)
<b>Earmarked Reserves:</b>						
Music Service	(205)	(205)	(205)	(205)	(205)	(205)
Insurance Reserve	(1,925)	(1,925)	(1,925)	(1,925)	(1,925)	(1,925)
MMI Insurance Reserve	(352)	(352)	(352)	(352)	(352)	(352)
Legal Claims	(100)	(100)	(100)	(100)	(100)	(100)
Health & Safety	(16)	(16)	(16)	(16)	(16)	(16)
Council Tax Reduction	(500)	(500)	(500)	(500)	(500)	(500)
Education Achievement Service	(92)	(92)	(92)	(92)	(92)	(92)
Schools Redundancies	(453)	(782)	(782)	(782)	(782)	(782)
Friars Walk	(6,176)	(8,987)	(8,987)	(8,987)	(8,987)	(8,987)
Gem Services Reserves	(100)	-	-	-	-	-
<b>SUB TOTAL - RISK RESERVES</b>	<b>(9,919)</b>	<b>(12,959)</b>	<b>(12,959)</b>	<b>(12,959)</b>	<b>(12,959)</b>	<b>(12,959)</b>
Pay Reserve	(1,948)	(1,218)	(1,000)	(1,000)	(1,000)	(1,000)
Capital Expenditure	(7,084)	(6,084)	(6,084)	(6,084)	(6,084)	(6,084)
Invest to Save	(12,838)	(10,354)	(7,957)	(7,486)	(7,466)	(6,466)
Super Connected Cities	(749)	(624)	(546)	(422)	(298)	(174)
Landfill (Door Stepping Campaign)	(131)	(31)	-	-	-	-
Christmas Lights	(47)	(24)	-	-	-	-
Usable Capital Receipts	(8,059)	(3,826)	(3,826)	(3,826)	(3,826)	(3,826)
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>(30,856)</b>	<b>(22,161)</b>	<b>(19,413)</b>	<b>(18,818)</b>	<b>(18,674)</b>	<b>(17,550)</b>
STEP School Computers	(638)	(195)	(150)	(100)	(50)	-
Municipal Elections	(120)	-	-	-	-	-
Local Development Plan	(528)	(597)	(635)	(597)	(496)	(323)
Glan Usk PFI	(971)	(971)	(971)	(971)	(971)	(971)
Southern Distributor Road PFI	(44,498)	(44,481)	(44,470)	(44,258)	(43,918)	(43,918)
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>(46,756)</b>	<b>(46,244)</b>	<b>(46,226)</b>	<b>(45,926)</b>	<b>(45,435)</b>	<b>(45,212)</b>
Works of art	(21)	(21)	(21)	(21)	(21)	(21)
School Works	(272)	(292)	(142)	0	0	0
Theatre & Arts Centre	(233)	(233)	(233)	(233)	(233)	(233)
Cymorth Income	(38)	-	-	-	-	-
Pupil Referral Unit	(60)	(60)	-	-	-	-
Gypsy and Traveller Site	(7)	(7)	-	-	-	-
Homelessness Prevention	(38)	(38)	-	-	-	-
Environmental Health - Improve Air Quality	(50)	-	-	-	-	-
Refurbishment of a Children / Older People Homes	(115)	-	-	-	-	-

ECDL Training Package - <b>Change to Apprenticeship Scheme</b>	(80)	(41)	-	-	-	-
City Deal Reserve - Rename - <b>City Economic Development</b>	(195)	(131)	(81)	(36)	-	-
NEW - Welsh Language Standards	(240)	(240)	-	-	-	-
NEW - YS Dilapidation Costs Information Shop	(51)	(51)	-	-	-	-
NEW - IPU Repairs & Maintenance	-	(70)	-	-	-	-
NEW - European funding	-	(75)	-	-	-	-
NEW - Additional funding for schools	-	(1,100)	-	-	-	-
<b>SUB TOTAL - OTHER RESERVES</b>	<b>(1,400)</b>	<b>(2,359)</b>	<b>(477)</b>	<b>(290)</b>	<b>(254)</b>	<b>(254)</b>
		-				
<b>RESERVES TOTAL</b>	<b>(101,311)</b>	<b>(94,502)</b>	<b>(89,854)</b>	<b>(88,772)</b>	<b>(88,101)</b>	<b>(86,754)</b>

## **APPENDIX 9c – RESERVES POLICY**

### **Newport City Council**

#### **Reserves Policy**

##### **1.0 Introduction**

- 1.1 This policy establishes a framework within which decisions will be made regarding the level of reserves held by the Council, the purposes for which they will be maintained and used in addition to their reporting requirements.
- 1.2 The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 requires authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.
- 1.3 There are also a range of safeguards in place that help prevent local authorities over committing themselves financially. These include:
- The balanced budget requirement;
  - The statutory duty of the Head of Finance (S151 Officer) to report on the robustness of estimates and adequacy of reserves when the authority is considering its budget requirement (Section 25 of the Local Government Act 2003);
  - The legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the Head of Finance has responsibility for the administration of those affairs as set out in Section 151 of the Local Government Act 1972;
  - The requirements of the Prudential Code and the Treasury Management in Public Services Code of Practice.
- 1.4 The above requirements are reinforced by section 114 of the Local Government Finance Act 1988 which requires the Head of Finance to report to all the authority's councillors if there is, or is likely to be, unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have resources to meet its expenditure in a particular financial year.
- 1.5 This policy is based on a requirement that all reserves are corporate in nature and that individual departmental reserves are only to be permitted, if agreed by Cabinet, after taking the advice of the S151 Officer.

##### **2.0 Definitions**

- 2.1 Reserves are sums of money held by the Council to meet future expenditure (whilst managing risk) and should be held for a specific purpose.

### 3.0 Types of Reserve

3.1 As an integral part of the annual budget setting process, the Cabinet (via the Head of Finance) considers the establishment and maintenance of reserves. These will be held for three main purposes:

- A **working balance** to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
- A **contingency** to cushion the impact of unexpected events or emergencies;
- A means of building up funds - **earmarked reserves**, to meet known or predicted requirements. The authority categorises earmarked reserves into three categories: risk, enabling or smoothing to reflect the general purpose of each reserve. A detailed analysis of the authority's reserves can be found in Appendix i.

The following table identifies the high level categories of earmarked reserves held by the Council:

Category of Earmarked Reserve	Rationale
Sums set aside for major schemes, such as capital developments or asset purchases, or to fund major reorganisations	Where expenditure is planned in future years, it is prudent to set aside resources in advance, e.g. Local Development Plan, Glan Usk Private Finance Initiative (PFI).
Risk reserve e.g. Insurance reserves	Reserve held to cover financial impact of potential risks that would impact on the revenue budget in the year they materialise.  An example is the Self-insurance is a mechanism used by most local authorities. In the absence of any statutory basis sums held to meet potential and contingent liabilities are reported as earmarked reserves where these liabilities do not meet the definition of a provision under the requirements of the Code's adoption of IAS 37 Provisions, Contingent Assets and Liabilities.
Reserves of trading and business units	Surpluses arising from in-house trading may be retained to cover potential losses or re-organisation costs in future years, or to finance capital expenditure, e.g. Gwent Music service.

Reserves retained for service departmental use	Internal protocols permit year end underspending at departmental level to be carried forward, where appropriate e.g. homelessness prevention.
Reserves for unspent revenue grants	Where revenue grants have no conditions or where the conditions are met and expenditure has yet to take place, surplus funds can be held in earmarked reserves for future use.
Schools balances	These are unspent balances of budgets delegated to individual schools.

3.2 Paragraph 3.1 above articulates the categories of ‘useable reserves’ held by the Council, i.e. those reserves that are ‘cash-backed’. On the technical accounting side, the Council also holds ‘unusable reserves’. These reserves are not cash backed and arise out of the interaction of legislation and proper accounting process, either to:

- a) Store revaluation gains (e.g. on property revaluations); or
- b) As adjustment accounts to reconcile accounting requirements driven by reporting standards to statutory requirements (e.g. pension reserve).

The remainder of this policy will focus on the Council’s useable, and therefore, cash-backed reserves.

#### 4.0 General Fund Reserves

4.1 In assessing the appropriate level of reserves the Council will ensure that the general reserves are not only adequate but also necessary and will be appropriate for the risk (both internal and external) to which it is exposed.

4.2 The risks faced by a local authority will, in many cases, be due to the specific local context and will need to be kept under review. In assessing its financial risk the Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on the factors that should be considered:

- Budget assumption for inflation and interest rates;
- Estimates of the level and timing of capital receipts;
- The treatment of demand led pressures;
- The authorities track record in budget and financial management;
- Treatment of planned efficiencies/savings;
- The financial risk inherent in any significant new funding partnerships, major outsourcing and capital developments;
- The likely level of Government support to deal with major unforeseen events;



- The adequacy of the authority's insurance arrangements;
  - The authority's virement and end of year procedures in relation to budget under and over spends;
  - The general financial climate and future funding assumptions.
- 4.3 The risk assessment to be carried out will be based on the guidance provided by CIPFA above and any further issues which the Head of Finance feels are relevant. This will be reviewed annually.
- 4.4 The appropriate level of General Fund Reserves will be determined annually as part of the budget setting process and medium term financial strategy plus at other periodic intervals in-year and will be subject to approval by the Cabinet and full Council.
- 4.5 The Head of Finance, within the Councils Medium Term Financial Plan and financial strategy will set out the level of planned reserve balances, including financial arrangements for any replenishing of reserves. It will also confirm acceptable thresholds above and below the balance where appropriate / relevant. If the balance falls outside of these thresholds a plan will be agreed by Cabinet to restore balances to the appropriate level.

## **5.0 Earmarked and Specific Reserves**

- 5.1 These are required for specific purposes and are a means of building up funds to meet known or predicted liabilities. By nature these reserve balances do not have minimum and maximum thresholds. Creation of such reserves must be approved by the Head of Finance.
- 5.2 Balances should be reasonable for the purpose held and must be used for the item for which they have been set aside. If circumstances arise to which the reserve is no longer required for its original purpose they will transfer to other earmarked reserves or the General Fund reserve, as agreed and approved by Cabinet.
- 5.3 The authority follows best practice in that for each earmarked reserve, a clear protocol exists setting out:
- The reason for/ purpose of the reserve;
  - How and when the reserve can be used;
  - Procedures for the reserves management and control; and
  - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

### **5.4 Setting up of reserves**

- 5.4.1 Where officers would like to request potential transfers to/ from existing earmarked reserves or the creation of a new reserve, discussions are to be had with the Assistant Head of Finance (AHoF) and the service area Senior Finance Business Partner (SFBP) to determine whether the assumption needs to be included within the in-year financial monitoring forecasts. Any decisions on whether these

requests are authorised or not will, in the majority of cases, be made at year end when the overall Council position is known and must be approved by Cabinet.

5.4.2 Reserve request forms will be circulated as part of the year end closing process.

## **5.5 Use of reserves**

5.5.1 Should there be an unplanned need to utilise general reserves there must be a clear plan setting out the intended route to replenish the reserves to its minimum balance recommended. This must clearly state how the shortfall will be met and by when.

5.5.2 Where there is a planned use of reserves a reserve request form must be submitted to the Head of Finance to be considered at year end as set out in 5.4 above.

## **6.0 Ring-fenced Reserves**

### **6.1 Schools Reserves**

6.1.1 Schools are able to carry forward surplus and deficit balances from one year to the next and utilise these balances for managing changes in pupil numbers and funding, or the funding of projects and future liabilities. The balances are held by individual schools and are not for general Council use. Guidance on the level of balances held is documented within section D of Newport City Council Scheme for the Financing of Schools.

## **7.0 The Reporting Framework**

7.1 The balances and movement of all reserves is required to be reported within the authorities Annual Statement of Accounts.

7.2 The balance held and projected movement of useable reserves will be reported monthly/ quarterly as part of the budget monitoring report to the Senior Leadership Team (SLT)/ Cabinet. This includes the level of reserves held against each category of reserve.

7.3 The S151 Officer has a fiduciary duty to local taxpayers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

7.4 The level and utilisation of reserves will be determined formally by the Cabinet, informed by the advice and judgement of the S151 Officer. To enable the Cabinet to reach its decision, the S151 Officer should report the factors that influenced his or her judgement, and ensure that the advice given is recorded formally. Where this advice is not accepted this should be reported formally in the minutes of the Cabinet meeting.

## 7.5

- The budget report to the Cabinet should include a statement showing the estimated opening general reserve fund balance for the year ahead, the addition to/ withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurring expenditure;
- This should be accompanied by a statement from the S151 Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the authority's medium term financial strategy;
- A statement reporting on the annual review of earmarked reserves (including schools' reserves) should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/ withdrawals and the estimated closing balances.

## Appendix i – Analysis of Reserves

Reserve	Purpose/ Rationale for Reserve
Council Fund	General Reserve
Schools Reserve	Balances held by schools for their future use
<b>Earmarked Reserves:</b>	
<b>Risk Reserves:</b>	
Music Service	This is a general reserve retained by the Gwent wide Music Service and a traded service and belongs to all trading partners. Newport holds the reserve as the hosting authority. The reserve is held as a balance to cater for years where trading income is below expenditure and/or one off cost's for re-organisation are incurred.
Insurance Reserve	To assist in management of the Council's insurance risks and provide funds, over and above existing insurance provisions for excessive levels of claims/costs in any year.
MMI Insurance Reserve	To assist in future funding requirements of MMI in line with the agreed 'Scheme of Arrangement'.
Legal Claims	Risk of future legal claims in relation to a range of charges such as Social Services, complaints and non-compliance etc.
Health & Safety	Responding to inspections and reports from Health & Safety Executive.
Council Tax Reduction	Council responsible for cost overruns on council tax benefits, which is demand led. Reserve covers specific budget risk on this area and established when grant funding transferred into Revenue Settlement Grant (RSG).
Education Achievement Service	Reserve held against Newport's share of any redundancy costs that may arise from a restructure of the service as a result of funding reductions from grant allocations. Newport is a partner in the service and has to take a share of any costs that may arise.
Friars Walk	Established to assist with potential future funding/risks in relation to the Friars Walk Scheme.

GEM Services Reserves	Reserve created from service income levels over and above grant income in 2014/15 to cater for anticipated redundancy costs anticipated from restructuring to cater for different language sets, and potential reduction in grant income.
<b>Enabling Reserves:</b>	
Schools Redundancies	Reserve has been created from contributions from Schools to cater for redundancy costs that arise through schools that face financial issues. The value has been negotiated with the schools as a contribution towards the costs that have to be met by the LA.
Pay Reserve	Total Reward team costs, outstanding equal pay claimants, hardship payments.
Capital Expenditure	To fund capital investment.
Invest to Save	To enable funding of specific change/efficiency projects which achieve savings to the revenue budget.
Super Connected Cities	Funding for Community Safety Network over a seven year period including project costs.
Landfill (Door Stepping Campaign)	Recycling initiative (door knocking campaign) to increase recycling targets.
Christmas Lights	Recover costs associated with Christmas lights until alternative funding sources are found.
Usable Capital Receipts	Holds proceeds from the sale of property, plant and equipment, used to finance new capital expenditure. Currently reserved for Council contribution to 21C Schools programme.
<b>Smoothing Reserves:</b>	
STEP School Computers	Reserve to match agreed income and expenditure of 3 year STEP program for schools. Schools charged annual amount and any excess/deficit due to timing differences

	held here.
Municipal Elections	Reserve used to smooth over significant differences in annual budget required over a cyclical period whilst keeping budget at a stable annual amount.
Local Development Plan	Reserve used to smooth over significant differences in annual budget required over a cyclical period whilst keeping budget at a stable annual amount. Related to production and inspection of the LDP and SPG's
Glan Usk PFI	Established to smooth out funding differences that have arisen from funding available and payments to the contractor - reserve will balance over life of project
Southern Distributor Road PFI	Established to smooth out funding differences that have arisen from funding available and payments to the contractor - reserve will balance over life of project
<b>Other Reserves:</b>	
Works of art	To fund purchases for the collections.
School Works	Reserve specifically for identified school works - funded by school's themselves. Reserve allows schools to build up specific scheme reserves over a number of years, where required.
Theatre & Arts Centre	Council agreed reserve as condition of Art's Council funding of the Riverfront Theatre.
Cymorth Income	To fund the provision of Domestic Abuse Services.
Pupil Referral Unit	Specific reserve for development of Pupil Referral Unit (PRU) over and above refurbishment of new premises.
Gypsy and Traveller Site	To carry out preparation, design, and consultancy activities with the development of the Gypsy and Traveller site identified in the Local Development Plan (LDP).
Homelessness Prevention	There is a minimum amount that needs to be spent on

	homelessness prevention on an on-going basis. The revenue budget is continually under pressure of overspending due to the obligation placed on the Authority to house clients.
Environmental Health - Improve Air Quality	To undertake highways work in a specific area to improve air quality and reduce noise pollution.
Refurbishment of a Children / Older People Homes	There is a need to refurbish residential homes on a regular basis to attract Service Users and more importantly, to ensure they meet inspection criteria.
ECDL Training Package - Change to Apprenticeship Scheme	Reserve established from 2014/15 underspending. To fund ECDL and online IT training packages.
City Deal Reserve - Rename - City Economic Development	To fund initial contribution to the City Deal project.
Welsh Language Standards	To fund expenditure in relation to implementation of Welsh language standards.
Youth Service - Dilapidation Costs Information Shop	To fund costs associated with bringing the property back in repair at the end of a lease.

**APPENDIX 9d - SUMMARY OF INVEST TO SAVE SPEND AND FORECAST**

<b><u>Invest To Save - Summary Forecast</u></b>	
	<b>£'000</b>
Balance B/F 31.03.2016	(12,838)
Total Forecast Spend 2016/17	2,484
Invest to Save Forecast balance 31.03.2017	<b>(10,354)</b>
Further Funding Required:-	
Bids & Change/Efficiency proposals	
2017/18	2,397
2018/19	471
2019/20	20
Remaining Invest to Save reserve available for future Change/Efficiency Programme	<b>(7,466)</b>





# Report

## Newport City Council

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### Part 1

Date: 2 March 2017

Item No: see above

**Subject** **Social Services and Wellbeing Act: Population Needs Assessment**

**Purpose** To present the Social Services and Wellbeing Act Population Needs Assessment (PNA) regional report.

**Author** Mike Nicholson, Strategic Director (People)  
Phil Diamond, Theme Lead (Gwent Health and Social Care Transformation Team)

**Ward** All

**Summary** Under the Social Services and Wellbeing Act (2014) there is a statutory duty on local authorities and health boards to prepare a regional population needs assessment (PNA) in relation to people requiring care and support. A PNA has been jointly developed across the region (Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen) by Aneurin Bevan University Health Board and Gwent Transformation Team. The PNA sets out the common priorities across the region and suggested actions.

**Proposal** To approve the PNA report, priorities and suggested actions so that in accordance with statutory requirements, the final PNA can be approved before March 31<sup>st</sup> and then the PNA will subsequently be published on the Newport City Council website.

**Action by** Council

**Timetable** Immediate

This report was prepared after consultation with:

- Cabinet Jan 16<sup>th</sup>
- Joint Scrutiny: Learning Care, Leisure and Community Planning and Development Scrutiny Jan 17<sup>th</sup>
- Mike Nicholson, Strategic Director (People),
- Rhys Cornwall, Head of People and Business Change
- Emma Wakeham, Health, Social Care and Wellbeing, Support Officer
- Jenny Jenkins, Service Manager, (Commissioning and Quality Assurance)

## Background

The Social Services and Wellbeing Act (Act), in Part 2, section 14, requires that local authorities and local health boards must jointly carry out an assessment of the needs for care and support, and the support needs of carers in the local authority areas. Care and support is in relation to people known to Social Services but we also need to recognise that there are a large number of people who are supported through preventative services and initial research has estimated that this could be approximately 1 in 5 people. A population needs assessment (PNA) report will comprise of two sections:

Section 1: the assessment of need

Local authorities and Local Health Boards must jointly assess:

- the extent to which there are people in the area of assessment who need care and support
- the extent to which there are carers in the area of assessment who need support
- the extent to which there are people whose needs for care and support (or, in the case of carers, support) are not being met

The PNA report must include specific core themes dealing with:

- children and young people
- older people
- health / physical disabilities
- learning disability/autism
- mental health
- sensory impairment
- carers who need support; and
- violence against women, domestic abuse and sexual violence.

### Section 2 - the range and level of services required.

Local authorities and Local Health Boards must jointly assess:

- the range and level of services required to meet the care and support needs of the population and the support needs of carers
- the range and level of services required to prevent needs arising or escalating; and
- the actions required to provide these services through the medium of Welsh.

Under the Social Services and Wellbeing Act, the 5 local authorities within the Aneurin Bevan University Health Board (ABUHB) footprint - Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen - must form a partnership arrangement with the ABUHB and produce a single combined population needs assessment report (PNA). In addition the PNA must:

- Be produced once per local government electoral cycle and across the ABUHB footprint
- Contain the population assessment for each of the local authority areas but also combine these assessments to produce a single regional assessment of the needs of the people in the whole of the Local Health Board's area
- Include an assessment of the range and level of services required to meet those needs.
- Demonstrate clearly the extent to which the core themes are concentrated or diffused across the partnership
- Keep population assessment reports under review and revise them if required.

The first population assessment must be published by April 2017 and the Leadership Group (via the regional transformation team), which is the executive officer group that reports to the Regional Partnership Board (RPB) will co-ordinate this work and the RPB will act as a joint committee to oversee the process.

It is recognised that the PNA will need to link to the Wellbeing Assessment required under the Wellbeing of Future Generations Act. Although the definition of wellbeing is slightly different in each Act, there are synergies to gain, and duplication to avoid by linking the assessments.

NCC have been instrumental in developing the design principles across the region through a local task and finish group exploring the opportunities to align both population assessments, reduce duplication and identify areas of joint working/collaboration. The learning from the task and finish group has been used to design the methodology across the other 4 local authority areas; and also shared with Welsh Government as good practice which in turn has been shared across Wales.

### Current Position

A regional PNA has been developed and is currently out for consultation. The main points to note

- The PNA was developed through extensive engagement with regional citizen panel, provider forum and regional executive director leadership group; as well as local groups such as youth forum, older people's forums, carers groups and parenting networks. Further engagement is planned during the consultation period
- The NCC citizen panel was engaged during the development of the PNA with 231 responses (36%). Summary of feedback below
  - 62% strongly agreed mental health support for children as a priority
  - 69% strongly agreed with dementia as a concern
  - 62% strongly agreed with flexible respite a need for carers
  - 65% strongly agreed with increased awareness of mental health
  - 65% strongly agreed with employment opportunities for people with learning disabilities
  - 62% strongly agreed with accessible transport
  - 60% strongly agreed with support for victims of domestic abuse
- The PNA will contain the high level priorities and suggested actions but the data graphs will be included in technical appendices – the PNA will read as executive summary and not include a large number of data graphs
- The PNA will have to be signed off and agreed by individual local authority councils and the health board by March 31<sup>st</sup> 2017 and subsequently published on individual websites

Following the publication of the regional report each local authority and health board are required to prepare and publish a plan setting out the range and level of services they propose to provide, or arrange to be provided, in response to the population needs assessment. Area plans must include the specific services planned in response to each core theme identified in the population assessment. As part of this, area plans must include:

- the actions partners will take in relation to the priority areas of integration for Regional Partnership Boards;
- the instances and details of pooled funds to be established in response to the population assessment;
- how services will be procured or arranged to be delivered, including by alternative delivery models;
- details of the preventative services that will be provided or arranged;
- actions being taken in relation to the provision of information, advice and assistance services; and
- actions required to deliver services through the medium of Welsh.

The first area plans must be published by 1 April 2018 and there will be a need to ensure links between the Area Plan and the local authority Well-being Plans required under the Well-being of Future Generations Act to facilitate collaborative working between the 2 legislative duties and avoid duplication. Links to NCC's Corporate Improvement Plan and ABUHB Intermediate Medium Term Plans will also need to be established, as well as alignment to the Neighbourhood Care Network plans in each of the GP cluster areas.

### Proposal

To approve the PNA report, priorities and suggested actions so that in accordance with statutory requirements, the final PNA can be approved before March 31<sup>st</sup> and then the PNA will subsequently be published on the Newport City Council website.

## Financial Summary

- The financial implications will be explored more robustly through the development of the regional Area Plan following the PNA

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)					
Net Costs (Savings)					
Net Impact on Budget					

## Risks

The PNA is a high level regional report that sets out areas for joint working. If NCC do not provide comments and/or agree to priorities there will be a risk of little or no regional working

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Lack of regional working and joint commissioning	M	L	Implemented task and finish group so that needs of NCC are included in foundation planning	PD/EW

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

- Wellbeing Assessment (Wellbeing of Future Generations Act)
- Corporate Improvement Plan

## Options Available and considered

Option1: To consider the PNA report, priorities and suggested actions so that in accordance with statutory requirements, the final PNA can be approved before March 31<sup>st</sup>. This will take place during Council on March 2<sup>nd</sup> and then the PNA will subsequently be published on the Newport City Council website.

Option 2: To choose not to sign of the PNA by March 31<sup>st</sup> 2017

## Preferred Option and Why

Option 1 is the recommended option as there is a statutory requirement on Local Authorities and Health Boards to sign off the PNA by the required date.

## Comments of Chief Financial Officer

There are no specific financial issues detailed within this report as they will need to be discussed through the development of the regional Area Plan following the PNA sign off.

## **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report. The PNA has been prepared in accordance with the requirements of the Social Services and Wellbeing Act (Act) 2014 and the Partnership Arrangements (Wales) Regulations 2015. Section 14 of the Act requires local authorities and local health boards to jointly carry out an assessment of the needs for care and support, and the support needs of carers, in the local authority areas.

The 2015 partnership arrangement regulations require local authorities and LHBs to form partnerships in order to carry out this PNA on a regional basis. Therefore the PNA has been prepared in conjunction with the other Gwent authorities and ABUHB. All of the partners are required to agree and publish the PNA by April 2017.

The Council will then have to prepare Area Plans by April 2018, in partnership with ABUHB, to identify what action will be taken jointly to meet these assessed needs. These plans will need to link in with the Council's Well-Being Plans under the Well-being of Future Generations Act and its Corporate Plan.

## **Comments of Head of People and Business Change**

There are no specific staffing implications arising from the report. Whilst the Population Needs Assessment has been produced in accordance with the requirements of the Social Services and Wellbeing Act (Act) 2014 and the Partnership Arrangements (Wales) Regulations 2015 there is also a specific relationship with the Wellbeing Assessment required under the Wellbeing of Future Generations (Act) 2015.

The Council and partners are currently consulting on the Wellbeing Assessment and this has been developed in tandem with the Population Needs Assessment. Following the Local Government elections in May 2017 work will begin on the development of both the Corporate Plan and Wellbeing Plan for Newport and the Population Needs Assessment will be part of the evidence base for both those strategic documents.

## **Comments of Cabinet Member for Adult Social Services and Housing and Cabinet Member for Education and Young People**

The report is required to meet our statutory obligations and is supported by Cabinet Members for Adult Social Services and Housing and Education and Young People

## **Local issues**

All wards

## **Scrutiny Committees**

Joint Scrutiny: Learning Care, Leisure and Community Planning and Development Scrutiny Jan 17<sup>th</sup>

## **Cabinet**

Cabinet on Jan 17<sup>th</sup> recommended that the report be taken to Council on January 31<sup>st</sup> with the final report going to Council on March 2<sup>nd</sup> for sign off

## **Equalities Impact Assessment and the Equalities Act 2010**

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership.

### **Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

### **Wellbeing of Future Generations (Wales) Act 2015**

The Social Services and Wellbeing Act shared similar principles to the sustainable development principle put into place by the WFG Act. The PNA will evidence clear consideration and actions to progress the following WFG principles:

- Long term: the importance of balancing short- term needs with the need to safeguard the ability to also meet long – term needs
- Prevention: How acting to prevent problems occurring or getting worse may help us meet our objectives
- Integration: Consider how the proposals will impact on our wellbeing objectives, our wellbeing goals, other objectives or those of other public bodies
- Collaboration: have you considered how acting in collaboration with any other person or any other part of our organisation could help meet our wellbeing objectives
- Involvement: The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the City we serve.

### **Crime and Disorder Act 1998**

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

### **Consultation**

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

### **Background Papers**

1. PNA at a Glance
2. PNA

## Social Services and Wellbeing Act Population Needs Assessment

### Summary of priorities, actions and process steps

#### 'What it is and what it is not!'

1. This PNA is not an exhaustive list of graphical data but includes appendices where further data is included and will include links to other supporting information such as the local Wellbeing Assessments required under the Wellbeing of Future Generations Act – we do not want to duplicate large sections of information in this PNA which is included in other documents
2. This PNA is based on the views of citizens and providers, and co-production is a core design principle. **Citizens and providers helped identify the emerging areas of interest under each core theme.**
3. This PNA is not adopting a 'blank canvass' approach as there are a number of previously completed, and current, needs assessments and market position statements that include useful intelligence. Also, national reports such as NHS Adverse Childhood Experiences provide invaluable data that this PNA will incorporate, but not replicate.
4. The core theme chapters will also include a list of suggested actions to be included in the underpinning regional Area Plan required following the publication of this PNA – **again this list is not exhaustive but a starting point for consultation!**
5. This PNA is the first of its kind and will set the direction of travel for health and social care services – **it is the 'shop window' in terms of priorities and next steps** – and more detailed analysis, mapping of services and actions will be set out in the regional Area Plan required by April 2018.

CORE THEME	Emerging Areas of Interest
Children & Young People	<ul style="list-style-type: none"> <li>• Accommodation and local placements for children with complex needs</li> <li>• Transition arrangements between children and adult services and simpler processes for children with complex needs</li> <li>• Earlier intervention and community based support linked to school hubs</li> <li>• Looked After Children including education achievement</li> <li>• Mental health support for children</li> </ul>
Older People	<ul style="list-style-type: none"> <li>• Isolation of older people</li> <li>• Dementia</li> <li>• Simpler coordination of services including Continuing Health Care</li> <li>• Appropriate accommodation for older people</li> <li>• Person centered support where person is listened to, with earlier intervention and community resilience</li> </ul>
Carers  Mental Health	<ul style="list-style-type: none"> <li>• Young Carers and support for siblings</li> <li>• Flexible, bespoke support including Information, Advice and Assistance</li> <li>• Flexible respite for carers</li> <li>• Training and peer to peer support for carers</li> <li>• New models of support for carers</li> <li>• Increased understanding and awareness of mental health</li> <li>• Emotional support for children in care</li> <li>• Less social isolation more community support</li> <li>• Early intervention and community support which is timely including advocacy.</li> </ul>
Learning Disabilities  Physical Health & Sensory Impairment	<ul style="list-style-type: none"> <li>• Independent living with access to early intervention services in the community and good public awareness (including Carer's education – what is acceptable?)</li> <li>• Young people with autism, accommodation, access to day services</li> <li>• Employment and training opportunities for people with learning disabilities</li> <li>• Dementia amongst people with learning disabilities</li> <li>• Appropriate Accommodation</li> <li>• Support people with physical and sensory needs with independent living</li> <li>• All age approach to physical disabilities</li> <li>• Accessible transport, accommodation and community based services</li> <li>• Access to medication where required</li> </ul>
Violence against women domestic abuse and sexual violence	<ul style="list-style-type: none"> <li>• Training for all</li> <li>• Healthy relationship awareness especially in schools</li> <li>• Family services</li> <li>• Support for victims</li> <li>• Service analysis and mapping</li> </ul>



CORE THEME	Actions to be progressed through regional Area Plan
Children & Young People	<ul style="list-style-type: none"> <li>▪ Support Children and Family Partnership Board's review of local arrangements for children with complex needs and delivery of work programme.</li> <li>▪ Consistent models of practice and alignment of Welsh Government's early intervention and preventative programmes</li> </ul>
Older People  Health/ Physical Disabilities	<ul style="list-style-type: none"> <li>▪ Develop place based approach '<i>Care Closer to Home</i>' including consistent delivery of community connectors across the region</li> <li>▪ Further develop '<i>Dementia Friendly Communities</i>'</li> <li>▪ Pilot domiciliary care joint commissioning process with National Commissioning Board and linked to Care Standards Social Improvement Wales 'Above and Beyond' Report and the 'Care and Support at Home' Strategic Plan currently being developed by Care Council for Wales.</li> <li>▪ Implement 'Care Closer to Home' Strategy</li> <li>▪ Align with 5 local Wellbeing Assessments required under Wellbeing of Future Generations Act and explore joint action planning for wider detriments to health</li> </ul>
Learning Disabilities/ Autism	<ul style="list-style-type: none"> <li>▪ Support Mental Health and Learning Disability Partnership Board review Gwent Strategy for Adults with a Learning Disability 2012/17 and set out key regional commissioning, integration actions</li> <li>▪ Local implementation of Welsh Strategic Action Plan including development of new Integrated Autism Service.</li> </ul>
Mental Health  Sensory Impairment  Carers  VAWDASV	<ul style="list-style-type: none"> <li>▪ Review of and align regional strategies to Together for Mental Health Delivery plan</li> <li>▪ Coordination of consistent community based services such as community connectors/social prescribers</li> <li>▪ Multi-agency place based models which include wider partners such as Housing Associations, employment support and community programmes</li> <li>▪ Accurate Information, Advice and Assistance through DEWIS and Five Ways to Wellbeing</li> <li>▪ Use good practice and effective pathways to develop regional commissioning principles</li> <li>▪ Ensure accurate, accessible and timely Information, Advice and Assistance through DEWIS and other means</li> <li>▪ Work in partnership with third sector to identify new models to support rehabilitation process and supply of low vision tools.</li> <li>▪ Coordination of consistent community based services such as community connectors/social prescribers to identify and support carers</li> <li>▪ Review of medical prompting to better support carers</li> <li>▪ Accurate Information, Advice and Assistance through DEWIS and Five Ways to Wellbeing</li> <li>▪ Review of and align third sector commissioning principles to support befriending for carers requiring support</li> <li>▪ Ensure that the implementation of the care closer to home strategy increases the community level support for carers</li> <li>▪ Consistent commissioning across health and social care to ensure equitable, region wide and effective models of carer support</li> <li>▪ Implementation of 'Ask and Act' as part of Welsh Government pilot.</li> <li>▪ Strategic alignment with VAWDASV Board, needs assessment and strategic plan.</li> </ul>

**High Level Process Development Actions to be delivered through Regional Area Plan**

Service Mapping	<ul style="list-style-type: none"> <li>▪ Continue to build on existing service mapping through the 'Care Closer to Home' strategy, Regional Joint Commissioning work stream and Supporting People programme and link specifically to priorities identified therein</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Further develop and enhance the DEWIS website so it becomes the primary directory of resources for the region</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Work with PSBs to ensure wider service mapping is integrated with that of Health and social care as an important step towards the creation of a public service response at community level</li> </ul>
Health & Social Care Integration	<ul style="list-style-type: none"> <li>▪ Integration of care and support provision to key client groups as set out in Part 9 of the Act and emphasised through RPBs Statements of Strategic Intent for older people, children with complex needs and carers, as well as strategy statements for Mental Health and Learning Disability (including Autism)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Adopt a place based approach through 'Care Closer to Home' strategy as foundation stone that underpins health and social care service integration</li> </ul>
Joint Commissioning and Pooled Budgets	<ul style="list-style-type: none"> <li>▪ Implement RJCG action plan to deliver joint commissioning arrangements for identified priorities for Act Part 9 requirements.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Continue to link with National Commissioning Board to progress national work priorities and proposals across the region</li> </ul>
Preventative Services	<ul style="list-style-type: none"> <li>▪ Explore a single prevention agenda across the region with PSBs and linked to Wellbeing of Future Generations and SSWB Acts</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Align anti-poverty programmes across the region to set out a single preventative model based on consistent assessment principles, joint workforce and joint commissioning</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Through the implementation of the 'Care Closer to Home' strategy ensure that prevention and early intervention is supported and enabled in a consistent manner across the region</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Through RJCG work with third sector to maximise and align activity to prevent escalation of need and build on existing models of good practice such as befriending, social prescribing etc. and to promulgate the development of social enterprises and co-operatives where possible.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Support Early Years Pathfinder pilot and use key messages to shape early intervention models</li> </ul>
Information, Advice and Assistance	<ul style="list-style-type: none"> <li>▪ Further support and develop DEWIS website so it becomes the 'go to' place for information on support, advice and assistance.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Continue to support consistent information dissemination and stakeholder engagement through regional communications group</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Use IAA performance management data to inform design of services</li> </ul>
	<ul style="list-style-type: none"> <li>▪ To support further initiatives across the region that supports consistency of approach to IAA e.g. self-assessment exercises, peer reviews</li> </ul>
	<ul style="list-style-type: none"> <li>▪ To work with regional workforce managers and Social Care Wales to ensure that cultural change programmes are embedded and on-going</li> </ul>
Advocacy	<ul style="list-style-type: none"> <li>▪ Alignment of advocacy provision to identified priorities across partner agencies</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Support Golden Thread Advocacy Programme across the region through regional provider forum</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Joint approach to advocacy provision with third sector partners especially in promotion of independent advocacy</li> </ul>



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## Social Services and Well-being Act

### Population Needs Assessment

### Gwent Region Report

**DRAFT Nov 2016**



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## How to view this Population Needs Assessment (PNA)

### 'What it is and what it is not!'

1. This PNA is not an exhaustive list of graphical data but includes appendices where further data is included.
2. This PNA will include links to other supporting information such as the local Wellbeing Assessments required under the Wellbeing of Future Generations Act – we do not want to duplicate large sections of information in this PNA which is included in other documents.
3. This PNA uses a national toolkit developed by Welsh Local Government Association (WLGA) and Social Services Improvement Agency.
4. This PNA will not include or reference every data source available – as it will simply be too large, but we will use the Social Services and Wellbeing Act data catalogue developed by Data Unit Wales as a starting point.
5. This PNA is based on the views of citizens and providers, and co-production is a core design principle. Citizens and providers helped identify the priority outcomes under each core theme.
6. This PNA will use the latest research. This PNA is not adopting a 'blank canvas' approach as there are a number of previously completed, and current, needs assessments and market position statements that include useful intelligence. Also, national reports such as NHS Adverse Childhood Experiences provide invaluable data that this PNA will incorporate, but not replicate.
7. The core theme chapters will read as executive summaries and highlight regional priorities linked to the emerging areas of interest; and also high level partnerships and services that can support the agenda.
8. The core theme chapters will also include a list of suggested actions to be included in the underpinning regional Area Plan required following the publication of this PNA – again this list is not exhaustive but a starting point and will be developed further when producing the regional Area Plan.
9. This PNA is the first of its kind and will set the direction of travel for health and social care services – it is the 'shop window' in terms of priorities and next steps – and more detailed analysis, mapping of services and actions will be set out in the regional Area Plan required by April 2018.

## **Foreword**

The Gwent Health Social Care and Well-being Partnership is pleased to publish the region's first Social Services and Wellbeing Act Population Needs Assessment which will be central to promoting wellbeing, supporting people at the earliest opportunity to maintain their independence and to help people to better help themselves.

We are living in a time of enduring austerity and the priorities that we identify and work in partnership to deliver, will also need to ensure that services are sustainable now and in the future. This needs assessment presents not only the level of need across the region, but also provides the region's response to the identified need as well as proposing the next steps required to meet those needs. The Gwent Regional Partnership will now translate words into action through good partnership working and shared goals and aspirations.

Finally, to ensure this needs assessment will have the desired impact we need to engage with our citizens and we are pleased that so many people and partners have taken part in our pre-engagement and consultation activities to help us identify what matters most. We believe that engagement is not a process but a culture, and we will continue to engage every step along the way through our various panels and existing partner agency groups.

**Phil Robson,**  
**Chair of the Gwent Regional partnership Board**  
**Interim Vice Chair of Aneurin Bevan University Health Board**

### **Chair of Citizen Panel**

The Gwent Citizen's Panel were very pleased to receive a presentation on the Population Needs Assessment in July 2016. This was welcome confirmation that service needs and priorities were being taken very seriously. It also provided a level of understanding of the assessments that allowed panel members to go back to groups in their localities and broadcast the assessments for completion.

My own linked group, Caerphilly Over 50s Forum, spent some time discussing the PNA at our Steering Group and we were able to submit a comprehensive assessment covering all aspects where we felt the older person's interests and priorities were important. We recognised the size of the task in reaching out to collect the data but were very pleased to take part in the process. A quote from our meeting: "This is hard work – let's hope they are listening".

**Chris Hodson**  
**Chair, Citizen's Panel**



## INTRODUCTION

### What is the Population Needs Assessment Report?

The Social Services and Well-being Act (Act), in Part 2, section 14, requires that local authorities and local health boards must jointly carry out an assessment of the needs for care and support, and the support needs of carers in the local authority areas. Care and support is in relation to people known to Social Services but we also need to recognise that there are a large number of people who are supported through preventative services and initial research has estimated that this could be approximately 1 in 5 people. A population needs assessment report should comprise two sections:

#### Section 1: the assessment of need

Local authorities and Local Health Boards **must** jointly assess:

- the extent to which there are people in the area of assessment who need care and support
- the extent to which there are carers in the area of assessment who need support
- the extent to which there are people whose needs for care and support (or, in the case of carers, support) are not being met

The PNA report **must** include specific core themes dealing with:

- children and young people
- older people
- health & physical disabilities
- learning disability & autism
- mental health
- sensory impairment
- carers who need support; and
- violence against women, domestic abuse and sexual violence.

#### Section 2 - the range and level of services required.

Local authorities and Local Health Boards **must** jointly assess:

- the range and level of services required to meet the care and support needs of the population and the support needs of carers
- the range and level of services required to prevent needs arising or escalating; and
- the actions required to provide these services through the medium of Welsh.

Under the Social Services and Well-being Act, the 5 local authorities within the Aneurin Bevan University Health Board (ABUHB) footprint - Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen - **must** form a partnership arrangement with the ABUHB and produce a single combined population needs assessment report (PNA). In addition the PNA must:

- Be produced once per local government electoral cycle and across the ABUHB footprint

- Contain the population assessment for each of the local authority areas but also combine these assessments to produce a single regional assessment of the needs of the people in the whole of the Local Health Board's area
- Include an assessment of the range and level of services required to meet those needs.
- Demonstrate clearly the extent to which the core themes are concentrated or diffused across the partnership
- Keep population assessment reports under review and revise them if required.

The first population assessment will be published by April 2017 and the **Leadership Group (via the regional transformation team)**, which is the executive officer group that reports to the Regional Partnership Board (RPB) will co-ordinate this work. The RPB will act as a joint committee to oversee the process.

### **Definition of Well-being**

It is recognised that the PNA will need to link to the Well-being Assessment required under the Well-being of Future Generations Act. Although the definition of well-being is slightly different in each Act, there are synergies to gain, and duplication to avoid by linking the assessments. Section 2 of Part 1 of the Act provides a clear definition of well-being that applies to:

- a) people who need care and support; and
- b) carers who need support.

Reference to well-being in the Act means the well-being of a person who needs care and support and carers who need support in relation to any of the following aspects:

- a) Physical and mental health and emotional well-being
- b) Protection from abuse and neglect
- c) Education, training and recreation
- d) Domestic, family and personal relationships
- e) Contribution made to society
- f) Securing rights and entitlements
- g) Social and economic well-being
- h) Suitability of living accommodation.

In relation to a child, "well-being" also includes:-

- a) physical, intellectual, emotional social and behavioural development
- b) "welfare" as that word is interpreted for the purposes of the Children Act 1989.

In relation to an adult, "well-being" also includes:-

- a) Control over day to day life
- b) Participation in work.

## **An overarching wellbeing 'duty' on LA's to seek to promote the wellbeing of people who need care and support**



### **Regional Partnership Board**

As set out in the Partnership Arrangements (Wales) Regulations 2015 local authorities and local health boards are required to establish Regional Partnership Boards (RPB) to manage and develop services to secure strategic planning and partnership working; and to ensure effective services, and care and support are in place to best meet the needs of their respective population.

The objectives of the Regional Partnership Boards are to ensure the partnership bodies work effectively together to:

- Respond to the population assessment carried out in accordance with section 14 of the Act, and
- Develop, publish and implement the Area Plans for each region covered as required under section 14A of the Act.
- Ensure the partnership bodies provide sufficient resources for the partnership arrangements, in accordance with their powers under section 167 of the Act.
- Promote the establishment of pooled funds where appropriate.

Regional Partnership Boards (RPB) will also need to prioritise the integration of services in relation to:

- Older people with complex needs and long term conditions, including dementia.
- People with learning disabilities.
- Carers, including young carers.
- Integrated Family Support Services.
- Children with complex needs due to disability or illness.

## **Governance**

The Regional Partnership Board (RPB) has considered a governance structure and partnership arrangements with existing groups that are well placed to lead on specific core themes across the PNA e.g. South East Wales Violence against Women, Domestic Abuse and Sexual Violence Board, Dementia Board, Carers Partnership Board, Mental Health and Learning Disability Local Partnership Board. The RPB will also explore partnership arrangements with wider regional groups such as local authority Public Service Boards – especially in relation to links to the Wellbeing of Future Generations Act – Gwent Area Planning Board for Substance Misuse, Gwent Welfare Reform Partnership, In One Place Programme and Housing Associations, as well as both Adult and Children’s regional safeguarding boards.

## **Area Plan**

Each local authority and health board are required to prepare and publish a plan setting out the range and level of services they propose to provide, or arrange to be provided, in response to the population needs assessment. Area plans must include the specific services planned in response to each core theme identified in the population assessment. As part of this, area plans must include:

- the actions partners will take in relation to the priority areas of integration for Regional Partnership Boards;
- the instances and details of pooled funds to be established in response to the population assessment;
- how services will be procured or arranged to be delivered, including by alternative delivery models;
- details of the preventative services that will be provided or arranged;
- actions being taken in relation to the provision of information, advice and assistance services; and
- actions required to deliver services through the medium of Welsh.

The first area plans must be published by 1 April 2018 and the RPB will ensure links between the Area Plan and the local authority Well-being Plans required under the Well-being of Future Generations Act to facilitate collaborative working between the 2 legislative duties and avoid duplication. Links to local authority Corporate Improvement Plans and ABUHB Intermediate Medium Term Plans will also be established, as well as alignment to the Neighbourhood Care Network plans in each of the GP cluster areas of which there are 12 in the Gwent region. The RPB will also work closely with Housing Associations in the region - recognising the key role they play in achieving well-being of tenants - and ensure an alignment to their delivery plans.

## **Links to strategies**

Included in each core theme chapter is a link to key strategies. The list is not exhaustive but is representative of the key strategic drivers, and a comprehensive cross referencing will be completed when developing the Area Plans. However, links to wider legislation such as the Well-being of Future Generations (Wales) Act 2015, Housing (Wales) Act 2014 and the local housing strategies of Housing Associations, Violence against Women, Domestic Abuse and Sexual Violence Act 2015, Working

Together To Reduce Harm (The Substance Misuse Strategy for Wales 2008 – 2018), Welsh Adverse Childhood Experiences (ACE) Study, Ageing Well in Wales the Strategy for Older People in Wales (2013/23) have been referenced whilst developing the draft PNA.

### Links to Well-being of Future Generations Act

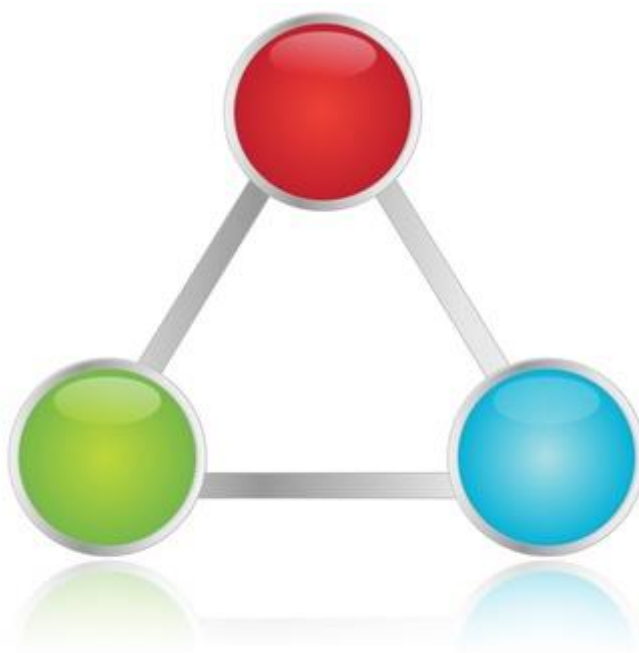
The Social Services and Well-being Act (the Act) shares similar principles with a number of national strategies and legislation. However, the Act shares almost identical principles with the Well-being of Future Generations Act with the main difference between the acts being the time frame: the PNA under the Act covers a 3-5 year period based on electoral cycle and the Well-being Assessment under the WFG Act covers a suggested period of 20-30 years.

<b>Social Services and Well-being Act Principles</b>	<b>Sustainable Principles: Well-being of Future Generations</b>
Services will promote the <b>prevention</b> of escalating need and the right help is available at the right time	<b>Prevention:</b> How acting to prevent problems occurring or getting worse
<b>Partnership</b> and co-operation drives service delivery	<p><b>Collaboration:</b> how acting in collaboration with any other person or any other part of an organisation could help meet wellbeing objectives</p> <p><b>Integration:</b> Consider how the proposals will impact on wellbeing objectives, wellbeing goals, other objectives or those of other public bodies</p>
<b>People</b> are at the heart of the new system by giving them an equal say in the support they receive	<b>Involvement:</b> The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of local communities.
The Act supports people who have care and support needs to <b>achieve well-being</b>	<b>Long term:</b> the importance of balancing short- term needs with the need to safeguard the ability to also meet long – term needs

A task and finish group was established in Newport and led by Director for People to explore synergies across both acts. The group has identified and explored opportunities to align both population assessments, reduce duplication and identify areas of joint working/collaboration. The learning from the task and finish group has been used to design the methodology across the region; and also shared with Welsh Government. The analysis has also laid foundations for aligning the regional Area Plan and local Well-being Plans required under subsequent acts.

## **Social Services and Well-being Act Prioritisation Matrix 'Triangulation'**

It is important that priorities are identified through sound reasoning and clear evidence which also delivers the Welsh Government's direction for public services at a local level. However, it is paramount that priorities reflect the local needs of communities and are identified through effective engagement and co-production with local people. To ensure all factors are considered, a '*Prioritisation Matrix*' has been developed based on the 3 factors and we call this 'triangulating the priorities'.



### **A. Engagement – what have people told us?**

Needs identified by vulnerable groups, providers and wider population.

### **B. Data trends – What has the data told us?**

Is the data curve moving in an adverse direction and will it exacerbate or reach a critical level without intervention?

### **C. National policy and strategies – What are we expected to deliver?**

Are the emerging priorities representative of national drivers and is funding provided through national funding streams?

Following the identification of outcomes a '**Partnership working and resources test**' is applied to ascertain if the outcomes require multi-agency input and would the outcome be achieved without intervention or resources? If the outcome cannot be achieved within existing resources/partnership working it is included as priority outcome.

## **Outcome Priorities**

The outcomes identified through the engagement with citizens, practitioners, partners and confirmed through consultation and use of the prioritization matrix.

<b>CORE THEME</b>	<b>Outcome Priority</b>
Children & Young People  Older People	<ul style="list-style-type: none"> <li>• To improve outcomes for children and young people with complex needs through earlier intervention, community based support and placements closer to home</li> <li>• To ensure good mental health and emotional well-being for children young people through effective partnership working</li> <li>• To improve emotional well-being for older people by reducing loneliness and social isolation with earlier intervention and community resilience</li> <li>• To improve outcomes for people living with dementia and their carers</li> <li>• Appropriate housing and accommodation for older people</li> </ul>
Health & physical disabled people  People with Learning Disabilities and Autism Spectrum Disorders  Mental Health	<ul style="list-style-type: none"> <li>• To support disabled people through an all age approach to live independently in appropriate accommodation and access community based services, including transport.</li> <li>• To help people reduce the risk of poor health and well-being through earlier intervention and community support</li> <li>• To support people with learning disabilities to live independently with access to early intervention services in the community; and greater public awareness and understanding of people with learning disabilities needs</li> <li>• To provide more timely diagnosis of Autistic Spectrum Disorder and access to support services and information and advice</li> <li>• Increased understanding and awareness of mental health amongst the public to reduce stigma and help people to seek support earlier.</li> <li>• To improve emotional well-being and mental health for adults and children through early intervention and community support.</li> </ul>
Sensory Impairment  Carers who need support  Violence against women domestic abuse and sexual violence	<ul style="list-style-type: none"> <li>• Ensure people are supported through access to accurate information, assistance and 'rehabilitation' where required</li> <li>• Improve emotional well-being especially through peer to peer support</li> <li>• Support carers to care through flexible respite, access to accurate information, peer to peer support and effective care planning</li> <li>• Improve well-being of young carers and young adult carers through an increased public understanding</li> <li>• Provide earlier intervention and safeguarding arrangements to potential victims through 'Ask and Act'</li> <li>• Safeguard victims, including men, through effective partnership support</li> </ul>

## **Cross-cutting priorities**

A number of priorities were identified that cut across the core themes above and will require a multi-agency approach

- Loneliness and social isolation
- Mental health and emotional well-being
- Support for carers
- Peer to peer advocacy

- Earlier support and community intervention

### **Demography – What does ‘Gwent’ look like?**

Greater ‘Gwent’ is a term used to reflect the five local authority areas: Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen. Gwent benefits from following the same geographic footprint as the Aneurin Bevan University Health Board. Demographics are varied and include rural countryside areas, urban centres and the most easterly of the south Wales valleys.

**Blaenau Gwent** is situated in the valleys of south east Wales and covers approximately 10,900 hectares with a population of 69,674. The area has accessible green spaces and close community working but it is an area with high levels of unemployment and a high percentage of people who are dependent on benefits.

**Caerphilly** has the largest population in Gwent of 179,941. People are widely dispersed amongst fifty small towns and villages with the main settlements largely reflecting the area’s rich coal mining heritage. Caerphilly has an expanding economy and benefits through good transport links to Cardiff but there are significant levels of unemployment and poor health.

**Monmouthshire** is classed as a ‘semi-rural accessible area’. There are four major towns, with a total population of 92,336. Monmouthshire has the lowest level of unemployment in Gwent: however there are pockets of deprivation.

**Newport City** is the third largest urban centre in Wales with a population of 147,769. The city has the second largest number of people from minority ethnic communities of all the Welsh counties (after Cardiff) and has continued to increase since 2011 when the figure was estimated at between 6 and 7% of the population.

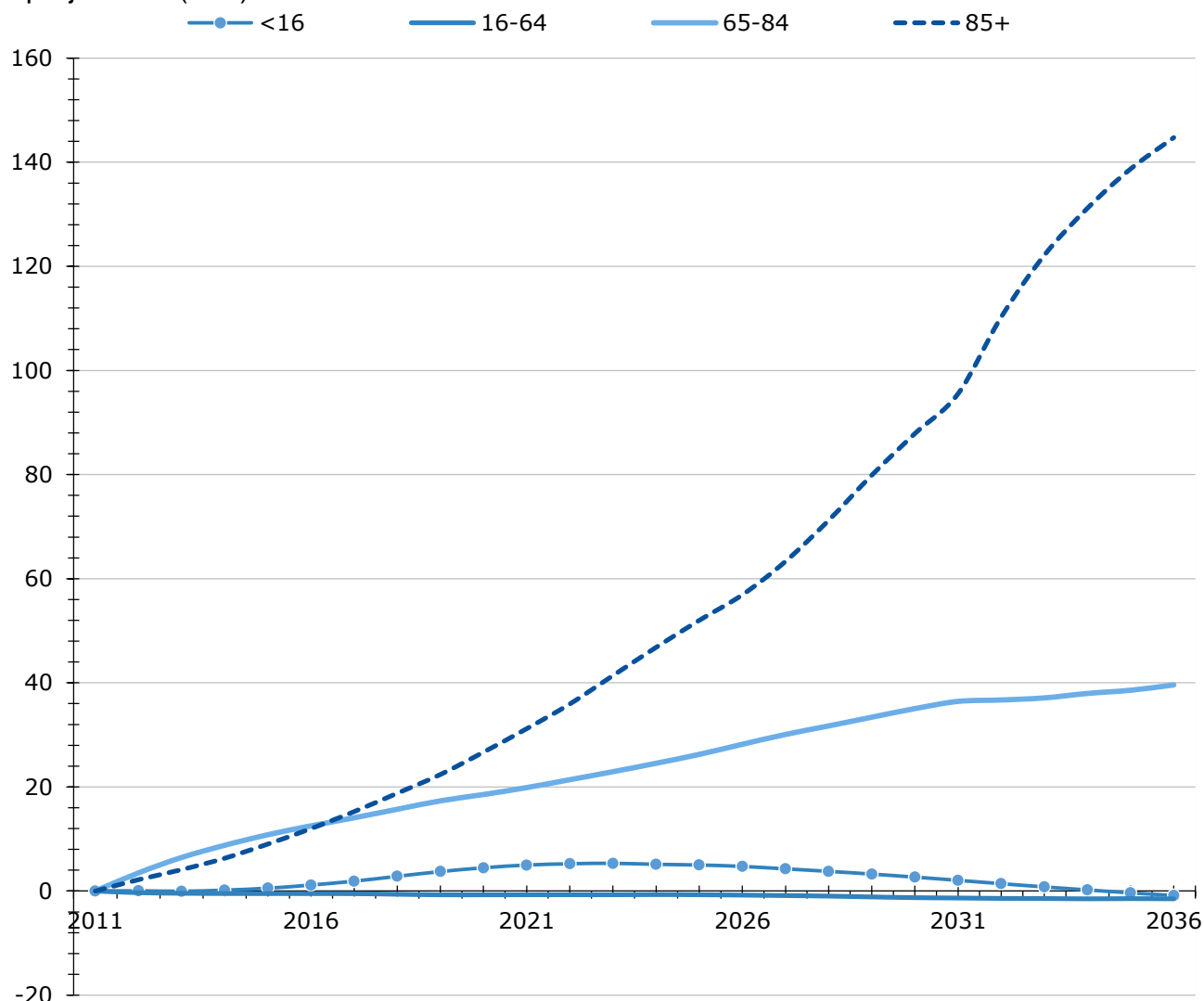
**Torfaen** is the most easterly of the south Wales urbanised valleys with a population of 91,609. There are three urban centres: Pontypool, Blaenavon, and Cwmbran. The largest number of traveller caravans was recorded in Torfaen during the January 2016 Bi-annual Gypsy and Traveller count with a total of sixty-one, which was 40.66% of the Gwent total.

Each local authority is required to produce a Well-being Assessment (WBA) under the Well-being of Future Generations Act and a link to the assessments will be included in the appendix as this PNA does not seek to replicate the more detailed local demography required in each of the individual WBAs.



## Population projections by age group, percentage change since 2011, Aneurin Bevan UHB, 2011-2036

Produced by Public Health Wales Observatory, using 2011-based population projections (WG)



### Key Points

- The population is projected to increase by 4.1% from around 577,100 in 2011 to 601,000 in 2036. The greatest increase will be seen in Newport with an estimated 17.3% increase (145,800 to 170,900), Caerphilly 2%, Torfaen 1.1%. Blaenau Gwent will have an estimated population decrease of -6.6% and Monmouthshire -1.3%. The Blaenau Gwent decrease is the largest estimated decrease across the population in Wales
- There are significant increases projected for the over 65 years of age population when an estimated 1 in 4 people (26%) will be aged 65 or older – which is broadly similar to Wales.
- By 2036, it is estimated that the number of people aged 85 and over will increase by 147% (from around 13,000 in 2011 to 32,000 in 2036)

#### ABUHB population key data

- In 2014, around 1 in 5 residents were aged over 65 years (19%), 6 in every 10 (62%) were of working age (16 to 64 years) and nearly 1 in 5 (19%) were aged under 16
- The population aged under 16 has decreased by 2,700 (1%) between 2005 and 2014, from 114,100 to 108,300
- There has been a significant decrease in the under 75 mortality rate of 17.1% and 17.4% for males and females respectively (a greater improvement than Wales). This demonstrates the positive impacts and significant improvements that a range of services, activities and targeted programmes have made to reduce mortality rates.
- The general fertility rate is broadly similar to that of Wales – but there are differences in the general fertility rates across ABUHB which will impact on the planning of maternity and child services – particularly for Newport and Monmouthshire.

#### Welsh Language

The Welsh language strategic framework '*More than just words*' aims to improve frontline health and social services provision for Welsh speakers, their family and carers. In keeping with the principles in the framework, the regional planning systems will include reference to the linguistic profile of local communities and ensure this is reflected in service delivery. A detailed Welsh language community profile has been completed by local Public Service Boards (PSBs) for inclusion in the local Well-being Assessment in each area, and this draft PNA does not duplicate the information. This PNA will use the profile to effectively identify the actions required to deliver the range and level of services identified as necessary through the medium of Welsh.

The development of the regional Area Plan will set out the key actions required to ensure people needing care and support services can access support through the medium of Welsh. We have already taken steps by ensuring assessments – proportionate and/or care and support planning – include the 'active offer' to converse through the medium of Welsh and is asked at the first point of contact within local authorities (this extends to social services and IAA *front doors*; and will also include integrated assessment (IA) stages). We will also work with workforce development colleagues to ensure sufficient Welsh language support is available across health and social care.

# SECTION 1

## **Engagement and what people have told us – a culture not a process!**

Engagement is central to the development of this PNA and critical to ensuring the identified needs are reflective of local communities. We need to identify the issues important to citizens as well as ensuring people are equipped to promote their own wellbeing.

***A considerable emphasis has been placed on engagement and the views of citizens as we want the PNA to be owned by citizens and bring about the change required to promote wellbeing.***

Under the Act a regional Citizens' Panel and a regional 'Value-Based' Provider Forum have been established; and they have been engaged to ensure citizen and provider views are central to the PNA.

### **How engagement is central to the PNA - Our Procedure**

Regional Partnership Boards must establish and publicise a procedure for obtaining people's views on the PNA. Our procedure is set out below

#### **1. Identify the citizens: 'Who we have engaged with'**

##### **I. People Accessing Care and Support Services**

We recognise that engagement must take place with **people, including children**, who have experience of **using care and support services**, the parents of children who have care and support needs, and carers. Under the Act there is a requirement for individual local authorities to undertake a qualitative questionnaire with people who are supported by social services and across the region 10,000 questionnaires were posted to citizens between September and November 2016. It is too early to include a complete analysis of the questionnaire feedback from across Gwent in this PNA but information will be used to produce the underpinning regional Area Plan. However, a preliminary overview is as follows

- Nearly 10,000 questionnaires were distributed across Gwent
- The return from adults was over 30% in each local authority
- The return from children was much lower and below 20% across the region
- A large percentage of adults felt they were treated with respect and 83% were happy with the support they received but a smaller percentage felt part of their community
- Large numbers of carers felt part of the decisions involving loved ones they cared for but a smaller number felt they can sometimes do the things that matter most to them
- A large percentage of children felt they live in home with people where they are happy and feel safe

## II. Focussed work with minority groups

We have also engaged the views of those who would otherwise be hard to reach and marginalised including those of minority groups such as homeless people and travellers. We have used existing mechanisms to engage with vulnerable groups such as those set out below

- Looked After Children and young carers
- People in secure estates and their families
- Homeless people
- Lesbian Gay Bisexual Transgender (LGBT) community
- Black Minority Ethnic groups
- Military veterans
- Asylum seekers and refugees

## III. Use of existing networks and groups

We recognise that there are numerous established groups and networks that are best placed to provide views of citizens. As part of the PNA we have also engaged with youth forums, 50 plus forums, parenting forums, citizen panels, carers groups and learning disability groups.

### Wider population in partnership with Wellbeing Assessments

We have linked closely with partners developing local wellbeing assessment under the Wellbeing of Future Generations Act and have included questions in relation to care and support needs in wider engagement events.

## **2. Engage with providers and third sector organisations**

We have developed a regional 'Value-Based' Provider Forum to ensure the views of local partners are central to the work of the Regional Partnership Board. We will engage with the third and private sectors to ensure the solutions required to deliver the PNA priorities can be achieved. Third and private sector organisations may be able to help to identify people who are not known to local authorities or Local Health Boards but have unmet care and support need(s). As part of the consultation we have organised 2 regional workshops to engage with the third sector and providers.

## **3. Be clear on what we ask people**

In relation to health and social care needs the 3 questions posed were

- i. What do you feel are your greatest needs?
- ii. How can we help you to improve your wellbeing?
- iii. What services are needed?

## **4. Summarise**

We have undertaken pre engagement with a number of people through citizen panels, provider forums, young people and older people forums. We have also worked in partnership with colleagues undertaking Wellbeing Assessments under the Wellbeing of Future Generations Act. A summary of the compiled feedback will be

included in the final PNA as Wellbeing Assessments have not been published to date and a robust analysis is required.

## **5. Set out how information has been reflected in the assessment – *What people told us and what we will do.***

Throughout the PNA we have highlighted the comments of citizens to ensure their views are central to the development of the core theme situational analysis and response analysis. We will also set out clearly in the PNA: what people told us and what we will do.

## **6. Feedback from existing groups and established engagement mechanisms**

### **Supporting People**

The Supporting People programmes across the region have undertaken a Gwent Needs Mapping Exercise (GNME) which has collected information on individuals presenting to homelessness services, social workers, probation officers and other relevant services in the local area. The GNME form is distributed to agencies working with vulnerable people and during 2015 /2016 a total of **4940 GNME returns** were received from across the five Gwent local authorities; an increase of over a thousand returns compared to the previous reporting period. The Supporting People teams continue to raise the profile of the GNME form to organisations and **almost a quarter of those completing the GNME appear to have a diagnosed mental health condition.**

Local Supporting People teams also used different methods to engage with service users within their locality and some teams held events and others engaged directly by meeting service users at their own project. Service users were able to comment on the support they have received and it is clear to see the positive impact that floating support services and accommodation based services have on their well-being and quality of life. Suggestions to improve services were also received and this will further drive service developments across the region.

Supporting People also organise an annual needs planning event. Stakeholders are invited to attend giving their views and thoughts on services provided locally and regionally and information from these events helps to inform the understanding of unmet needs and at the priorities identified at the latest event were

- People with mental health issues
- People over 55 years
- Young People aged 16 to 24 years

The data continues to reflect that people are presenting to services with the same predominant needs as in previous years; this year mental health appears as either a lead or secondary need in every local authority, with older people aged 55+ being the prevailing lead need in Monmouthshire and Torfaen.

## Veterans

A veteran is defined as: *“anyone who has served for at least one day in the Armed Forces (Regular or Reserve), as well as Merchant Navy seafarers and fishermen who have served in a vessel that was operated to facilitate military operations by the Armed Forces.”*

There is no routine source of information on military veterans in Wales, so the number resident in Wales is unknown. Studies identify that most veterans in general view their time in the Services as a positive experience and do not suffer adverse health effects as a result of the time they have served. However, for a minority, adverse physical and mental health outcomes can be substantial and can be compounded by other factors – such as financial and welfare problems. Key health issues facing the veteran population relate to common mental health problems (but also include Post traumatic Stress Disorder (PTSD)) and substance misuse – including excess alcohol consumption and to a much lesser extent - use of illegal drugs. In addition, time in the Services has been identified to be associated with musculoskeletal disorders for some veterans.

Other issues that studies have identified as being of importance to veterans include:

- Accessing suitable housing and preventing homelessness
- Supporting veterans into employment
- Accessing appropriate financial advice and information about relevant benefits
- Accessing health and support services
- Supporting veterans who have been in the criminal justice system
- Loneliness and isolation
- Ready access to services to ensure early identification and treatment (physical and mental health)
- Supporting a veterans wider family

Research suggests that most people ‘do not suffer with mental health difficulties even after serving in highly challenging environments’. However, some veterans face serious mental health issues. The most common problems experienced by veterans (and by the general population) are:

- depression
- anxiety
- alcohol abuse (13%)

Probable PTSD affects about 4% of veterans. Each year, about 0.1% of all regular service leavers are discharged for mental health reasons. Each Health Board in Wales has appointed an experienced clinician as a Veteran Therapist (VT) with an interest or experience of military (mental) health problems. The VT will accept referrals from health care staff, GPs, veteran charities and self-referrals from ex-service personnel. The service in ABUHB is based in Pontypool. The primary aim of Veterans’ NHS Wales is to improve the mental health and well-being of veterans with a service related mental health problem. The secondary aim is to achieve this through the development of sustainable, accessible and effective services that meet the needs of veterans with mental health and well-being difficulties who live in Wales. A 2016 report from ‘Forces in Mind’ provides the findings from a review of

the mental and related health needs of veterans and family members in Wales. The report identified that a lot of good work had been developed in Wales in recent years to better meet the mental and related health needs of veterans and their family members, however the report also identified areas where it was felt additional work was needed to be undertaken to meet the needs of veterans, including:

- A need for a strategic focus and co-ordination in terms of planning/commissioning of services for veterans - both generalist and specialist - across sectors and regions
- A need to ensure consistency and implementation across Wales of the Armed Forces Forums and Champions.
- A need to ensure the long-term sustainability of/capacity within services.
- A need to establish effective local multi-agency partnerships to improve assessment and referral pathways.
- Meeting the needs of veterans with highly complex needs particularly those with dual diagnosis (mental health and substance misuse) and those involved in the criminal justice system.
- To meet the unmet need among veterans and families, with more prevention, identification and early intervention needed within generalist/mainstream services to prevent pressure on crisis services.
- To recognise and appropriately cater for the practical, social and emotional support needs of the families of veterans with mental health problems including safeguarding issues particularly around domestic violence and the long-term well-being of children; capacity build family resilience and knowledge, to fulfil their key role in prevention, identification and sustainable treatment of veterans' mental and related health problems.

A Welsh Government report from 2014 'Improving Access to Substance Misuse Treatment for Veterans' identified that Substance Misuse Area Planning Boards lead on local collaborative planning, commissioning and delivery for services to ensure that the needs of veterans are met. A 2011 report from Public Health Wales on 'Veterans' health care needs assessment of specialist rehabilitation services in Wales' identified a range of recommendations to support veterans with respect to their physical health and disability with regards to specialist rehabilitation service provision.

## **Gypsy Travellers**

The 2011 Census showed the following people identified as Gypsy/Traveller or Irish Traveller (this excludes Roma)

- |                 |      |         |
|-----------------|------|---------|
| • Newport       | 84   | (0.06%) |
| • Blaenau Gwent | 72   | (0.10%) |
| • Torfaen       | 155  | (0.17%) |
| • Caerphilly    | 31   | (0.02%) |
| • Monmouthshire | 6    | (0.01%) |
| • Wales         | 2785 | (0.09%) |

However, it is likely that many households would not have completed the census – both because they were living on 'unauthorised sites' or encampments and as such



did not appear on official records or because of a mistrust of the purpose of the census. Where people did receive forms potential lower than average literacy levels may have meant that some households would not have completed them, and where they were completed some households would have chosen not to identify as Gypsies/Travellers or Irish Travellers.

The largest Gypsy & Traveller (G&T) population is in Torfaen, however Nantyglo in Blaenau- Gwent also has a large population, many now living in 'bricks and mortar' in close proximity to a long established site. Newport also has a significant G&T population in unofficial sites around the periphery of the city centre and Newport is very often the unofficial unauthorised site for travellers in transit heading east/west from Ireland to England

### Issues facing Gypsies and Travellers

The population face poorer health outcomes when compared to the general population.

- Infant mortality rates are up to five times higher among this minority group when compared to the national rate.
- The immunisation rates among Travellers' children are low compared with the rest of the population. Some suggest that GPs are reluctant to register Travellers as they are of no fixed abode, meaning they cannot be counted towards targets and therefore remuneration.
- There is a high accident rate among the Traveller and Gypsy population, which is directly related to the hazardous conditions on many Traveller sites - particularly as sites are often close to motorways or major roads, refuse tips, sewage work, railways or industrialized areas. Health and safety standards are often poor
- Travellers have lower levels of breastfeeding.
- There is also a higher prevalence of many medical conditions when compared to the general population, including miscarriage rate, respiratory problems, arthritis, cardiovascular disease, depression and maternal death rates.
- Alcohol consumption is often used as a coping strategy, and drug use among Traveller young people is widely reported and feared by Traveller elders.
- Cultural beliefs include considering that health problems (particularly those perceived as shameful, such as poor mental health or substance misuse) should be dealt with by household members or kept within the extended family unit
- Travellers also face challenges in accessing services either due to the location of the sites (or due to transient nature of being in an area). Not having access to transport (particularly related to women who often cannot drive) to reach services is another reason for low use of services as well as low levels of health literacy of what services they are entitled to use or how to access them.

Generally the communities have low expectations in regard to their health and life expectancy. Studies have repeatedly shown that Travellers often live in extremely unhealthy conditions, while at the same time using health services much less often than the rest of the population.

## **Black Minority Ethnic (BME) groups**

The 2011 Census shows the following percentages classed as BME populations in each local authority compared to Wales.

- Blaenau Gwent 1.5%
- Caerphilly 1.6%
- Monmouthshire 1.9%
- Newport 10.1%
- Torfaen 2.0%
- Wales 4.4%

Public Health Wales have found that ethnicity is an important issue because, as well as having specific needs relating to language and culture, persons from ethnic minority backgrounds are more likely to come from low income families, suffer poorer living conditions and gain lower levels of educational qualifications. In addition, certain ethnic groups have higher rates of some health conditions. For example, South Asian and Caribbean-descended populations have a substantially higher risk of diabetes; Bangladeshi-descended populations are more likely to avoid alcohol but to smoke and sickle cell anaemia is an inherited blood disorder, which mainly affects people of African or Caribbean origin. *Raising the Standard: Race Equality Action Plan for Adult Mental Health Services* aims to promote race equality in the design and delivery of mental health services in order to reduce the health inequalities experienced by some ethnic groups.

## **Asylum Seekers, Refugees & Migrants**

Until 2001, relatively low numbers of asylum seekers and refugees decided to settle in Wales compared to some parts of the UK. The numbers of asylum seekers and refugees increased when Wales became a dispersal area. The number of asylum applications in 2016 has seen an increase of 8% compared to the year before. Service provision to refugees and people seeking asylum by non-government organisations (NGOs) has decreased significantly in recent years. This has an adverse impact on people's health and wellbeing. No Recourse to Public Funds and safeguarding issues such as honour based violence and trafficking are key emerging themes for service providers. For service users the lack of, or limited access to information and tenancy support appear to be the key emerging themes

Various reports acknowledge that data collection systems for the number of migrants have weaknesses, which puts limitations on their reliability. There is no agreed definition for 'migrants' which further exacerbates reliable data collection.

The 2011 census found that the top ten countries of origin of people born outside the UK, in order of highest numbers first were: Pakistan, India, Bangladesh, Poland, Philippines, Germany, South Africa, Nigeria, Italy and Zimbabwe. Feedback from Education and Social Services indicate that people from Roma background have very specific needs in addition to those of the general new-migrant population.

Good communication with migrants is essential. Determining the language and suitability of format (e.g. written, audio, face to face, telephone) and support available, such as advocacy and interpretation are critical elements to ensure effective communication. This will in turn benefit budgets and customer care as it contributes to determining the appropriate service. In addition, other issues highlighted for both migrants and asylum seekers include the need for more advocacy and floating support for migrants, lack of a strategic approach to information and service provision for new migrants and lack of coordination between services for migrants, asylum seekers and refugees.

### **Lesbian Gay Bisexual Transgender (LGBT) community**

The public health white paper 'Healthy Lives, Healthy People' identified poor mental health, sexually transmitted infections (STIs), problematic drug and alcohol use and smoking as the top public health issues facing the UK. All of these disproportionately affect LGBT populations:

- Illicit drug use amongst LGB people is at least 8 times higher than in the general population
- Around 25% of LGB people indicate a level of alcohol dependency
- Nearly half of LGBT individuals smoke, compared with a quarter of their heterosexual peers
- Lesbian, gay and bisexual people are at higher risk of mental disorder, suicidal ideation, substance misuse and deliberate self-harm
- 41% of trans people reported attempting suicide compared to 1.6% of the general population

### **People in secure estates and their families**

HMP Usk/Prescoed is situated in Monmouthshire and social care staff support inmates in line with the Act. ABUHB also provide primary healthcare services to offenders in HMP Usk/Prescoed, in partnership with the National Offender Management Service (NOMS). In addition to the prison population it is likely that ex-offenders will require additional care and support to prevent needs arising, particularly those who misuse drugs and/or alcohol or have mental health problems. A recent 'Prison Health Needs Assessment in Wales' report was published by Public Health Wales and highlighted a number of key areas to address:

- Access to healthcare facilities
- Mental health and healthcare
- Substance Misuse including smoking
- Oral health
- Infections disease
- Support following release

## Children and young people

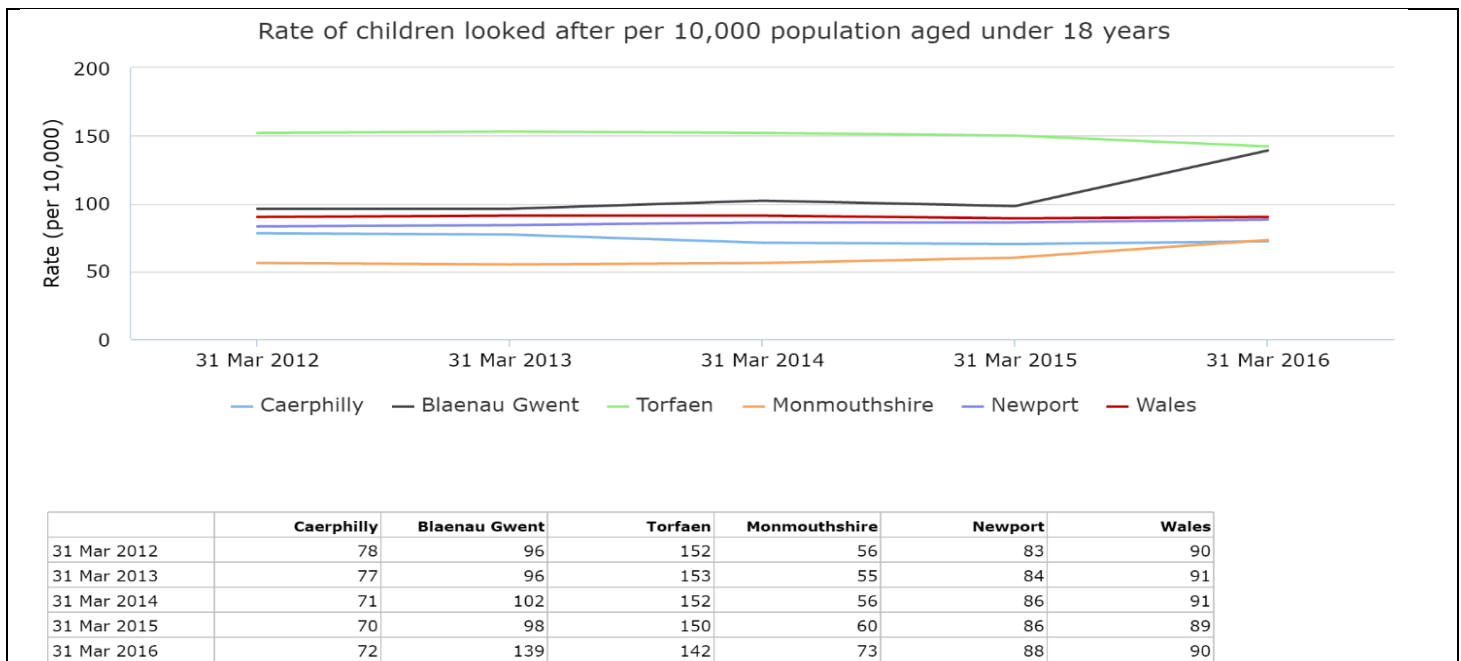
A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region. For the purpose of this PNA 'Children and Young People' are defined as people aged up to the age of 18 years and who are receiving care and support services.

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) **To improve outcomes for children and young people with complex needs through earlier intervention, community based support and placements closer to home.**
- (2) **To ensure good mental health and emotional well-being for children young people through effective partnership working**

### So what does the data show us?

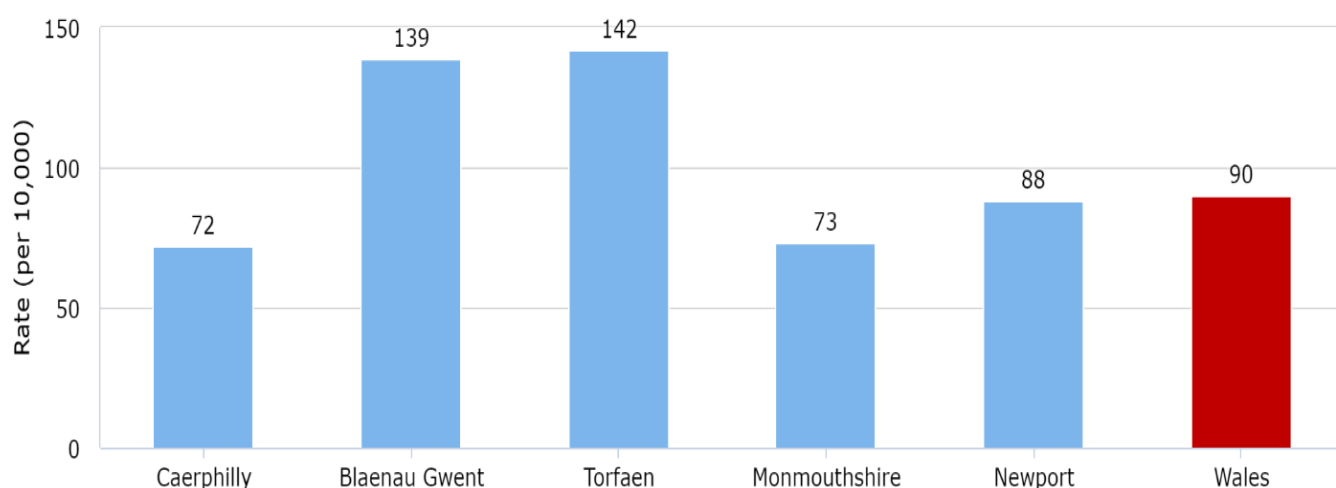
A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.



Source: Welsh Government (WG)

**Error! Reference source not found.** shows the rate of looked after children per 10,000 population aged under 18 across the Gwent region over the period 2012 to 2016. Blaenau Gwent saw the highest increase over the period, while the biggest decreases was in Caerphilly and Torfaen over the period. The rate has remained at a near constant for Wales over the period 2012 to 2016.

Rate of children looked after per 10,000 population aged under 18 years - 31 Mar 2016



Source: Welsh Government (WG)

**Error! Reference source not found.** shows the rate of children looked after per 10,000 population aged under 18 years on 31 March 2016 across the Gwent region. This ranged from 72 per 10,000 population in Caerphilly to 142 per 10,000 population in Torfaen. This compares with 90 per 10,000 population for Wales on 31 March 2016.

### What do we know?

The reason(s) why a child becomes looked after varies, but in nearly every case children will have been through a traumatic or difficult life experience which can result in instability, distress, poor emotional and physical health, or lack of social and educational development. Overall, looked after children do not enjoy the same positive advantages, experiences and outcomes as other children. Occasionally children are placed out of the county to ensure their well-being is protected and their outcomes met. For some children with complex health needs, suitable provision of support is sometimes only available out of their county. Out of county placements can be very costly to local authorities and in some cases the single largest expenditure to social care budgets; and in some cases the expected outcomes for children placed away from their homes are not always met as well as was originally intended.

It is therefore recognised that children and families benefit from services being delivered as close to home as possible to maintain essential and important connections with support networks, and other local services. It is also recognised that for some young people, the required support may be located out of their local area, as the specialised provision is not available, but it can mean that they may become isolated from their professional and social networks. This practice is not in line with the Welsh Government priority of keeping young people in Wales and close to home if appropriate.

A small number of children, mainly disabled children, receive NHS Continuing Healthcare funding. These young people present with complex needs and are in receipt of significant packages of care, usually out of county as appropriate provision is not often available within the Gwent region.

### What are we doing?

A regional **Children & Families Partnership Board (CFPB)** has been established with representation from across health, social care and education. There is no set definition for children with complex needs at a regional level, but the CFPB has defined this group of children and young people (CYP) as

1. CYP who have experienced complex trauma (often challenging teenagers with complex attachment difficulties).
2. CYP with ASD/Learning Disability and challenging behaviours
3. CYP with Physical Disabilities and complex health needs

The CFPB has identified the following areas of collaboration:

- integrate systems, assessments and planning for children with complex needs, where a multi-agency timely response would produce better well-being outcomes for the children, young people and their families/carers
- prevent escalation of complexity and related crisis
- plan and develop (commission) a responsive and integrated range of well-being, care, support and accommodation services to meet the well-being outcomes for C&YP with Complex needs and their families/carers
- achieve a consistent regional decision making process for Continuing Care

Following a gap analysis in emotional well-being and mental health services project (completed 2015) relevant partners have been, or are in the process of developing a number of services including:

- Neurodevelopmental Service (ASD/ADHD)
- Enhanced Early Intervention in Psychosis (14-25 Age Group),
- Specialist CAMHS Crisis Responses: Enhanced Crisis Outreach Team, Extended Eating Disorder Service, Extended Emergency Liaison Service and Dialectical Behaviour Therapy Service
- Psychological service for developmental trauma and attachment difficulties
- Development of Integrated Services for Children with Additional Needs (ISCAN) based on a hub and spoke model of service delivery in ABUHB children's centres to support children and young people with disabilities and their families/carers

### **Case Study**

*In 2015, Caerphilly Children's Services volunteered to be the lead testing area to pilot a new model of joint assessment and planning, based on recognized best practice and a Multi-agency Assessment and Planning Group for Children with Complex Needs was established. The main drivers for improving practice are early intervention and the continued feedback from families who would welcome a joined up approach and the production of a single plan. Funding from Intermediate Care Fund 2016 (ICF) was granted to pilot a new integrated assessment and planning model.*

In relation to the CFPB priorities, an external consultancy has been commissioned to undertake research on steps that local authorities, Aneurin Bevan University Health Board and partner agencies should take to help prevent the escalation of complex needs. The research is focused on three main areas:


- ***How best to address the increasing number of looked after children being placed in independent out-of-region residential care.***
- ***Over time, help to safely reduce the number of looked after children who experience a combination of placement breakdown, an escalation of need, and placement in***

**independent out-of-region provision.**

- **Consider how support for children and young people on the edge of care (in danger of becoming looked-after) could operate effectively and safely to prevent such children and young people requiring statutory care.**

Research is also being undertaken in the Development of Accommodation and Support for Care Leavers with Complex Needs and the objectives of this work are to: develop an integrated plan to support a regional approach to delivering accommodation and support services for young people in care or leaving care post 16 years of age; outline new and innovative ways of delivering accommodation and support services to this vulnerable group, reducing the over-reliance on the private sector in ensuring that the needs of these young people are met in the longer-term and; research and propose evidenced based regional opportunities of alternative accommodation solutions to CYP who have experienced complex trauma.

**Flying Start** and **Families First** are preventative programmes which aim to give children the best start in life, reduce the escalation of needs and support families to ensure a child's well-being. A recent health **Adverse Childhood Experience (ACE)** study highlights that children who experience 4 adverse experiences are 3 times more likely to suffer from poor mental health in later life. The RPB are considering how ACEs can be reduced through a collective approach across health and social care, and through a place based approach such as '*Care Closer to Home*' (see section 2). There are a number of other support services available through the third sector as well as core public local authority and health services.



Being in care can be tough but we can help others by sharing our experiences so that they know there is someone who understands what they are going through

*Youth Forum Member*

What we will do:

We will explore a peer to peer Support groups for young people

## **Actions and next steps**

### ***Prevention and Early Intervention including Information, Advice and Assistance (IAA)***

There is a need to develop joint assessment, planning and commissioning for children with varying needs where a multi-agency response would produce better outcomes. This way of working will help deliver:

- A focus on prevention of crises and support at an earlier point in their development.
- Support nearer to their own community
- A focus on meeting children's needs in a more integrated way and jointly commissioned across health and social care

There are 4 key early intervention anti-poverty programmes funded across Wales: Communities First, Families First, Flying Start and Supporting People (Communities First is being phased out but some provision will remain). Welsh Government are currently exploring consistent assessment principles, consistent workforce training and joint commissioning opportunities across the

programmes, and the region will explore similar approaches. Information, Advice and Assistance (IAA) will also direct families to appropriate resources and support; and Family Information Services are key partners at the 'front door' in each local authority to 'signpost' to effective support. In line with ABUHB's 'Care Closer to Home', there is an opportunity to explore place-based approaches and preventative services (*see section 2 for further details*).

### **Commissioning, Pooled Budgets and Health and Social Care Integration**

We will need to ensure that funding is re-directed to provide lower levels of intervention, to support children sooner and to prevent avoidable or unnecessary out of county placements. We will need to make use of the Intermediate Care Funding (ICF) across the region and as highlighted, an external consultancy are researching appropriate models to reduce escalation of need, including a review of out of county placements and the potential to re-design local services to meet future needs. Under part 9 of the Act there is a requirement to set out and agree plans for health and social care integration for children with complex needs due to disability or illness; and it is anticipated that the externally commissioned review will bring forward recommendations to facilitate greater integration. Also, under Part 9 of the Act there is a requirement to ensure joint commissioning of Integrated Family Support Teams, and this will now fall under the governance arrangements of the Regional Partnership Board. Heads of Children Services are currently exploring and developing regional fostering arrangements across the region.

### ***Advocacy and Voice of the child***

We will ensure the views of children are considered in all planning arrangements and ensure that advocacy provision is available throughout the region for children and young people. A single regional advocacy contract is being develop by Heads of Children Services and we will work closely with current advocacy providers to determine good practice and identify any gaps in service provision. Through our third sector partners we will also aim to increase informal advocacy and explore the roles of social enterprises and community groups in this area.

### **Links to key strategies**

- **Regional Partnership Board Statement of Intent Children with Complex Needs**
- **NHS Adverse Childhood Experiences (ACE)**

### **Summary and what we will deliver through the regional Area Plan.**

- **Support Children and Family Partnership Board's review of local arrangements for children with complex needs and delivery of work programme with a focus on Looked After Children.**
- **Consistent models of practice and alignment of Welsh Government's early intervention and preventative programmes**
- **Develop and deliver a regional ACE action plan with a focus on earlier intervention and mental health support for children and young people through community based assets.**

## **Older people**



A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region. For the purpose of this PNA Older People are categorized as being over the age of 55 years.

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) **To improve emotional well-being for older people by reducing loneliness and social isolation with earlier intervention and community resilience**
- (2) **To improve outcomes for people living with dementia and their carers**
- (3) **Appropriate housing and accommodation for older people**

**So what does the data show us?**

A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.

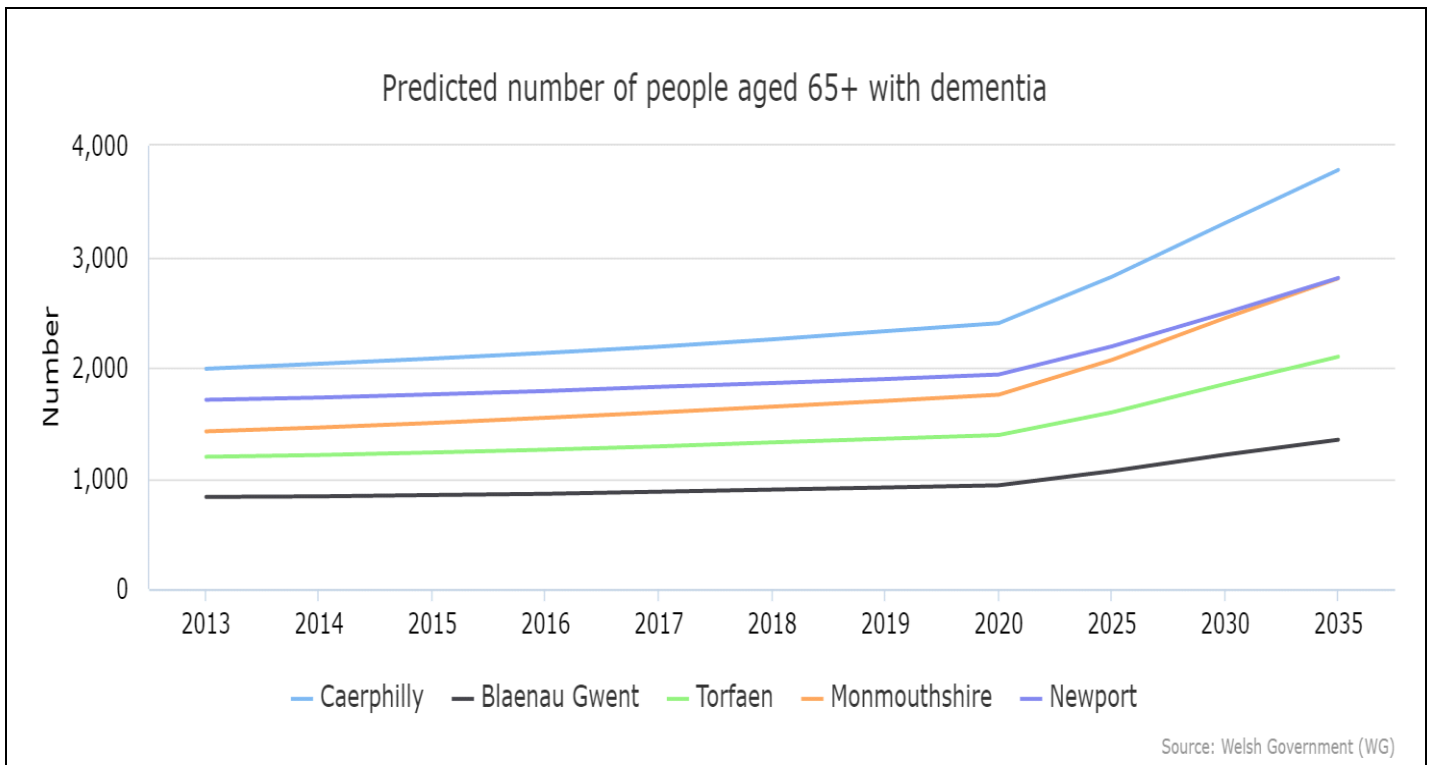
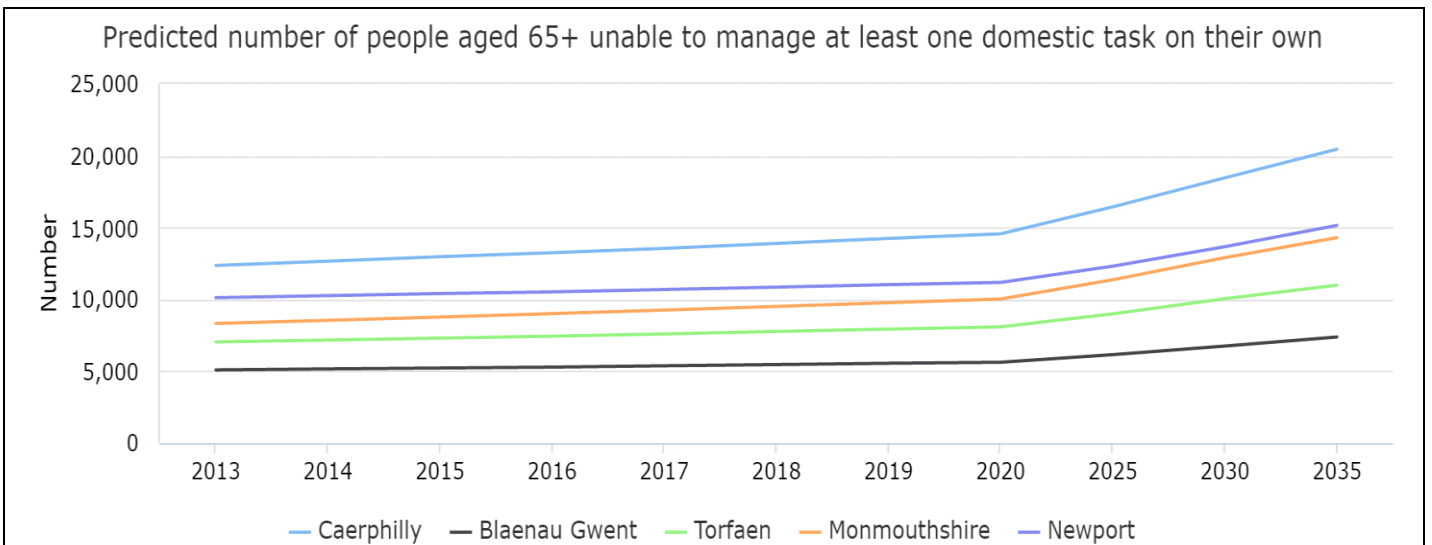


Figure OP1 shows the predicted number of people aged 65 years or older with dementia over the period 2013 to 2035. It shows that across all local authority areas in the Gwent region an increase in the number of people living with dementia is predicted. The increases range from 62.1% in Blaenau Gwent to 97.1% in Monmouthshire over the period 2013 to 2035.



Source: Welsh Government (WG)

Figure OP2 shows the predicted number of people aged 65 years or older who are unable to manage at least one domestic task on their own over the period 2013 to 2035. It shows that all local authority areas across the Gwent region are predicted to see an increase. The predicted increases range from 44.9% in Blaenau Gwent to 71.6% in Monmouthshire.

**What do we know?**

We know from Office National Statistics data that the number of people aged over 85 in UK has doubled in the past three decades and by 2030, one in five people will be over 65. The demographic and financial pressures are well known and form the context of the whole system transformation that is required. Wales already has a higher proportion of people over 85 than other parts of the UK, so the need for change is more significant, as the **percentage of 85 year old's is set to increase by 90% by 2030** and a growth of 30-44% of people living with dementia.

When I was diagnosed with dementia I became depressed and didn't leave my home, but the best thing that happened to me is that I met another person living with dementia who understood what I was going through. I am now very active thanks to her

*Dementia Friendly Café Member*

**What we will do**

**Develop a new peer to peer service for people newly diagnosed with dementia to link with people who also have a diagnosis**

**What are we doing?**

The Aneurin Bevan University Health Board (ABUHB) and the five Gwent local authorities have well established arrangements for aligning, planning and delivery across the care pathway including specialist care through to community support. The **Gwent Frailty programme** has taken this forward with the aim of building capacity within community settings to reduce demand on

health and social care resources, particularly acute and institutional care. This is a multi-agency approach and one that we aim to build on to address the well-being needs and aspirations of our older citizens as well as reduce delayed transfers of care.

There are well established **Community Resource Teams (CRTs)** in each of the five boroughs and are planning to increase capacity and capability, utilising the Intermediate Care Fund for 2016/17. The Frailty programme recognises need for risk stratification to ensure resources are targeted to prevent deterioration and we are working with GP teams to develop suitable tools and systems.

More recently ABUHB have undertaken '**Care Closer to Home**' development workshops in each local authority to identify opportunities to align and integrate services around GP cluster areas (Neighbourhood Care Networks). As part of the workshops a mapping exercise of support services was undertaken and the findings are to be used as the basis of service development and delivery in the next period.

### **Case Study**

*Pre-engagement workshops undertaken with the regional citizen panel, provider forum and leadership group identified person centered support, where people are listened to, with earlier intervention and community resilience. Newport City Council and ABUHB Primary Care have committed Primary Care and ICF funding to the **Newport Older Person's Pathway**. This project involves risk stratification of over 75s and the provision of targeted support through Age Cymru employed Care Facilitators. Older people that are identified as 'at risk' through the risk stratification tool are offered a home visit to develop a 'Stay Well Plan' that will help them to maintain their independence.*

### **Actions and next Steps**

#### **Preventative and Early Intervention including Information, Advice and Assistance (IAA)**

- Reduce social isolation and loneliness through community connectors, social prescribing, volunteer activity and schemes such as ABUHB ChaT scheme.
- Develop further '*Dementia Friendly Communities*'
- Wider integration of a 'team around the person and their supporters' and place based approach on Neighbourhood Care Network (NCN) footprints, linked to the '*Care Closer to Home Strategy*' and to make use of community hubs to focus on keeping people independent and well in the community.
- Supporting Anticipatory Care Planning, so that people's needs and wishes can be taken forward, even in times of crisis. We anticipate this would reduce unplanned hospital admissions for those who would prefer to remain at home or within a care home setting to receive treatment.
- Develop new ways of engaging with people, especially in partnership with **third sector** to provide information, including the national DEWIS Citizen Portal, as well as social media and other forms of communication to promote easy access to support.
- Academic studies and evaluations undertaken as part of The Big Lottery Fund have demonstrated that **volunteering** can have a positive effect on a range of aspects of individual well-being, including: happiness, life satisfaction, self-esteem, sense of control over life, improved physical health and alleviating depression. We will encourage volunteering working in partnership with third sector partners and support the rollout of the new 'Ffrind I mi'

volunteering programme launched by ABUHB.

## **Commissioning, Pooled Budgets and Health Social Care Integration**

We already have a level of service integration and collaboration through the Gwent Frailty service and integrated Boards for Carers, Dementia, Learning Disability & Mental Health services, but recognise that we need to extend this to cover:

### **1. Improved partnership processes**

- Gwent already has several well established integrated services for older people and we will build on this solid foundation using the new integrated assessments to ensure that there is a holistic approach to individuals that supports independence and reduces hospital admissions. The role of case co-ordinator will be established so that older people with complex needs will have a single point of contact, who is able to cross professional and organisational boundaries to find solutions to meet a wider range of individual needs.
- Workforce Development - front line services should be delivered by experienced professionals, who are able to triage and problem solve. Individual local services have been developed in each of the 5 localities that supports this approach, with demand being pro-actively managed, through effective risk management and sign-posting to alternative services. There will be a need for all health and social care workers to have a knowledge of older people's issues.

### **2. Flexible and responsive services**

- We will take forward wider consideration of extended and 24/7 working, with some key services being re-designed to meet this requirement. We already provide most Frailty services 365 days per year and we can build on this to create an integrated health and social care service that better meets the expectations of older people with complex needs and take forward good medication support into evenings and weekend, linking to hospitals

### **3. Commissioning and pooled budgets**

- We will facilitate domiciliary care that is planned and developed with providers on a place based approach to be sustainable and outcome focused. This has begun with an in depth review of domiciliary care during 2016/17 the findings of which will considered and implemented during 2017/18. We will develop the working relationships with Registered Social Landlords (RSL's) established through the 'In One Place' project to ensure there is an alignment to the review of domiciliary care on a place based approach.
- We will take forward a 'better life' programme and resilience models to support *care homes* in giving sustainable, high quality and consistent care to support well-being.
- We will support care homes to better manage older people with complex needs to reduce unplanned admissions to hospitals. This will also mean developing a much more integrated approach to commissioning care home provision with the establishment of a pooled fund by April 2018.

### **Case Study: New models Blaenau Gwent**

*There are some examples of community groups, social enterprises and cooperatives developing in the region. In Blaenau Gwent a community group has grown out of the dementia friendly community implementation group. The group – Blaenau Gwent friends of dementia – have raised funding to help people living with dementia access community groups and ensure their voices are heard. We need to promote this practice further and will work with our social valued based service providers to begin to articulate and pilot how new models of service might look in future.*

Direct payments are used across Wales to deliver social care and this promotes independence. However, their use is varied. Their use is to be encouraged, building on the achievements to date,

so that people are more empowered to design their own solutions when they have eligible care needs.

**Links to key strategies**

- **Regional Partnership Board Statement of Intent**
- **Ageing Well in Wales**
- **Care Council for Wales National Priorities**
- **Strategy for Older People 2013/23 refresh**

**Summary and what we will deliver through the regional Area Plan.**

- **Develop place based approach ‘Care Closer to Home’ including consistent delivery of community connectors across the region to reduce social isolation**
- **Further develop ‘Dementia Friendly Communities’**
- **Develop domiciliary care joint commissioning process with National Commissioning Board and linked to Care Standards Social Improvement Wales ‘Above and Beyond’ Report and the ‘Care and Support at Home’ Strategic Plan currently being developed by Care Council for Wales.**

## Health & Physical Disabled People

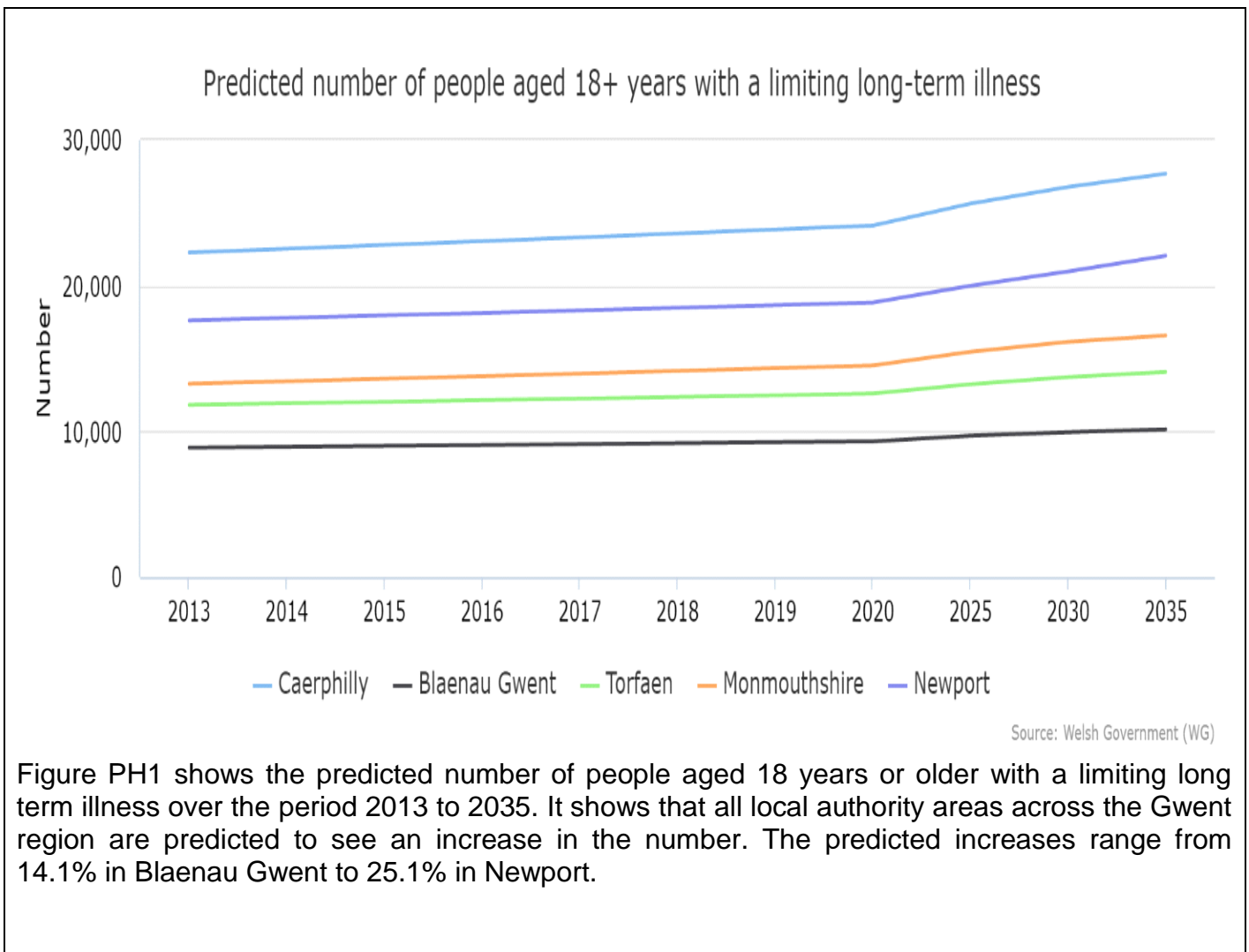
A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region. **This chapter will consider the health needs of people requiring care and support AND the needs of Disabled People in the context of the 'social model of disability'.**

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) To support disabled people through an all age approach to live independently in appropriate accommodation and access community based services, including transport.**
- (2) To help people reduce the risk of poor health and well-being through earlier intervention and community support**

### So what does the data show us?

A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.



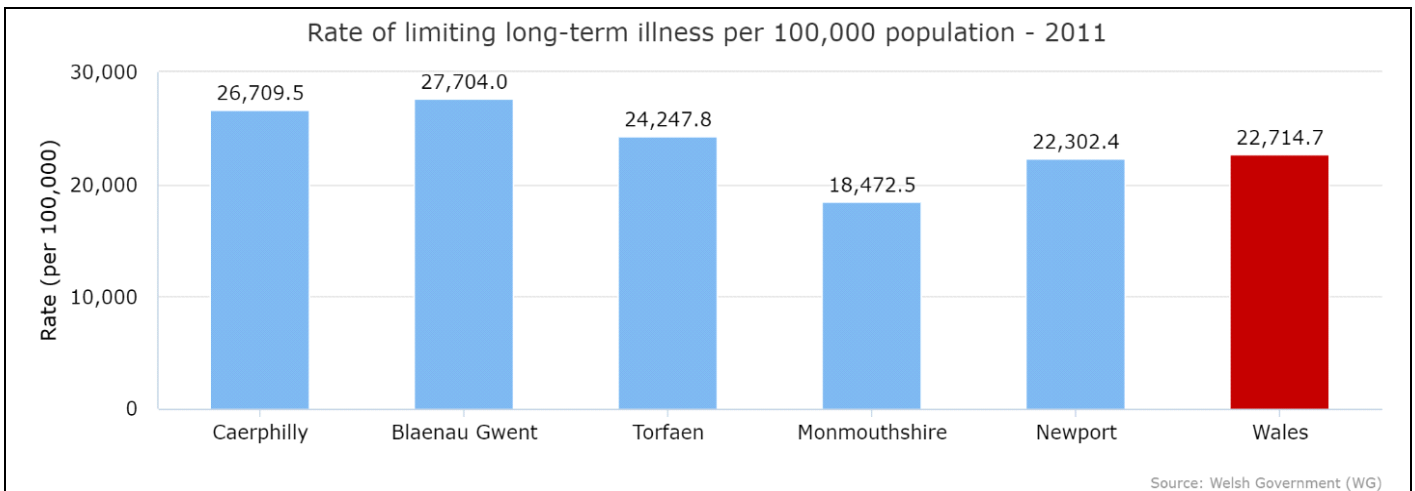


Figure PH2 shows the rate of limiting long-term illness per 10,000 population in 2011. Across the Gwent region the rate ranged from 18,472.5 per 100,000 population in Monmouthshire to 27,704.0 per 100,000 in Blaenau Gwent.

### What do we know?

#### **Physical Disability – Facts and Figures (*Disability in the United Kingdom 2016*)**

- There are around 11.9 million disabled people in the UK. Almost 1 in 5 people (19%) in the UK have a disability; this figure has remained relatively constant over time (12.2 million in 2012/13). There are more disabled women than men in the UK.
- People living in Wales (26%) are more likely to have a limiting long-standing illness or disability than other regions of Great Britain.
- It is estimated that the number of older disabled people is likely to increase by around 40% between 2002 and 2022, if age related disability rates remain constant.
- In 2014/15, the most common impairments that disabled people had were: mobility (57%), stamina/breathing/fatigue (38%), dexterity (28%) and mental health (16%). Some people had more than one impairment
- 19% of households that include a disabled person live in relative income poverty (below 60% of median income), compared to 14% of households without a disabled person. Disabled people pay on average £550 per month on extra costs related to their disability.
- Transport is the largest concern for disabled people in their local area. Pavement/road maintenance, access, and frequency of public transport are the biggest issues.
- The annual cost of bringing up a disabled child is 3 times greater than that of bringing up a non-disabled child and 40% of disabled children in the UK live in poverty. This accounts for around 320,000 disabled children, and almost a third of those are classified as living in 'severe poverty'.
- Overall, 1 in 10 adults in Britain experience depression at any one time. Around 1 in 20 people at any one time experience major or 'clinical' depression. The **World Health Organisation has predicted that depression will be the leading cause of disability by 2020**. Mental ill health and learning disabilities in particular are anticipated to grow.
- The distribution of disabled people is fairly evenly spread across the UK but Wales (24%) and a few other regions in England have a higher rate of disability compared to the UK as a whole (19%).
- In the UK, people from white ethnic groups are almost twice as likely as those from non-white ethnic groups to have a limiting long-standing illness or disability (20% compared with 11%).

The Gwent area has a mixture of affluent and deprived areas. This is reflected in the wide range of lifestyle patterns and health outcomes in differing local authorities in the Gwent area.

### **Disability**

The original 1995 Act definition of disability is 'a physical or mental impairment which has substantial and long-term adverse effects on ability to carry out normal day to day activities'. However, across the region we will adopt the the social model of disability which in that disability is caused by the way society is organised, rather than by a person's impairment or difference. It looks at ways of removing barriers that restrict life choices for disabled people. When barriers are removed, disabled people can be independent and equal in society, with choice and control over their own lives. Many people with physical and sensory impairments live completely independently, however disability can sometimes necessitate increased need for informal help and health care and long-term care needs and costs. Although not an inevitable consequence of ageing, increasing age is commonly associated with increasing disability and loss of independence, with functional impairments such as loss of mobility, sight and hearing.

The term physical/sensory disability covers visual, hearing and physical impairments; the register of Physical/Sensory Disability is compiled from local authority registers of physically or sensory disabled people in Wales aged 18 years or over. Registration is voluntary and not all people with disabilities choose to register. The registers are therefore not a reliable guide to the prevalence of physical and sensory disability in the population. The prevalence of disability rises with age in general and with an increasingly older population it is expected that the number of people living with a disability in Gwent will increase in the coming years.

**Overall health** – Overall the health status of the population across Gwent is slightly worse to Wales in terms of general health status – with 22% of people describing their health status as being fair or poor compared to Wales (19%). 17% of the Gwent population identified that their day-to-day activities were limited because of health problem or disability lasting (or expected to last) at least 12 months – this is compared to a Wales figure of 15%, although there is wide variation across the Gwent area –12% in Monmouthshire and 22% in Blaenau Gwent. This variation can be clearly linked to deprivation. Across Gwent 52% of adults reported currently being treated for an illness (Wales 50%) with 21% of adults currently being treated for high blood pressure (Wales 20%), 15% for a respiratory illness (Wales 14%), 14% for arthritis (Wales 12%), 14% for a mental illness (Wales 13%), and 9% for diabetes (Wales 7%).

**Tobacco use (smoking)** – Smoking remains a major cause of premature death in Wales. Smoking and passive smoking has been linked to a range of serious illnesses including cancers and heart disease. Across Gwent 21% of adults aged over 16 smoked compared to 19% across Wales. This varies significantly across Gwent with 17% in Monmouthshire and 26% in Blaenau Gwent. Across all Gwent areas – the smoking prevalence for females is lower than males – the lowest smoking prevalence being 13% in females in Monmouthshire.

**Alcohol** – Alcohol is a major cause of death and illness in Wales with around 1,500 deaths attributable to alcohol each year (1 in 20 of all deaths). Across Wales consumption of alcohol has slightly decreased and adults under 45 now drink less. Whilst this decrease is good news, it masks persistent or increased drinking in over 45 year olds. 40% of adults across Gwent reported drinking above the guidelines on at least one day in the past week, including 25% who reported drinking more than twice the daily guidelines (sometimes termed binge drinking) – this is broadly comparable with data across Wales. Again there is variation across Gwent with 46% of



adults in Monmouthshire drinking above the guidelines and 35% in Torfaen.

**Substance Misuse** – Gwent treatment data for 2012/13 reported that 1,746 adults were being assessed for drug misuse. Public Health Wales undertook a capture-recapture study designed to provide an estimate of prevalence of problematic drug use (injecting drug use or long duration or regular use of heroin, other opioids, cocaine and crack cocaine). It estimated that the prevalence rate to be 1% of the population. Using the ONS mid-2012 population estimates for Gwent (i.e. 468,281 over 16 year olds) this equates to between 4,682-5,151 problematic drug users. More information is included in the Gwent Substance Misuse Area Planning Board Needs Assessment included in the appendix.

**Healthy eating, physical activity and weight** – A healthy, balanced diet is an essential component of healthy living. A balanced diet combined with physical activity helps to regulate body weight and contributes to good health. Maintaining a healthy body weight also reduces the risk of health problems such as diabetes, coronary heart disease, stroke and some cancers. Regular physical activity is an essential part of healthy living. A lack of physical activity is among the leading causes of avoidable illness and premature death. Across Gwent 29% of adults reported meeting the guidelines of eating five or more portions of fruit and vegetables the previous day – this is lower than the Wales figure of 32%. This figure varied from 26% in Caerphilly and Blaenau Gwent to 35% in Monmouthshire. In Wales 59% of adults were classified as overweight or obese. There is significant variation across the Gwent area with 53% overweight or obese in Monmouthshire and 63% in Caerphilly – with an overall figure across Gwent of 61%. Across Wales 58% of adults reported being physically active (doing at least 150 minutes of moderate intensity physical activity in blocks of 10 minutes or more in the previous week), and 30% reported being inactive (active for less than 30 minutes in the previous week). In Gwent these figures are 55% and 34% - showing that across Gwent people are less active.

### What are we doing?

**Full economic and social participation of disabled people is essential in creating a smart, sustainable and inclusive economy.** Accessing services and support to maintain independent living are essential including the availability of transport services particularly in rural areas. **Community connectors and social prescribers** are in local areas providing information, advice and assistance to help people connect with their community, access support and promote wellbeing. Support to enable people to maintain employment when living with an illness or disability (mental or physical) is a key issue, and signposting to support services is developing across the region.

There are a wide range of programmes available for people to live healthy lifestyles including support for: alcohol and substance misuse, stopping smoking and weight management including physical activity and healthy eating – many schemes are delivered by **Housing Associations** and the third sector. **Healthy Schools** is an initiative that develops a whole school approach within a common national framework. Local Healthy Schools schemes encourage schools to ensure that pupils are involved in the planning and implementation of actions and some examples are fruit tuck shops run by pupils, playground buddy schemes and school nutrition action groups. Actions taken by health promoting schools depend on the wants and needs of pupils which emerge through the consultation process, and pupils are instrumental in planning and delivering those actions.

### **Case Study: Third Sector and Five Ways to Well-being**

*Gwent Five Ways to Well-being Network aims to support professionals to promote and protect the mental health and well-being of the population. The Five Ways to Wellbeing are a wellbeing equivalent of 'five fruit and vegetables a day'. **Community Health Champions** are people who can really make a difference to the health of their friends, family, neighbours and work colleagues by passing on information and inspiring them to take steps to look after their health; and in Gwent the third sector are key to the programme in terms of its delivery.*

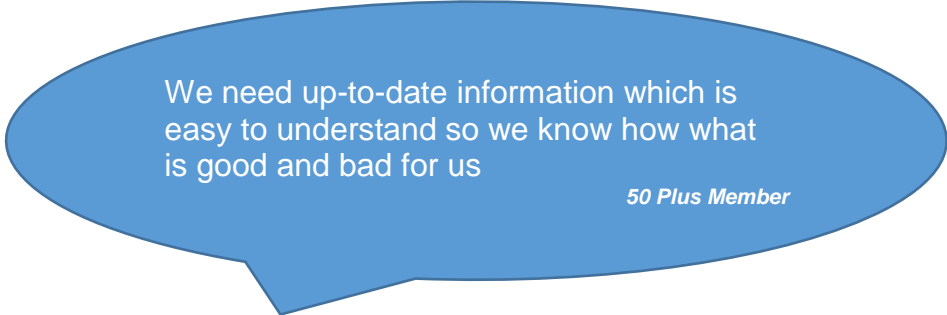
Living in an accessible home is known to improve a person's independence, reduce housing adaptation costs and reduce admissions to residential care facilities. **Care & Repair** provides advice and practical support to vulnerable older and disabled people who wish to undertake repairs, improvements or adaptations to their homes, so as to enable them to remain there in independence and security for as long as they wish.

**Intermediate Care Fund** is a grant totaling £60m across Wales and is being used to support people to maintain their independence and remain in their own home. The fund helps health boards and partners in local authorities, housing and the voluntary and independent sectors work together to support: frail and older people, those with a learning disability or complex need, and those with autism. ICF helps avoid unnecessary admissions to hospital or residential care and delays when someone is due to be discharged from hospital.

The **Gwent Substance Misuse Area Planning Board** (APB) is a regional partnership that provides advice and support to responsible authorities in order to plan, commission and monitor delivery of high quality treatment and prevention services that are based on the needs of substance misusers, families and communities. The APB currently discharges an annual regional Substance Misuse Action Fund (SMAF) budget of £4.4m on behalf of the 5 local authorities to provide adult and young person's drug, alcohol and family support services within the region.

### **Case Study – Living Well Living Longer**

*The Aneurin Bevan University Health Board's Living Well Living Longer programme is the first of its kind in Wales, and will start in **Blaenau Gwent** to identify those at the greatest risk of developing cardiovascular disease and invite them for a short health check at venues across the borough. Men in Blaenau Gwent have among the lowest life expectancy in England and Wales according to official statistics*



We need up-to-date information which is easy to understand so we know how what is good and bad for us

*50 Plus Member*

**What we will do**  
**Continue to develop the DEWIS website to provide people with current information**

## **Actions and next steps**

### ***Prevention and Early Intervention including Information, Advice and Assistance (IAA)***

- Continue to provide good **public health information, advice and assistance** especially through 5 ways to wellbeing and support people to lead and maintain a healthy lifestyle; and support people to 'self-manage' their illness or disability and have more control over their life.
- We will continue to develop DEWIS website
- Ensure consistent delivery of **community connectors and social prescribers** across the region to fully participate in their local community to prevent social isolation/loneliness; and where appropriate maintain employment and access appropriate welfare benefits.

### **Commissioning, Pooled Budgets and Health and Social Care Integration**

- Implement '**Care Closer to Home**' **strategy** to support families and individuals to enable people to live independently in their own homes and communities; and to prevent escalation of need and crisis.
- Explore joint commissioning opportunities between **Intermediate Care Fund, Registered Social Landlords and Supporting People programme** to maximise capacity within the Community
- The region will continue to support and engage in the Integrated Health and Social Care Collaborative Commissioning Programme and the National Framework for Residential Care Home Placement for People with Learning Disabilities and People with Mental Health Problems (under 65).

### **Links to key strategies**

- **Local Wellbeing Assessments in each local authority area**
- **Regional Mental Health & Learning Disability Strategy**

### **Summary and what we will deliver through the regional Area Plan.**

- **Implement 'Care Closer to Home' Strategy**
- **Align with 5 local Wellbeing Assessments required under Wellbeing of Future Generations Act and explore joint action planning for wider detriments to health**

## People with Learning Disabilities and Autism Spectrum Disorders

A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region.

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) **To support people with learning disabilities to live independently with access to early intervention services in the community; and greater public awareness and understanding of people with learning disabilities needs**
- (2) **To provide more timely diagnosis of Autistic Spectrum Disorder and access to support services and information and advice**

### So what does the data show us?

A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.

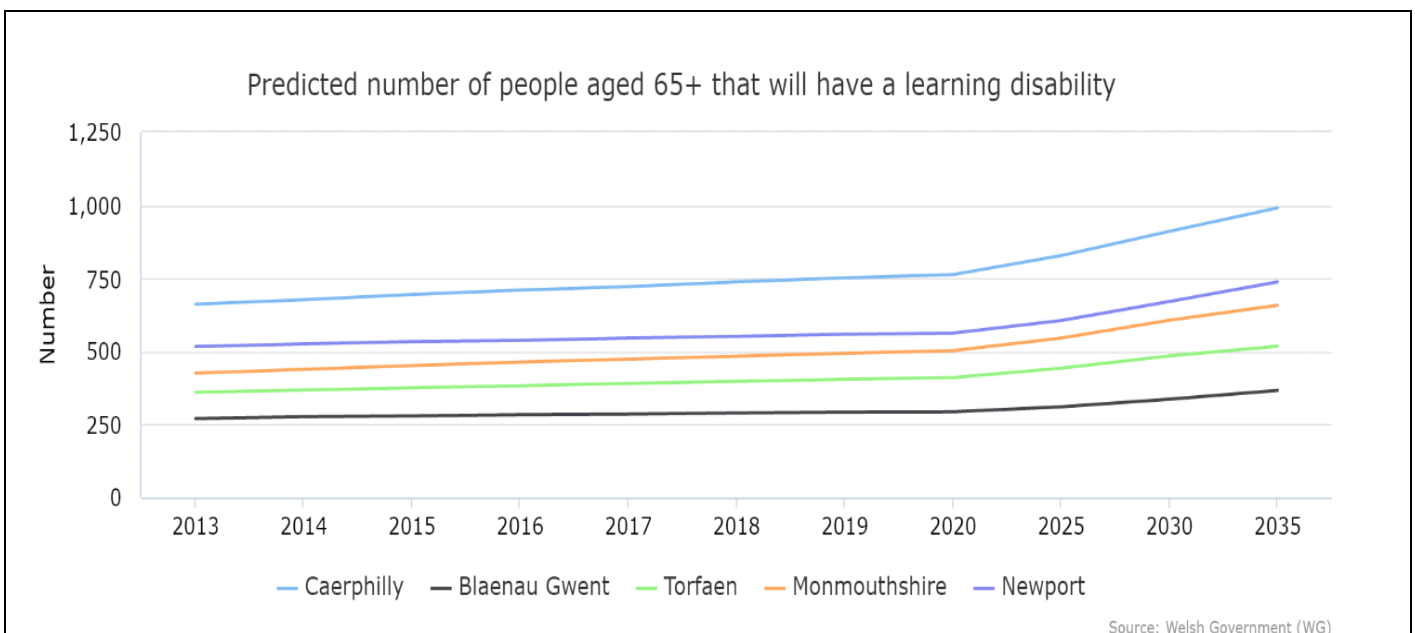


Figure LD1 shows the predicted number of people aged 65 years or older that will have a learning disability over the period 2013 to 2035. All local authority areas across the region are predicted to see an increase in the number. The predicted increases range from 35.4% in Blaenau Gwent to 54.5% in Monmouthshire.

### What do we know? – Learning Disabilities

It is estimated that 2 to 3% of the population are living with a learning disability and the Department of Health defines a 'learning disability' as a 'significantly reduced ability to understand new or complex information, to learn new skills' and a 'reduced ability to cope independently which starts before adulthood with lasting effects on development' (Valuing People, 2001).

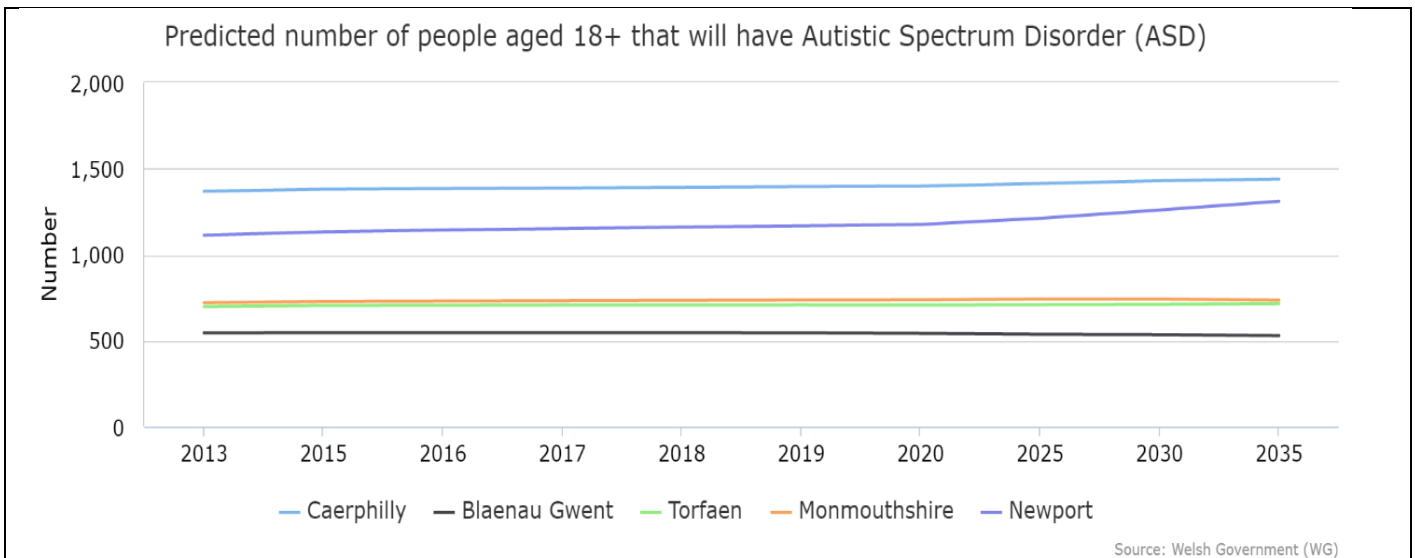
### Learning Disability – Facts and Figures (*Disability in the United Kingdom 2016*)

- Approximately 1.5 million people in the UK have a learning disability. Over 1 million adults aged over 20, and over 410,000 children aged up to 19 years old have a learning disability.
- 29,000 adults with a learning disability live with parents aged 70 or over, many of whom are too old or frail to continue in their caring role. In only 25% of these cases have a Local Authority planned alternative housing.
- Less than 20% of people with a learning disability work, but at least 65% of people with a learning disability want to work. Of those people with a learning disability that do work, most work part time and are low paid.
- People with a learning disability are 58 times more likely to die aged under 50 than other people. And 4 times as many people with a learning disability die of preventable causes compared to people in the general population.
- People with a learning disability are 10 times more likely to have serious sight problems and 6 out of 10 people with a learning disability need to wear glasses.

A learning disability can be mild, moderate or severe.

- Mild learning disabilities – most people can lead normal lives but that they may need assistance in handling difficult situations
- Moderate learning disabilities - people generally attend to the basic tasks of life but more complex activities, such as using money, usually require support within a special residential environment.
- Severe learning disabilities – people are able to look after themselves with careful supervision
- Those diagnosed with profound and multiple learning disabilities (PMLD) have more than one disability, with the main disability being learning difficulties. They are likely to have difficulty in communicating, have mental health disorders and need carer support to assist with daily functions such as washing, dressing and eating.

Some people with a mild learning disability can communicate easily but take a bit longer than usual to learn new skills. Others may not be able to communicate at all and have more than one disability. A learning disability is not the same as a learning difficulty or mental illness. Some children with learning disabilities grow up to be quite independent, while others need help with everyday tasks, such as washing or getting dressed. A diagnosis of a profound and multiple learning disability (PMLD) is used when a child has more than one disability, with the most significant being a learning disability. Many children diagnosed with PMLD will also have a sensory or physical disability, complex health needs, or mental health difficulties and need a carer to help them with most areas of everyday life, such as eating, washing etc.



**Error! Reference source not found.** shows the predicted number of people aged 18+ that will have Autistic Spectrum Disorder (ASD) over the period 2013 to 2035. Across local authorities in the Gwent region, with the exception of Blaenau Gwent, all local authority areas are predicted to see an increase in the number. Across the remaining local authority areas in the Gwent region predicted increases range from 2.1% in Monmouthshire to 17.7% in Newport.

### What do we know? Autistic Spectrum Disorder (ASD)

Autism spectrum disorder is defined as ‘persistent difficulties with social communication and social interaction’ and ‘restricted and repetitive patterns of behaviours, activities or interests’ present since early childhood, to the extent that these ‘limit and impair everyday functioning’ (*Diagnostic and Statistical Manual, fifth edition*).

### Facts and Figures

- It is estimated that 1 in every 100 people in the UK have an Autistic Spectrum Disorder (ASD)
- ASD is a lifelong condition and affects people from all backgrounds.
- All individuals with an ASD have impairments in the same three areas (i) social interaction (ii) social imagination (iii) social communication; but sensory impairment and mental health issues are also factors.
- Many people with an ASD have not been diagnosed, and therefore may not realise they have the condition. This is especially true for adults.

Autism is a lifelong condition which is neither a learning disability nor a mental health issue. It is crucial to increase diagnosis rates, effective planning and training available to the public sector, third sector and members of the public. An early ASD diagnosis will enable parents to understand their child’s needs and to seek appropriate support in their caring role. Many people with autism are not identified or diagnosed during childhood but may be helped by having access to assessment services as adults. Children, young people and adults with autism and their carers will have different support needs according to their age and abilities. Adults with autism can experience anxiety and social isolation, have difficulties in education, problems in finding/sustaining employment and difficulties in establishing/maintaining social relationships/friendships.

An early ASD diagnosis will enable parents to understand their child's needs and to seek appropriate support in their caring role. Many people with autism are not identified or diagnosed during childhood but may be helped by having access to assessment services as adults. Children, young people and adults with autism and their carers will have different support needs according to their age and abilities. Adults with autism can experience anxiety and social isolation, have difficulties in education, problems in finding/sustaining employment and difficulties in establishing/maintaining social relationships/friendships.

### **What are we doing?**

A regional **Mental Health and Learning Disability Partnership Board** oversees the delivery of the Gwent Strategy for Adults with a Learning Disability 2012/17 (The strategy is currently being reviewed). The purpose of the strategy is to provide a clear strategic direction regarding the future planning and delivery of services for adults with a learning disability who live within, or have services commissioned across the region. It describes the core principles that are fundamental to service provision and outlines the key issues that need to be addressed to deliver high quality, safe and cost effective services. The objectives of the strategy for people with a learning disability are to

- Have more choice and control over their life
- Have choice regarding how they spend their time and where they live and who they live with
- Have better health outcomes and appropriate access to healthcare
- Have smooth, planned and effective transition from child to adult services
- Receive timely and appropriate support for families/carers of people with a learning disability
- Receive support and proactive interventions that promote social and emotional well-being
- Access the range of appropriate specialist health and social care services in a timely manner
- Receive a co-ordinated, safe and timely service and appropriate support to plan for the future
- Receive clear information regarding generic and specialist learning disability services

A robust mapping of services and community support has been undertaken by **Supporting People (SP) Teams** across the region. Supporting People teams have also prioritised people with learning disability through the regional SP Plan. The **In One Place Programme** is a collaborative programme that was launched in 2014 to improve the provision of accommodation to those with complex health and social care needs within the Gwent region. The In One Place Programme brings together the Aneurin Bevan University Health Board, the five local authorities and eight housing associations.

### **Case Studies**

***Torfaen** are currently developing a local Learning Disability strategy to: develop ways of preventing the need for longer term care, greater involvement of adults in all aspects of care and support, flexible, personalised and alternative models of care, and develop a social care workforce that has the necessary knowledge and skills*


***Caerphilly People First** have received adult safeguarding training through the Adult Safeguarding Board and developed a specific training programme for people with learning disabilities, and have also identified people with learning disabilities to train as champions and deliver safeguarding training amongst their peers.*

### **Autism**

Wales was the first country in the UK to take a national approach to autism, originally publishing a Strategic Action Plan in 2008. Welsh Government refreshed the plan in November 2016 and it sets out the Welsh Government's ambitions for both raising awareness of autism and ensuring public services work together to deliver effective care and support services for adults and children with autism. The revised Strategic Action Plan sets out three priority areas for action, based on what was highlighted:

- Timely access to assessment and diagnosis – a standardised assessment pathway with a new 26 week waiting time from referral to first assessment appointment has been established. There will also be improvements to adult's diagnostic services through the National Integrated Autism Service.
- Support to overcome everyday barriers in education/training, employment and accessing services.
- Identify gaps in information, advice and training. Across the region Welsh Government and local partners will build on the '*Learning with Autism*' programme for primary schools and develop new resources for education settings. There will also be a focus on training for primary care and mental health professionals, people working in leisure services, and employers in general.

An independent evaluation of the national Autistic Strategic Action Plan undertaken in 2012 reported that the strategy had a positive impact on people and families, as well as professionals. There have been increased rates of identification as well as increased rates of diagnosis. There has also been improved support for children and young people in education, as well as improvement in transition services.



We want to live in our own homes and feel listened to and want more face to face chats

*Access for All member*

**What we will do - Ensure workforce are trained and skilled to undertake 'what matters most' conversations**

### **Actions and next steps**

#### ***Prevention and Early Intervention including Information, Advice and Assistance (IAA)***

- Continue to increase the profile and awareness of ASD and promote use of material available through national ASD website [www.asdinfo.wales.co.uk](http://www.asdinfo.wales.co.uk). The website includes information and resources for people with autism, families, carers and professionals. The quality of the national resources has been recognised internationally and Welsh Government have been approached by a number of countries for permission to use the materials.
- Align Supporting People provision with local community connectors to ensure people are aware of support services and signposted to community provision.

#### **Commissioning, Pooled Budgets and Health and Social Care Integration**



- Review current strategy for Adults with a Learning Disability with an emphasis on integrated planning to improve outcomes integrated service delivery and reduce inequalities across the Boroughs and; joint commissioning priorities to inform commissioning of services.
- Develop a co-ordinating group and a local ASD lead to oversee development of improved services and link to a national ASD co-ordinator
- Support and implement new National Integrated Autism Service. Since April 2016, Welsh Government have funded the development of new specialist teams in every region, providing adult diagnostic services. The service also support the improvements in children's diagnosis, treatment and support services through the '*Together for Children and Young People*' programme. The service will also provide wider support and advice for children and adults, as well as their families or carers. It will also provide training and support for professionals.
- Explore joint commissioning opportunities between Intermediate Care Fund and Supporting People programme for people with learning disabilities to maximise capacity within the Community including greater awareness of ASD and invest in further resource materials to raise awareness of autism and provide training resources across professional groups.
- The region will continue to support and engage in the Integrated Health and Social Care Collaborative Commissioning Programme and the National Framework for Residential Care Home Placement for People with Learning Disabilities and People with Mental Health Problems (under 65).

#### **Links to key strategies**

- **Regional Supporting People Plan**
- **National Autistic Spectrum Disorder (ASD) Strategic Action Plan.**

#### **Summary and what we will deliver through the regional Area Plan.**

- **Support Mental Health and Learning Disability Partnership Board review Gwent Strategy for Adults with a Learning Disability 2012/17 and set out key regional commissioning, integration actions**
- **Local implementation of Welsh Strategic Action Plan including development of new Integrated Autism Service.**

A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region. For the purpose of this PNA Children and Young People are categorized as up to the age of 18 years and receiving care and support services.

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) **Increased understanding and awareness of mental health amongst the public to reduce stigma and help people to seek support earlier.**
- (2) **To improve emotional well-being and mental health for adults and children through early intervention and community support.**

**So what does the data show us?**

A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.

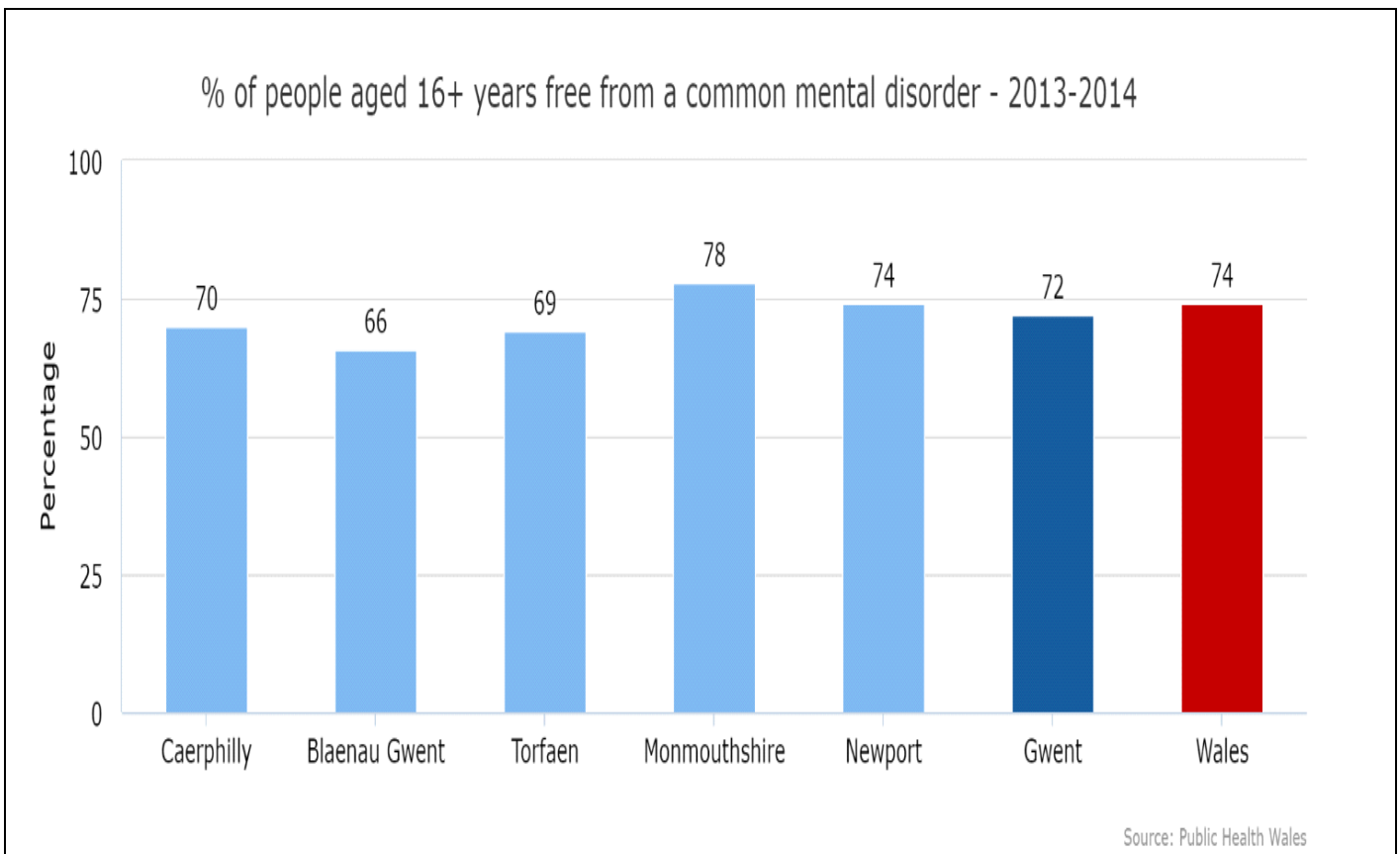


Figure MH1 shows the percentage of people aged 16 years or older free from a common mental disorder in 2013-2014. The percentage ranged from 66% in Blaenau Gwent to 78% in Monmouthshire. This compares with 72% of people aged 16 years or older free from a common mental disorder for Gwent and 74% for Wales.

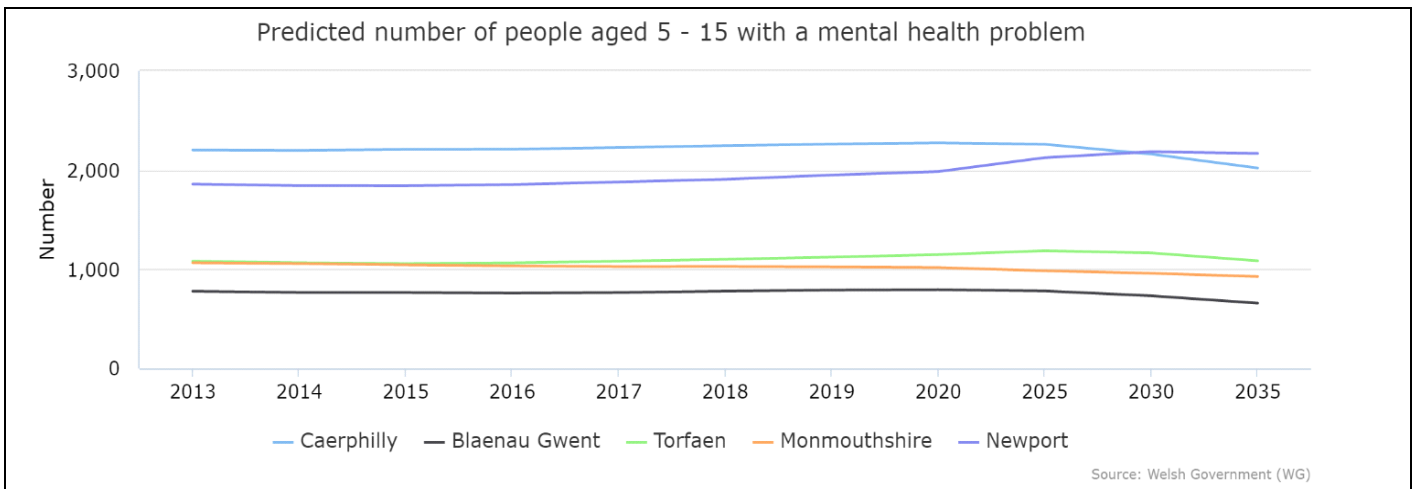


Figure MH3 shows the predicted number of people aged 5 – 15 with a mental health problem over the period 2013 to 2035. Across the local authority areas in the Gwent region both Torfaen and Newport are predicted to see increases of 0.4% and 16.6% in the number of people aged 5 – 15 with a mental health problem. The other local authority areas are all predicted to see decreases over the same period.

### **Fact and figures for mental health and mental illness across Wales (Welsh Government)**

- 1 in 4 adults experiences mental health problems or illness at some point during their lifetime.
- 1 in 6 of us will be experiencing symptoms at any one time.
- 2 in 100 people will have a severe mental illness such as schizophrenia or bipolar disorder.
- 1 in 10 children between the ages of 5 and 16 has a mental health problem and many more have behavioural issues.
- Approximately 50% of people who go on to have serious mental health problems will have symptoms by the time they are 14 and many at a much younger age.
- Between 1 in 10 and 1 in 15 new mothers experiences post-natal depression.
- 1 in 14 people over 65 and 1 in 6 over the age of 80 will be affected by dementia.
- 9 in 10 prisoners have a diagnosable mental health and/or substance misuse problem.

### **What do we know?**

Positive mental health is a key factor for good health and relevant to the whole population. In 2007 the World Health Organisation stated that there is no health without mental health, which means that public mental health is integral to all public health work. Statistics show that **one in four of the adult population have a life chance of experiencing mental ill health**. Mental illness is the largest single cause of disability with 22.8% being attributable to mental illness, compared with 16.2% for cardiovascular disease and 15.9% for cancer. This is forecast to increase by 7.8% by 2030 (WHO, 2008). Self-reported surveys show that 13% of adults in Wales report having a mental illness (Welsh Health Survey 2015).

Mental illness can have multiple impacts upon society including poor educational attainment, increased substance misuse as well as increased anti-social behaviour and crime. There are also large economic costs of mental illness, with the estimated overall cost of mental health problems in the UK being over £110 billion in 2006/07, representing 7.7% of GDP. Care and treatment of mental disorders account for over 10% of total NHS expenditure.

Over the last 4 years there has been over 100% increase in referrals to Children and Adolescent

Mental Health Service (CAMHS). Many of the children and young people who are then assessed do not need highly specialist interventions, but add to the waiting times for those children who do need such support.

**Suicide** is a tragedy for all concerned and is a cause of distress for many people - the individual, family, friends, professionals and the community at large. It is estimated that for every person who dies through suicide at least six others are significantly and directly affected. Many others may be indirectly affected. Losing someone through suicide can be particularly traumatic and difficult to cope with; its impacts are psychological, spiritual and economic. There is no single reason why someone may try to take their own life. It is best understood by looking at each person's life and circumstances. However certain factors or problems may make suicide more likely. Previous self-harm is a key risk factor. Mental illness, misusing drugs or alcohol or having a close relative who has died from suicide may increase risk. Life events like losing your home, job or the end of a relationship can also increase the risk of suicide or self-harm.

Many people may have thoughts of suicide because of distressing events; about 19 people in every 100 will have these thoughts at some point in their life. Only a very small number of those who harm themselves or who think about suicide will actually die in this way. Suicide is about three times more common in men than women. This may be because men tend to use different methods to those used by women. Women are much more likely than men to be admitted to hospital as a result of self-harm. The number and rate of suicide in the general population in Wales rose between 2009 and 2013. The rise was found in males only. Suicide is one of the three leading causes of death in the most economically productive age group (15-44 years); and during the period 2010 – 2012 it accounted for almost one in five deaths in males aged 15 to 24 years (the second leading cause of death in this age group) and just over one in ten deaths amongst women of that age. Each year in Wales between 300 and 350 people die from suicide. This is about three times the number killed in road accidents. Overall - Gwent has one of the lowest suicide rates in Wales – 10.4 per 100,000 population.

### **What are we doing?**

Responding to mental illness is not the sole responsibility of any one organisation, the challenge is one shared across all partners and there is increasing recognition that the wider issues that affect health and well-being (housing, education, employment) sit with equal importance alongside clinical diagnosis and treatment. Where people live has an impact on their psychological well-being, both positively and negatively. At the local level, health, social care and third sector organisations have already committed to working as one to address the challenge. A regional ***Mental Health and Learning Disability Partnership Board*** has been developed to:

- Oversee the delivery of the Gwent Mental Health and Learning Disability Strategies
- Oversee the delivery of the ***'Together for Mental Health' strategy*** and other relevant Mental Health and Learning Disability strategies such as ***'Together for Children and Young People'***, ***'Talk to Me 2'*** and the ***'ASD Strategic Action Plan'***.
- Map existing services, planning and commissioning arrangements and strategic arrangements across partner organisations
- Develop a strategic vision for improving mental health and learning disability and best use of resources across partner organisations
- Agree the strategic and operational issues of joint working in relation to mental health and learning disability
- Identify key strategic national and local issues requiring a collaborative approach in order that the benefit to service users and carers is maximised.

- Agree multi-agency strategies and the contribution of stakeholder agencies taking into account other partnership arrangements both within the area and nationally

A regional **'Together for Mental Health' delivery plan** is being developed and will set out the actions to progress Welsh Government national priorities at a local and regional level. The delivery plan sets out regional actions across 11 priority areas and will build on the delivery of the current regional **Together for Mental Health in Gwent and South Powys 2012-2017 strategy**.

**Case Study – ABUHB and Newport**

*A review of the commissioning of Adult Mental Health Third Sector Services across Gwent took place during early part of 2016 and one service model and tender was identified. All Local Authorities in Gwent commission mental health services from the Third Sector, however at the time of the tender exercise only NCC were in a position to commission alongside ABUHB. However, all the other four authorities have been kept updated and it is hoped that they will also align their funding to the new service delivery areas when their contracts end in March 2017. The new service model areas reflect the priorities identified via a public and provider consultation process and are: Advocacy, Counselling, Skills, Training and Community Well Being (Drop ins/centres/hubs) and Information and advice.*

The Gwent *Five Ways to Well-being virtual network* includes over 250 individuals from a range of statutory and third sector organisations trained on **'The Five Ways to Well-being'** an evidence-based set of actions developed by the New Economics Foundation. We are developing support across the region to intervene earlier and for targeted groups such as veterans who have been in the armed forces and who may have experienced the trauma of battle – this will need to be coupled with specialist therapeutic help to recover when they return to their communities. This help should be delivered by a combination of statutory and voluntary sector organisations. Support for individuals with substance misuse problems are planned and commissioned on behalf of the Gwent area by an Area Planning Board where the needs of those with a co-occurring mental health and substance misuse issue are responded to, and it is key not to duplicate efforts.

**Case Study – Torfaen Social Prescribers**

*More and more, greater importance is being placed on the need for support services based in the community, which people can access to improve low levels of poor mental health and well-being. Community Connectors funded through the Intermediate Care Fund and Torfaen Social Prescribers based in GP surgeries help link people to local groups in the community to avoid isolation and to keep healthy and active.*

Previous reviews of specialist Child and Adolescent Mental Health Services (CAMHS) in Wales have identified that the service is under more pressure than ever before, but does not have the capacity to meet demand. **'Together for Children and Young People' (T4CYP)** was launched by the Minister for Health and Social Services on 26th February 2015. Led by the NHS in Wales, this multi-agency service improvement programme is aimed at improving the emotional and mental health services provided for children and young people in Wales. A continued emphasis on emotional, mental health and well-being is essential so that services can identify early on where there may be additional need for support. This is very important to prevent young people requiring the services of specialist CAMHS. The **Skills for Living Service** in Gwent, supported by local authority and health board funding focusses on the mental health needs of looked after children, recognising the significant additional risks faced by this group.

### Case Study – Caerphilly

The **‘Road to Well-being’ (R2W)** programme has been developed which provides universally accessible psycho-educational classes and information resources to help people manage stress and improve mental well-being. The R2W programme is co-delivered with the Communities First Mental Health Workers in Caerphilly County Borough Council. The re-commissioning of the third sector provision, and subsequent contract award to the Growing Spaces consortium, will also extend the Foundation Tier provision aimed at improving mental well-being and resilience.

An Action Learning Set has developed a **“Whole Person, Whole Life Approach to Crisis and Recovery”**. The key component of the new model is likely to include a 24/7 single point of access; mental health support for first responders; acute in-patient provision; crisis, home treatment and liaison; crisis housing; sanctuary homes; host families and housing and tenancy support. All of the above are being developed within the context of resilient communities and recovery orientated services that prevent crisis.

**Mental Health First Aid (MHFA)** started in Australia in 2000, with the aim of increasing mental health literacy among the general community. The idea of MHFA is that people should be taught how to perform basic ‘first aid’ for those exhibiting signs of mental health distress, just as they are commonly taught first aid for physical problems. It is available to increase knowledge, reduce stigma and increase supportive reactions in terms of mental health. MHFA educational courses are available in Gwent for anyone who wishes to help to identify, understand and help a person who may be developing a mental health issue. It teaches people how to recognise the signs and symptoms of common mental health issues, provide help on a first aid basis and effectively guide someone towards the right support.

I see many pupils in my school with self-image issues and low self-esteem and we need greater support in our local communities

Headteacher

**What we will do: explore how the Youth Mental Health First Aid training can be delivered across the children’s workforce.**

In Wales **‘Talk to Me 2’ is the Welsh Government’s strategy on suicide and self-harm prevention (2015/20)** and includes measures to develop individual resilience across the life course, and build population resilience and social connectedness within communities. This five-year action plan aims to raise awareness of suicide and self-harm and help people understand that it is often preventable. The plan is aimed mainly at people who are at highest risk. It has six objectives:

1. Further improve awareness, knowledge and understanding of suicide and self-harm amongst the public, individuals who frequently come in to contact with people at risk of suicide and self-harm and professionals in Wales
2. To deliver appropriate responses to personal crises, early intervention and management of suicide and self-harm
3. Information and support for those bereaved or affected by suicide and self-harm
4. Support the media in responsible reporting and portrayal of suicide and suicidal behaviour
5. Reduce access to the means of suicide
6. Continue to promote and support learning, information and monitoring systems and research

to improve our understanding of suicide and self-harm in Wales and guide action

### **Actions and next steps**

#### ***Preventative and Early Intervention including Information, Advice and Assistance (IAA)***

We will continue to develop the Community Connector and Social Prescriber model across the region and ensure a consistent regional approach through '***Together for Mental Health Delivery Plan***'. Key to this will be linking through the ABUHB 'Care Closer to Home' model and a place based approach. We will also build on the 'Five Ways to Wellbeing' and ensure accurate information, advice and assistance is provided through our IAA services and DEWIS.

#### **Commissioning, Pooled Budgets and Health Social Care Integration**

- Regional requirements for commissioned services will be identified through '***Together for Mental Health Delivery Plan***'. We will also consider a number of reviews across the Gwent area undertaken by Health Inspectorate Wales.
- The Intermediate Care Fund will also be aligned to support the agenda across both adult and children services as well as aligning to other existing funding, such as Supporting People, to maximise resources
- We will also use ABUHB's 'Care Closer to Home' and Integrated Medium Term Plan (IMTP) to coordinate community support services to ensure consistency and avoid duplication.
- The Regional Joint Commissioning Group is currently reviewing the third sector contributions across health and social care; and the review will consider the community support required to support mental health agenda such as befriending.
- The region will continue to support and engage in the Integrated Health and Social Care Collaborative Commissioning Programme and the National Framework for Residential Care Home Placement for People with Learning Disabilities and People with Mental Health Problems (under 65).

#### **Links to key strategies**

- **Welsh Government (2012) Together for mental health - A Strategy for Mental Health and Wellbeing in Wales** <http://gov.wales/docs/dhss/publications/121031tmhfinalen.pdf#>
- **Welsh Government (2015) Talk to me 2 - Suicide and Self Harm Prevention Strategy for Wales 2015-2020** <http://gov.wales/docs/dhss/publications/150716strategyen.pdf>
- **National Together for Mental Health Delivery Action Plan**
- **Together for Mental Health Gwent**
- **ABUHB Integrated Medium Term Plan (IMTP)**

#### **Summary and what we will deliver through the regional Area Plan.**

- **Review and align regional strategies to Together for Mental Health Delivery plan**
- **Coordination of consistent community based services such as community connectors/social prescribers**
- **Multi agency place based models which include wider partners such as Housing Associations, employment support and community programmes**
- **Accurate Information, Advice and Assistance through DEWIS and Five Ways to Wellbeing**

### **Sensory Impairment**

A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which

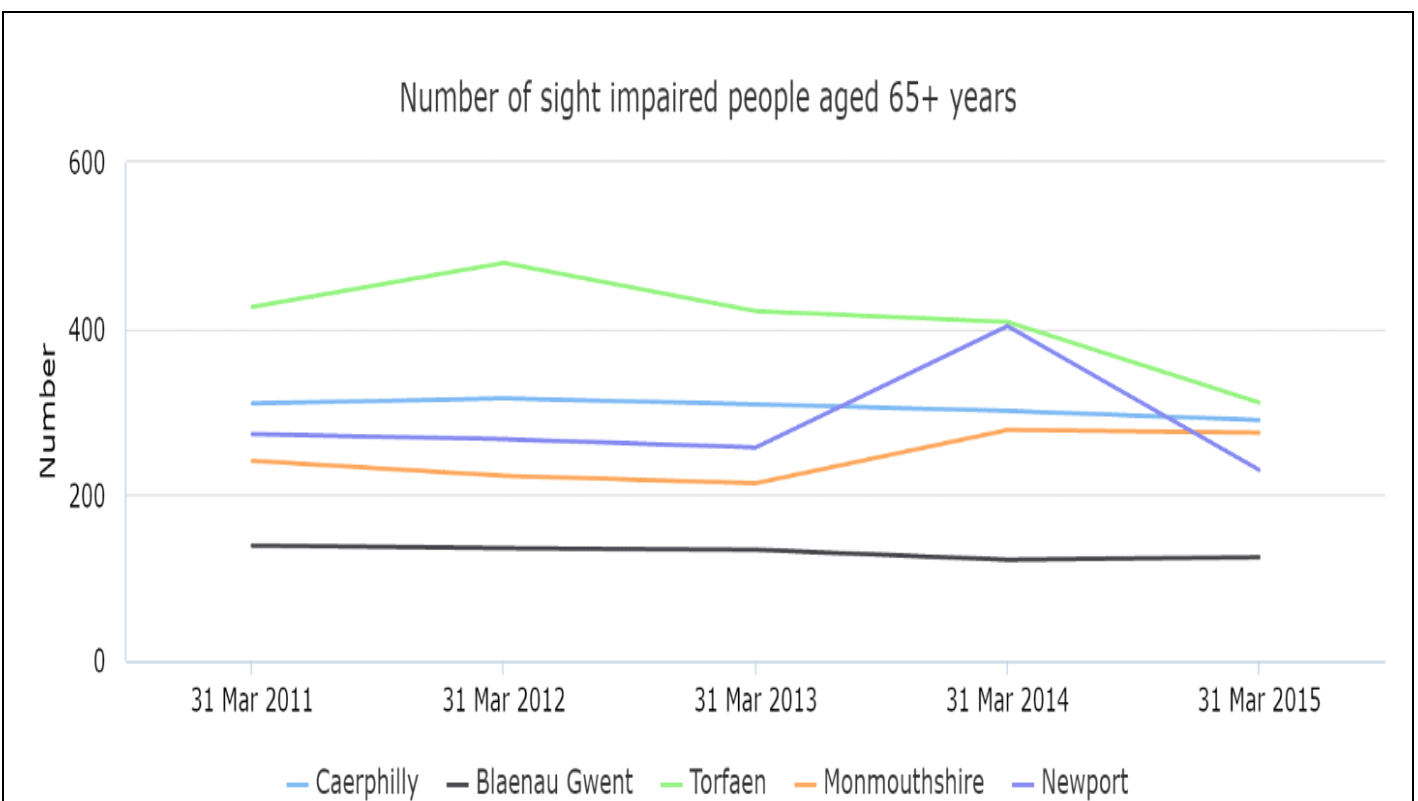
also includes the population projection for the region. For the purpose of this PNA sensory impairment refers to people with either visual or hearing impairments or both - the extent of those impairments will vary from person to person.

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) **Ensure people are supported through access to accurate information, assistance and 'rehabilitation' where required**
- (2) **Improve emotional well-being especially through peer to peer support**

**So what does the data show us?**

A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.



Source: Welsh Government (WG)

Figure above shows the number of sight impaired people aged 65 years or older over the period 31 March 2011 to 31 March 2015. Across the local authority areas in the Gwent region, Monmouthshire has seen an increase of 14.1% in the number over the period, from 241 at 31 March 2011 to 273 at 31 March 2015. The other local authority areas across the Gwent region all saw decreases which ranged from 6.5% in Caerphilly to 27% in Torfaen over the same period.

**What do we know?**

There are an estimated 106,000 people in Wales living with sight loss and broad figures suggest that 1 in 10 people over 65 will have some form of sight loss to different degrees, 1 in 3 over 80 and 1 in 2 over the age of 90. Figures are estimated to double by 2050 because of the aging demographic and 75% of all sight loss occurs in people aged 65 and over. There are currently



around 3500 people in Gwent that are registered as sight impaired but most of the data capture of sensory impairment is poor because many people with sight loss do not appear on severely sight impaired (SSI) (previously known as 'blind') or sight impaired (SI) (previously known as 'partially sighted') registers for many reasons. People who are hard to reach generally fail to register (evidence shows that people from some ethnicities are 6 times more likely to experience sight loss but are less likely to engage; and people with learning disability are 10 times more likely to have sight loss but are rarely diagnosed). Some people simply don't wish to confirm a diagnosis and some people choose not to be registered because they are concerned with the stigma in relation to jobs etc (also there may be a significant number of people who perhaps fear that they shouldn't be driving, and therefore don't go to the optometrist/GP as they fear licence removal). Sight is the primary conduit through which our brains absorb information but 43% of people who lose their sight will suffer significant and debilitating depression. Health indices demonstrate a reduction in positive outcomes, and well-being is heavily compromised post diagnosis.

It is estimated that the numbers of people registered as SSI or SI will increase as there is a direct relationship to an increasing older population, however new treatments have emerged over recent years for some causes of sight loss which are related to age and so we may see a slower rate of increase or a plateauing of those with sight loss. It is generally accepted within the sight loss community that there are at least 5 times as many people with uncorrected sight loss than are 'registered' on local authority registers. RNIB estimate there are 28,000 people in Gwent with sight loss. National studies conducted by the Centre for Disability Research at Lancaster University suggests that an estimated 579,000 adults with learning disabilities (including 122,000 known to the statutory services) have refractive error (blurred vision).

### **Hearing loss**

In terms of hearing loss 'Action on Hearing Loss' estimate 1 in 6 people have hearing loss or tinnitus (530,000 in Wales and 1 in 3 over the age of 80). Both sight and hearing loss are prevalent in the older population and it is likely that up to 70% of those with sight loss have a hearing loss too. Obviously some of those people will have a hearing aid that effectively mitigates the loss, although it is true that a hearing aid doesn't provide the same level of support as, say, spectacles would if someone was simply short-sighted or long-sighted.

**Action on hearing loss reporting** estimated that there are 105,000 people across Gwent with hearing loss using 2014 StatsWales estimates. Other information highlighted:

- More than 70% of over 70 years-old and 40% of over 50 years-old have some kind of hearing loss
- Around one in every 10 UK adults has tinnitus. This increases to 25-30% of over 70 years-old
- For some people their tinnitus is so severe that it has a dramatic impact on their quality of life, leading to extreme anxiety and depression.
- People with hearing loss are too often unable to communicate with friends and family, colleagues and health professionals. This can result in them withdrawing from social situations and becoming isolated.
- Research shows that hearing loss doubles the risk of developing depression and increases the risk of anxiety and other mental health problems.
- There is also strong evidence that mild hearing loss doubles the risk of developing dementia, with moderate hearing loss leading to three times the risk, and severe hearing loss five times the risk.
- People who are severely or profoundly deaf are four times more likely to be unemployed than

the general population. Someone who develops hearing loss can lose their job and struggle to get another one.

Evidence suggests that the timely provision of hearing aids can reduce these risks and improve quality of life. Other reports evidence a number of key messages

- In the 2012 Action on Hearing Loss report 'Life Support' it was found that communication needs are not taken into account in the systems used to determine an individual's social care budget in a third of local authorities (33%) in Wales. They also found that three-quarters (75%) of local authorities in Wales did not provide a text phone number or special telephone service for people with hearing loss. The report also found that a quarter did not provide advocacy support for people with hearing loss.
- Action on Hearing Loss Cymru in 2015 used the experiences of people with sensory loss who have used housing services in Wales, to develop best practice guidance which recommends that housing services should provide deaf awareness training for housing staff, install and maintain hearing loops in accommodation, and consider the effects of background noise when allocating tenancies.
- A 2015 report found that people with hearing loss in Wales face serious barriers to employment due to employer attitudes and inadequate support in the workplace. The report also found that some Job Centre staff did not provide specialist support for people with hearing loss and were unaware of their communication needs.
- In 2013, Wales became the first country in the UK to develop guidance on communication and information in GPs and hospitals for people with sensory loss.

### **What are we doing?**

Both Social Services and ABUHB provide services and support to people with sensory loss. There is also support services in the third sector and '**Sight Cymru**' work across the region. The Low Vision Service Wales (LVSU) was founded in 2004 with, the aim of providing a more accessible low vision service for the population of Wales:

- The LVSU is delivered by optometrists, dispensing opticians and ophthalmic medical practitioners who have undergone further training in the speciality of low vision with Cardiff University and funded by Welsh Government as an enhanced primary eye care service.
- Free at point of contact for the service user, any low vision aids are provided on a long term loan basis and recycled when no longer required.
- The establishment of the service resulted in the number of low vision assessments performed in Wales increasing. Waiting times to access a low vision service decreased from 6 months to 2 months for the majority of people and journey time decreased for 80% of people.
- Year on year the numbers of patients accessing the LVSU has increased, with 8049 LVSU assessments being performed between April 2015 and April 2016 (WG, 2016).
- By 2015, the LVSU had completely replaced all secondary care based low vision services in Wales. The LVSU now has 184 practitioners working from 202 practices across Wales to deliver the service. 20% of low vision assessments performed are done so within the patient's own home (WG, 2016).
- The LVSU assessment is a holistic assessment where the practitioner discusses the difficulties caused by the vision impairment and works with the patient to set goals and identify solutions, these may be in an optical or non-optical form.
- Practitioners work very closely with Social Services and the voluntary sector to ensure that patients receive support to remain as independent as possible.
- The LVSU continues to evolve. Current work is being done to identify patients who are at risk

of depression, and future work will look more closely at identifying those patients with dual sensory loss.

I felt so much better for talking to another person who has gone through the same problems as me

Member of Sight Loss Support Group

### What we will do: continue to support peer to peer groups

#### **Case Study: Sight Cymru, Blaenau Gwent**

A peer support group for people with Visual Impairment and their carers was established in 2014 and facilitated by Sight Cymru. In 2016, some members expressed an interest in taking on responsibility for the group. This led to the formation of a committee drawn from amongst users of the group and it has since become officially constituted, opened a bank account and is being supported to source suitable funding to continue its work. This move towards self-sustainability was vital and the sense of purpose afforded to group members by being able to take ownership and decide direction is invaluable. One of the most valuable aspects of the group has been the mutual support given and received by the various members. An example of this can be found in relation to one particular older lady, who was new to having a visual impairment and consequently experiencing depression and isolation. She was encouraged to attend the group and ended up in conversation with a younger man who had been living with sight loss for a number of years. His positive attitude and encouragement resulted in the lady later stating to a Sight Cymru staff member that she felt "so much better" for having spoken with this man. The group is currently moving to an even larger venue, in order to accommodate a further increase in numbers, a fact which serves to highlight just how many people can potentially be reached by this type of informal yet essential support.

#### **Action Plan & Next Steps**

##### ***Prevention and Early Intervention including Information, Advice and Assistance (IAA)***

- People can, and do, adjust to loss of sight and continue leading independent and fulfilling lives. The key to such adjustment is sufficient accessible **information** and timely, **effective rehabilitation**. DEWIS is being developed across the region to improve information and will include functions to help people with sensory impairment. Over 50% of sight loss is avoidable.
- Mutual and peer to peer support amongst people living with a visual impairment has proven to be successful in user led groups developed across the region – see case study above – and further development of similar models will need to be supported across the region to help empower and enable citizens.
- Typically, sight-loss conditions deteriorate and people need access to rehabilitation officers to help them adjust to their condition and living safely in their homes, and other preventative services. Research shows positive impacts in functional vision and a correlation on improved mental health and well-being by early intervention rehabilitation for the Vision Impaired. With only 1 in 4 people with sight loss of working age being in employment, there is an economic driver to ensuring high levels of independence too.
- For people with sight loss, access to specialist habilitation/rehabilitation is vital to maximise independence and ensure quality of life. It also has a considerable beneficial impact on those living with or caring for someone with sight loss, people who otherwise are at risk of mental health issues themselves. Ensuring people understand their sight conditions and are able to take up clinical solutions and have access to other services are fundamental to their

ongoing capacity to cope. Rehabilitation provides not only a functional enabling resource for the person with sight loss, but also delivers understanding to carers and family members. Rehabilitation for the Vision Impaired is not re-ablement which implies recovery from disability and is often limited to 6 weeks. It should be viewed in the context of preventing falls, burns, injuries and decline in mental or physical health as well as the ability to promote independent living, ongoing education and social development.

- With so many of those losing their sight being elderly: hearing impairment, dementia and frailty are frequently experienced simultaneously, and continuing sight degeneration compounds impacts. As circumstances change, further access to provision should be enabled, and clear accessible services should be a priority. It is therefore essential that people receive timely access to provision although at present, there are no statutory guidelines around the time it takes for each local authority to contact people post referral.

### **Commissioning, Pooled Budgets and Health and Social Care Integration**

- It is well recognised that there is a need to reduce the time people are on waiting lists and to provide earlier interventions to prevent people reaching crisis. A principle of the commissioning process should include guidance on ensuring a sufficient number of Rehabilitation Officers for Visual Impairments (ROVIs) per head of the population, and the quality and timeliness of the service. In this respect, the benchmarking good practice guidance around rehabilitation for the vision impaired provides a sustainable standard.
- An Adult Sight Loss Pathway has been developed, including the requirement that those people moving through the hospital setting should see an Eye Clinic Liaison Officer, and that all people with sight loss greater than 6/60 should be assessed by a Rehabilitation Officer. The Adult UK Sight Loss pathway sets out a defined pathway across health and social care and provides an important tool for enabling and streamlining the requirements under Act; it encourages more effective partnership working and a smooth transition for the person with sight loss.
- The critical role of the eye clinic liaison service is recognised within the pathway as a first point of contact in the hospital setting. The requirement within the Act to offer advice and information is frequently provided by these specialists although funding for these roles is uncertain. Through the joint regional commissioning group guidance and adoption of the ASL pathway will be considered across the region.

### **Links to key strategies**

- **Welsh Government/NHS Wales Together for Health – Eye health Care Delivery Plan for 2013-2018**
- **Wales Vision Strategy Implementation Plan 2014 – 2018**

### **Summary and what we will deliver through the regional Area Plan.**

- **Use good practice and effective pathways to develop regional commissioning principles**
- **Ensure accurate, accessible and timely Information, Advice and Assistance through DEWIS and other means**
- **Work in partnership with third sector to identify new models to support rehabilitation process and supply of low vision tools.**

### **Carers who need support**

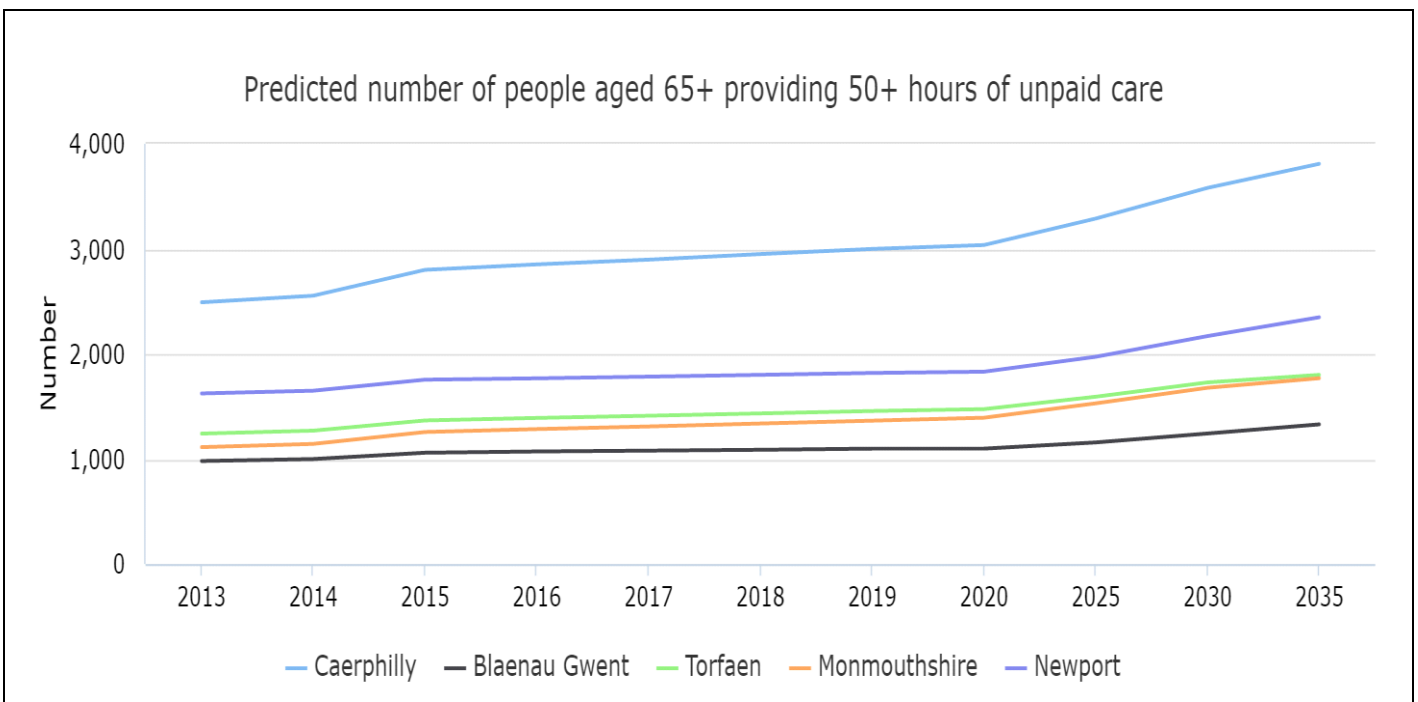
A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region. For the purpose of this PNA a Young Carer is defined as a person under 18 who provides or intends to provide care for another person and a carer is defined as a person who provides or intends to provide care for an adult or a disabled child (but paid carers are excluded). This is a major change to the previous definition – in that carers no longer have to establish that they are also ‘providing or intending to provide ‘a substantial amount of care on a regular basis’.

The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) Support carers to care through flexible respite, access to accurate information, peer to peer support and effective care planning**
- (2) Improve well-being of young carers and young adult carers through an increased public understanding**

**So what does the data show us?**

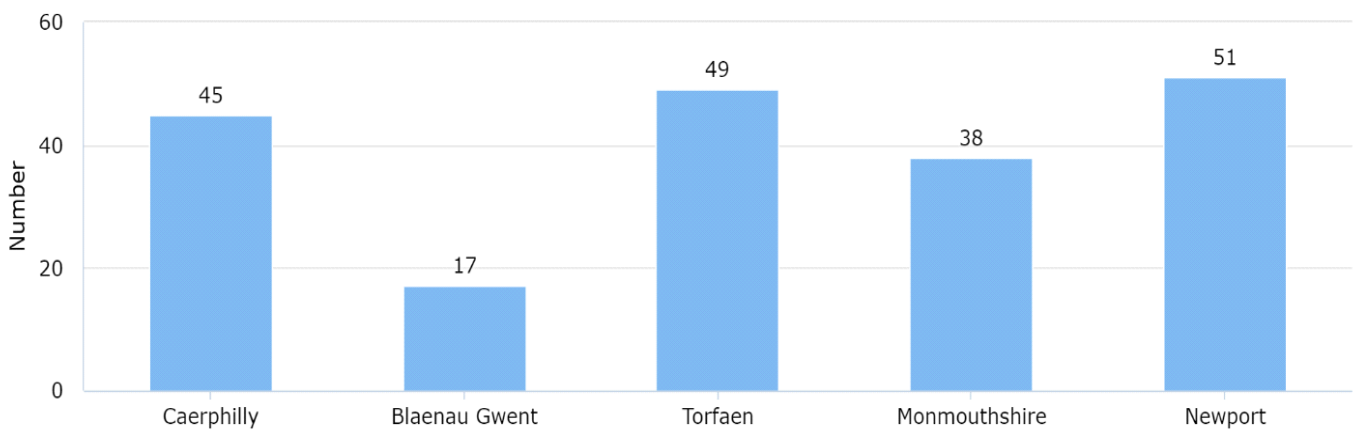
A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.



Source: Welsh Government (WG)

Figure above shows the predicted number of people aged 65 years or older providing 50 hours or more of unpaid care over the period 2013 to 2035. All local authority areas across the Gwent region are predicted to see an increase in the number. The predicted increases range from 35.6% in Blaenau Gwent to 58.9% in Monmouthshire over the period.

Number of young carers known to Social Services during the year - FY 2015-16



Source: Welsh Government (WG)

Figure shows the number of young carers known to Social Services during the year 2015-16. It shows that the number ranged from 17 in Blaenau Gwent to 57 in Newport.

### What do we know?

There is likely to be an increase in the number of carers as a result of predicted increase in population. There are an estimated 356,000 adult carers in Wales today and 90,000 carers spend over 50 hours a week on their caring responsibilities and currently provide over 70% of community care. It is estimated that carers and families provide 96% of the care in Wales, supported by communities, volunteers and care and support services; and save the social economy of Wales £3.5 billion each year. Yet the decision to care can mean a commitment to future poverty, and, for young carers, temporary or permanent delay in pursuing further education and training opportunities. Many give up an income, future employment prospects and pension rights to become a carer. The Social Services and Well-being (SSWB) Act recognises the key role played by carers, giving them the rights to support which are equivalent to the rights of those they care for. Section 14 of the Act places a joint requirement on local authorities and Health Boards to work together to assess carers. Too often people do not recognise themselves as carers and do not wish to receive support from statutory services. There is a need to increase awareness of the SSWB Act and eligibility or entitlement to support in order to enhance opportunities for the early identification of carers and to provide the necessary information and advice to carers to enable them to make informed choices.

**I can help other people in my position and tell them what works and where to get help**

*Young Carer, Youth Forum Member*

**What we will do: continue to support groups for young carers to help each other**

### What are we doing?

Following the implementation of the Carers Strategy (Wales) Measure in 2012 a multiagency regional **Carers Programme Board** was set up to steer, implement and monitor actions and

progress. Following the repeal of the Measure and provision of transitional funding to action the SSWB Act requirements, as they apply to carers, the multiagency Carers Programme Board continued to drive progress. The Carers Board is Chaired by an Aneurin Bevan University Health Board (ABUHB) Independent Member. The Board objectives are: strengthening of the partnership approach at a local level; creation of opportunities to enable the third sector to fully participate in delivery; plan and deliver the increased responsibilities for ABUHB and local authorities; embed the practice of mainstreaming the carers' needs so that it is common practice.

The Carers Board, through the Board Chair, will report directly to the Regional Partnership Board. The Carers Board has developed and is implementing a work programme based on identified carer support and service gaps. The work programme for 2016/17 and 2017/18 is targeting the following areas:

- Advocacy support,
- Support to young adult carers and transition arrangements,
- Mental health and well-being support for carers of all ages,
- Continued and effective information/advice/signposting and
- Ongoing staff training.

The Carers Board has established ongoing links with various carer forums across the region in order to ensure effective involvement of carers in the work of the Board. Work to map current service provision has enabled the identification of service gaps, for example advocacy for carers. It should be noted that the Dementia Board has also completed a mapping of respite services for carers. Also, through the Care Closer to Home strategy we have mapped out existing partners and services.

#### ***Case Study – Dementia Friendly Café, Monmouthshire***

*Dementia Friendly Cafés are organised by Alzheimer's Society across the region and provide an opportunity for people living with dementia and their carers to come together to receive information, advice and share their views with professionals. The cafés also provide an opportunity to take part in fun activities and carers to share their feelings amongst peers. One carer remarked how she was finding very difficult and was 'ready to throw the towel in' but it was the other carers at the café who provided practical advice and emotional support to help her remain positive.*

#### **Action Plan & Next Steps**

##### ***Preventative and Early Intervention including Information, Advice and Assistance (IAA)***

- The Welsh Government has stressed the importance of information and advice at every stage of the care and support process and section 17 of the Act outlines the duty to make available a service to provide adults in need and carers with information about care and support. A national information portal (*Dewis*) has been developed and will provide a database of service information for citizens (including carers). This will be a useful tool in facilitating links to local information.
- A targeted approach will continue within health services to ensure systems to identify and support carers more effectively, including staff who are carers.
- Engaging with informal community networks, via the 'community connector' roles in order to identify carers at the earliest opportunity and sign post to support services and peer to peer groups.

### **Commissioning, Pooled Budgets and Health Social Care Integration**

Through consistent commissioning across ABUHB and local authorities we will establish consistent practices through the following key elements.

- Future delivery of sustainable staff training to ensure that carer awareness is included within partner's core business, making use of an all Wales awareness raising e-learning tool, which will be accessible to all organisations.
- Section 24 of the Act requires that carers must be fully involved in their assessments and makes clear that the duty to assess applies regardless of the authority's view of the level of the carer's needs for support, or their financial situation.
- 'What Matters' conversations will be undertaken with carers to ascertain what is important to help them to care.
- We will also explore how medicines prompting can be better delivered through region wide, community based service models.
- Respite services are consistently highlighted by carers as a pivotal support need but there are some instances where currently commissioned support is underused. This can be because the service provision is based on a 'one size fits all' approach and thus does not reflect the type of respite service required as well as a lack of carer feedback to inform necessary changes to commissioned services. We will seek to expand more befriending volunteering opportunities with a view to providing flexible respite and link this to the review of third sector commissioned services currently being undertaken by the Joint Regional Commissioning Group.
- It is anticipated that the implementation of the Care Closer to Home Strategy will also increase the networks of support for carers at a community level.

**Advocacy** – arrangements are being discussed at Carers Programme Board meeting in late 2016 and will be included in the Area Plan development.

#### **Links to key strategies**

- **Regional Partnership Board Statement of Intent**
- **Regional Dementia Strategy**

#### **Summary and what we will deliver through the regional Area Plan.**

- **Coordination of consistent community based services such as community connectors/social prescribers to identify and support carers**
- **Review of medical prompting to better support carers**
- **Accurate Information, Advice and Assistance through DEWIS and Five Ways to Wellbeing**
- **Review of and align third sector commissioning principles to support befriending for carers requiring support**
- **Ensure that the implementation of the care closer to home strategy increases the community level support for carers**
- **Consistent commissioning across health and social care to ensure equitable, region wide and effective models of carer support, including flexible respite.**



## Violence against women, domestic abuse and sexual violence

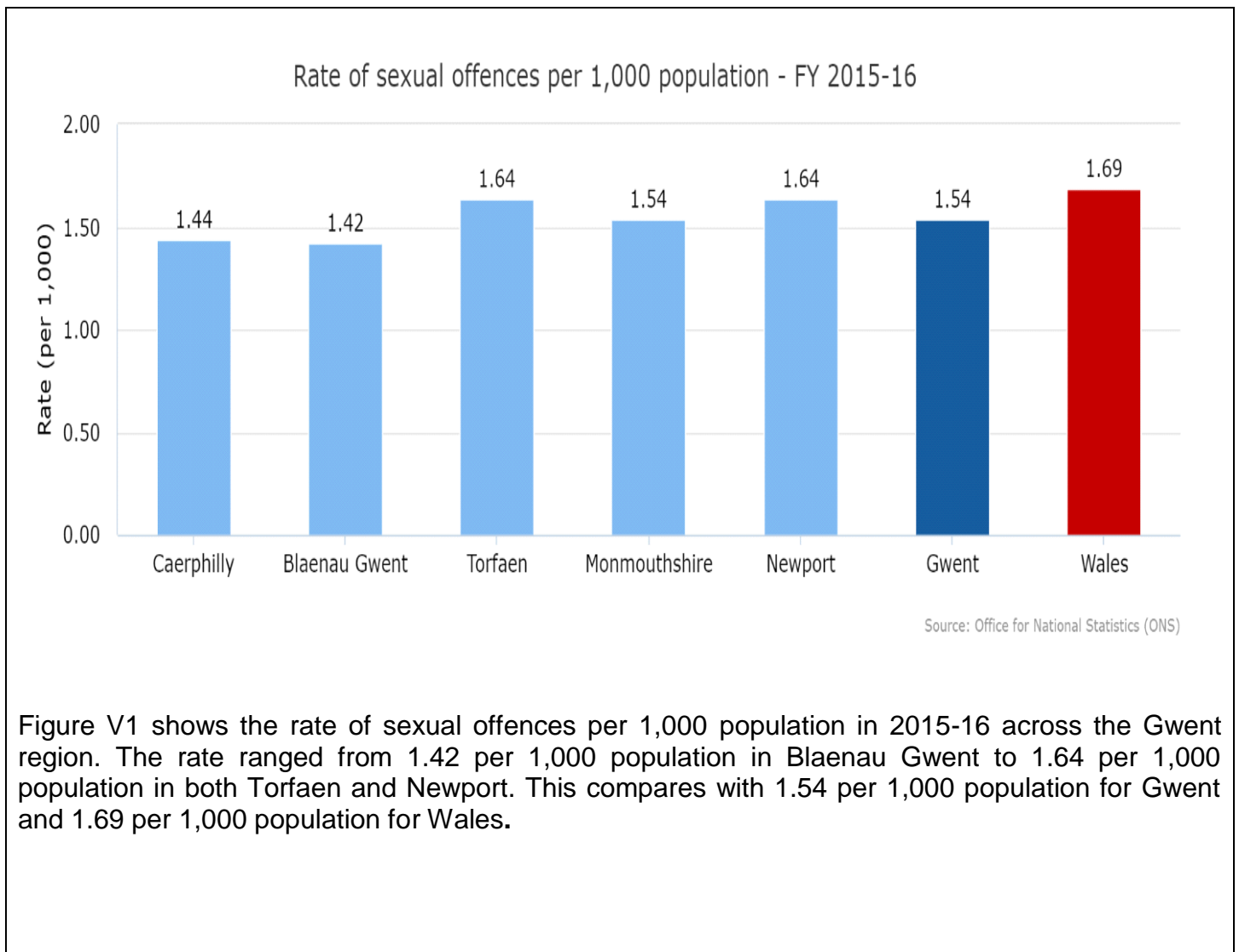
A demography and population profile for individual local authorities is included in the 5 local Wellbeing Assessments. An abbreviated demography is included in section 1 of this PNA which also includes the population projection for the region. For the purpose of this PNA we subscribe to the definitions of domestic abuse as set out in the *Violence against Women, Domestic Abuse & Sexual Violence (Wales) 2015 Act*

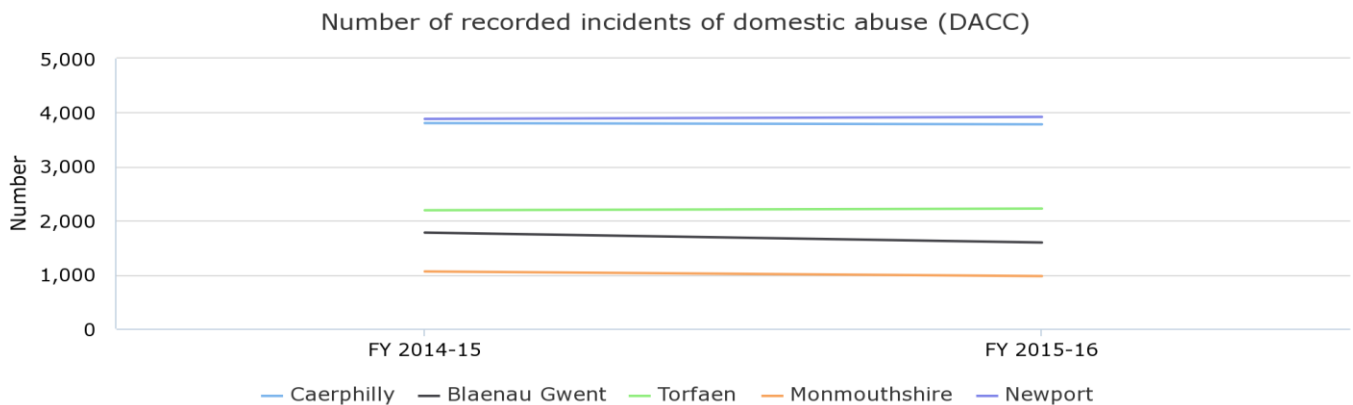
The priority outcomes identified through engagement with citizens, partners and use of the prioritisation matrix; and subsequently confirmed through consultation are:

- (1) **Provide earlier intervention and safeguarding arrangements to potential victims through 'Ask and Act'**
- (2) **Safeguard victims, including men, through effective partnership support**

### So what does the data show us?

A comprehensive situational analysis is included in the appendix, but a representative sample of need is set out in the chart(s) below.





	Caerphilly	Blaenau Gwent	Torfaen	Monmouthshire	Newport
FY 2014-15	3,805	1,778	2,192	1,059	3,882
FY 2015-16	3,782	1,595	2,223	973	3,920

Source: Gwent police

Figure V2 shows the number of recorded incidents of domestic abuse and discussions between Gwent Police, ABUHB and local authorities [(Domestic Abuse Conference Call (DACC))] over the period 2014-15 to 2015-16. Blaenau Gwent, Caerphilly and Monmouthshire have seen a decrease with Blaenau Gwent and Monmouthshire showing the largest decreases of 10.3% and 9.2% respectively; and Caerphilly 0.6% reduction. Newport and Torfaen have seen a small increase over the period of 0.1% and 1.4% respectively.

### What do we know?

The Violence against Women, Domestic Abuse & Sexual Violence (Wales) 2015 Act was passed in April 2015 and aims to improve the Public Sector response by providing the strategic focus to improve the arrangements for the prevention, protection and support for individuals affected by such violence and abuse. This new Act is set within the wider legislative context of The Well Being of Future Generations (Wales) Act 2015 and the Social Services and Wellbeing (Wales) Act 2014; and provides a unique opportunity to embed VAWDASV as a priority in determining the well-being of Wales.

### What are we doing?

We know that the reporting of domestic abuse is considerably lower than actual incidents – reported incidents vary between 23% (Walby and Allen 2004) and 35% (Home Office 2002; Office for National Statistics 2013) of actual – and this will need to be considered in planning going forward. There are two established processes used to manage and support the VAWDASV agenda:

- **Domestic Abuse Conference call (DACC)** – Gwent Police hold a daily conference call in all five local authority areas. DACC was established following an evaluation of a pilot in Newport and found the benefits to be: early intervention and opportunities to make victims safer; fast and effective information sharing; shared responsibility and accountability; early identification of risk.

An overview of DACC highlights considerable numbers with over **12000 incidents in both 2014/15 and 2015/16**; but early analysis has shown a **28% drop in repeat victims** and good evidence to show improved safety and well-being of victims and their families, and at the same time, effectively manage offenders. The DACC process is currently being reviewed in order to ensure a consistent approach across the region.

- A **multi-agency risk assessment conference (MARAC)** is a meeting where information is shared on the highest risk domestic abuse cases between representatives of local police, probation, health, child protection, housing practitioners, Independent Domestic Violence Advisors (IDVAs) and other specialists from the statutory and voluntary sectors. After sharing all relevant information about a victim, representatives discuss options for increasing safety for the victim, and turn these options into a co-ordinated action plan. The primary focus of the MARAC is to safeguard the adult victim. An overview of MARAC in Gwent again presents considerable numbers with **978 MARAC completed 2014/15, 726 completed 2015/16** (This reduction is more around process issues than a reduction in high risk victims). The MARAC will also make links with other fora to safeguard children and manage the behaviour of the perpetrator. At the heart of a MARAC is the working assumption that no single agency or individual can see the complete picture of the life of a victim, but all may have insights that are crucial to their safety. The victim does not attend the meeting but is represented by an IDVA who speaks on their behalf.

Building on the Pan Gwent Domestic Abuse Forum a **South East Wales Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) Partnership Board** has been established to provide the governance vehicle for the regional partnership for related services. The Board parallels the South East Wales Safeguarding Children's Board and Gwent Adults Safeguarding Board. All three Boards will link together to provide a framework of safeguarding governance and will ensure that communication links exist with strategic multi-agency partnerships working across the region including the Regional Partnership Board (RPB). The VAWDASV Board will provide senior leadership bringing together agencies to work together in a joined up way and to ensure the best possible services are provided to protect and support victims and prevent crime. Where there are gaps in service or shortcomings in performance the Board will bring together the key agencies to prioritise and address issues. The term 'Violence against Women' incorporates all forms of violence against women; honour based violence, forced marriage, female genital mutilation (FGM), trafficking, sexual violence and exploitation and domestic abuse. The term 'Violence against Women' refers to the disproportionate experience of women to such forms of abuse. Whilst it is important that this is acknowledged and communicated, it does not mean that the violence and abuse directed towards men or perpetrated by women is neglected. The work of the VAWDASV Board is concerned with all forms of violence against women, domestic abuse and sexual violence as it affects all citizens.

The VAWDASV Wales Act (2015) introduces requirements for Welsh Ministers to prepare and publish a National Strategy for VAWDASV and for relevant authorities to publish joint local/regional strategies. The South East Wales region was chosen as a pilot site across Wales and are currently undertaking a comprehensive needs assessment that will provide the required information to inform the development of a strategic plan and a set of priorities that will ensure consistency and efficacy across the region with a common shared model of service delivery. The regional strategic plan will be drafted by April 2017 and will enable alignment to Welsh Government National Strategy which was published in November 2016. The Regional VAWDASV Partnership Board will provide the governance vehicle and will develop, approve and monitor the regional strategy as required under the Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) Act (Wales) 2015.

## **Actions and next steps**

### ***Prevention and Early Intervention including Information, Advice and Assistance (IAA)***

**'Ask & Act' is the Welsh Government policy of targeted enquiry** to be practised across the public service for VAWDASV. The **South East Wales local authorities have been selected as one of two early adopter sites in Wales for 'Ask and Act'** to develop and implement processes ahead of national roll out next year. Identifying abuse and/or violence at an early stage can be an effective measure in preventing an escalation in severity and frequency, and can assist to ensure appropriate and timely support is provided. The aims 'Ask and Act' are:

- to begin to create a culture across the public service where addressing VAWDASV is an accepted area of business and where disclosure is expected, supported, accepted and facilitated;
- to increase identification of those experiencing VAWDASV;
- to pro-actively engage with those who are vulnerable and hidden, at the earliest opportunity, rather than only reactively engaging with those who are in crisis or at imminent risk of serious harm;
- to offer referrals and interventions for those identified which provide specialist support based on the risk and need of the service user; and
- to improve the response to those who experience

### **Commissioning, Pooled Budgets and Health and Social Care Integration**

The VAWDASV Board have commissioned Welsh Women's Aid to undertake a regional needs assessment which is due to be completed by April 2017. The needs assessment and corresponding regional strategy that follows will set the direction of strategic services in terms of; partnership working; potential joint working models and processes. The Area Plan which will follow this PNA will use the VAWDASV needs assessment and regional strategy as the basis for forward planning.

### **Links to key strategies**

- **South East Wales Regional Violence against Women, Domestic Abuse and Sexual Violence Strategy 2017 - 21**

### **Summary and what we will deliver through the regional Area Plan.**

- **Implementation of 'Ask and Act' as part of Welsh Government pilot.**
- **Strategic alignment with VAWDASV Board, needs assessment and strategic plan.**

# SECTION 2

## **Service mapping**

Under each core theme set out in section 1 there is a high level assessment of the range and level of services required to meet the care and support needs of citizens; and the support needs of carers: 'What are we doing section'. The list of current and planned activity is not exhaustive, but it is relevant to the emerging priority area under each core theme. We recognise that the DEWIS website [www.dewis.wales](http://www.dewis.wales) may be better placed to provide an up to date directory that is self-managed in terms of content and therefore will remain current. The DEWIS website is continually being updated across the region and across Wales; and the regional team supports this activity and partners to upload their information. The RPB will provide overall oversight to ensure that DEWIS is populated and publicised to all partners.

As highlighted in Part 2, Section 14 of Social Services and Wellbeing Act codes of practice, citizens and social care workforce must be engaged in the process of identifying the range and level of services necessary. In developing the PNA engagement with citizens and providers to identify the range of services took place at the same time as identifying the level of needs for care and support and support needs of carers. Service mapping data has been included in appendices and some services have uploaded their data to DEWIS. It would not be prudent to include a comprehensive list of services and compilation of directories within the appendix of this PNA. However, where the service mapping relates to the priority outcomes, we have included specific service mapping work – for example Monmouthshire mapped the IAA entry points across the borough.

In parallel to the development of this PNA, the ABUHB are developing an overarching '**Care Closer to Home**' strategy for the effective and sustainable integration of care, centred on GP cluster models [Neighbourhood Care Networks (NCNs)]. As a key part of the strategy development process, five individual workshops were organised across individual local authorities and partners were asked to map and identify existing community based services and resources.

The Region's **Supporting People** teams have undertaken further scrutiny and mapping of the services provided across various client groups and this continues to be undertaken as part of the Gwent Regional Collaborative Committee (RCC) work plan. This mapping and reviewing of services will enable further opportunities for regional service remodelling and development. The RCC has prioritised '*People with Mental Health Issues*' and '*Young People with Support Needs (16-24)/Young People who are Care Leavers*' through 2016/17 work plan. Specific gaps in services for these client categories will be highlighted through the continued review process and will provide an opportunity to develop services that continue to meet future needs of these client groups and to commission services if gaps are identified.

The following two client categories are still prioritised as part of the RCC work plan:

- **People with Learning Disabilities** - during 2015 a task and finish group identified a set of principles with regard to delivery of services to this client group which were agreed with all five Social Services Departments across all Gwent Local Authorities. Regular reports are provided to the RCC to provide updates of local progress against the principles.

- Older Persons Services – Services provided to older people were prioritised for scrutiny by the Gwent RCC and this prioritisation has helped to ensure that work has continued to be undertaken locally to advance the recommendations made in the Aylward Review 2010.

**A more focussed and detailed mapping of services and partners organisations will be undertaken when developing the Regional Area Plan.** This will enable the RPB to directly map services and link them to the identified regional priorities. For the wider mapping of services we will work closely with the Public Service Boards (PSBs) as they develop their Wellbeing Plans. DEWIS will also be further enhanced and developed to include the wider community based services and partner organisations. Where possible the DEWIS database will be a resource for service provision and support down to individual ward level.

**What we will deliver through the regional Area Plan:**

- 1. Continue to build on existing service mapping through the ‘Care Closer to Home’ strategy, Supporting People agenda and link specifically to priorities identified therein**
- 2. Further develop and enhance the DEWIS website so it becomes the primary directory of resources for the region**
- 3. Work with PSBs to ensure wider service mapping is integrated with that of Health and social care as an important step towards the creation of a public service response at community level.**

**Health and Social Care Integration**

The PNA is a key driver for change and is required to set out the extent to which the needs identified in relation to the core themes should be met by providing services in partnership between the Local Health Board and the Local Authorities within the Region. Under each core theme a high level description is provided which highlights those key areas for integration. Under Part 9 of the Act which covers Partnership Arrangements, **Welsh Government** through the Regional Partnership Board (RPB) has prioritised the integration of services in relation to:

- Older people with complex needs and long term conditions, including dementia.
- People with learning disabilities.
- Carers, including young carers.
- Integrated Family Support Services.
- Children with complex needs due to disability or illness.

There are already well established and developed areas of integration which are supported by current strategic partnerships across the identified groups, and further details of existing arrangements and areas for development are included in the RPB’s joint statements of strategic intent for older people, children with complex needs and carers. Integration of services for people with learning disabilities is well established in key areas such as accommodation via the ‘In One Place’ partnership which is a partnership between all 9 Registered Social Landlords in the region, the local authorities and the Health Board. Also the ‘Supporting People’ priorities outlined above will also be aligned to support the regional imperatives under Part 9 where appropriate.

The RPB will determine the most appropriate structures for ensuring the provision of these integrated services. This could include the establishment of management or operational groups, or a redefining of existing partnership groups, as well as integrated teams for specific service areas. Partnership agreements will be developed for new partnership arrangements which may or may not require a delegation of functions, as set out in Part 9 of the Act.

The RPB has determined that a '**place based approach**' to care and support is the key to operational service delivery that will enable health and social care resources to be better aligned to meet different local and individual needs. We are aware that many localities have significant but often very different social and economic challenges which mean that a 'one size fits all' approach is neither appropriate nor sustainable. As highlighted in ABUHB's '**Care Closer to Home**' strategy and as described above, a place based approach has been adopted by the region which is based on GP clusters (Neighbourhood Care Networks) with the aim of aligning resources more effectively.

#### **What we will deliver through the regional Area Plan**

- 1. Integration of care and support provision to key client groups as set out in Part 9 of the Act and emphasised through RPBs statements of strategic intent for older people, children with complex needs and carers**
- 2. Adopt a place based approach through 'Care Closer to Home' strategy as foundation stone that underpins health and social care service integration.**

#### **Joint Commissioning & Pooled Budgets**

In taking forward the implementation of the Act, it is recognised that commissioning has a vital part to play in planning, shaping and putting into place the services needed for citizens to improve well-being. A Regional Joint Commissioning Group (RJCG) was established in late 2015 and co-ordinated by the regional Transformation team to identify regional commissioning priorities. The RJCG identified the following priorities:

- A common regional domiciliary care strategy – a domiciliary care regional plan is being developed and this will result in a position paper and options for the future design and delivery of care and support at home. This will include some immediate activity and identify longer term goals. This work is closely linked to the National Commissioning board's domiciliary care work stream detailed below
- A regional review of commissioning resources as part of the PNA and market sufficiency analysis with a view to adopting an integrated approach.
- Take forward options for integrated commissioning and pooled budgets for older peoples' care homes. This work is also closely linked to the NCB as the Gwent region is the designated pilot region for developing a Model Partnership Agreement for joint commissioning and pooled budgets for care home placements.
- Prevention and Wellbeing, role of the 3rd Sector and place based approaches linked to the development of the Care Closer to Home strategy.
- Commissioning priorities for Children with Complex needs will be taken forward by the Children and Families Partnership Board



- Commissioning priorities for Carers including young carers will be taken forward by the Carers Partnership Board

The RJCG links closely with the National Commissioning Board (NCB) that has been established for health and social care in Wales. The national group has a high level project plan and a number of work streams covering:

- A national Market analysis of care homes (for over 65's)
- A model agreement for pooled budgets for care homes in Wales
- Domiciliary care,
- Learning disability services
- Services for children with complex needs
- A commissioning capacity and capability review
- Options for securing services (flexible and innovative approaches to the procurement of health and social care services)

### Pooled Funds

The 2015 partnership regulations require partnership bodies within each Regional Partnership Board to establish and maintain pooled funds in relation to:

- the exercise of their care home accommodation functions (*As noted, the Gwent region is a pilot to start this work, which requires joint commissioning of placements and pooled budgets by April 2018*);
- the exercise of their family support functions; (*Integrated Family Support Services is a Welsh Government funded programme and managed by Newport City Council; and is included within the governance arrangements of the RPB*)
- the specified functions they will exercise jointly as a result of the combined population assessment report and area plan

The Gwent region already has well established formal pooled budgets in place for:

- **GWICES – Gwent Wide Integrated Community Equipment Service.** This is a Section 33 agreement under the National Health Service (Wales) Act 2006, with an identified lead commissioner and single contract monitoring process. There is a PIN hierarchy in place so that those operational staff needing to prescribe and order equipment are registered and able to access those equipment types that they need, with this being tracked to the relevant partner declared budget contribution and out turn. It has brought a consistent process of equipment specification, procurement, delivery, collection and cleaning/disposals across the region.
- **Gwent Frailty Programme.** This is also a Section 33 Agreement under the NHS (Wales) Act 2006 to deliver intermediate care services with consistent overarching aims and objectives to ensure best value and evidenced based service models for the residents of all five Gwent localities. It also includes appropriate funding contributions to support a repayment timeline for Welsh Government 'Invest to Save' funding.

Close engagement with Welsh Government has confirmed that Section 33 process is still applicable under the Act for Part 9 partnership Arrangements, but governance arrangements need to make clear that it is RPBs who take oversight.

<b>What we will deliver through regional Area Plan</b>
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1. Deliver RJCG action plan to deliver joint commissioning arrangements for identified priorities above
2. Continue to link with NCB to progress national proposals across the region

### Preventative Services

Prevention is at the heart of the Welsh Government's programme of change for health and social care. There is a need to focus on prevention and early intervention in order to make health and social care services sustainable for the future. It is vital that care and support services do not wait to respond until people reach crisis point. This preventative approach applies to both adults, children and young people; however, the regional response may differ in focus for each group. For example GP clusters makes sense for adult services, but school based clusters may make better sense for children and young people. Therefore, the geographical organisation of prevention and support services for children and adults may look different; but the strategic intent based on prevention and well-being will be consistent.

The Act is seeking to maximise the well-being of people and to rebalance the focus of care and support to prevention and earlier intervention. This will lead to increased preventative services in the community to minimise the escalation of individual needs to critical levels. This means that existing services will need to be reviewed and some may need to be decommissioned if no longer considered effective.

Local authorities have a duty to ensure an appropriate range and level of preventative services that:

- Help prevent, delay and reduce the need for care and support
- Promote the upbringing of children by their family
- Minimise the effect of people's disabilities
- Help prevent abuse or neglect
- Enable people to live as independently as possible
- Reduce the need for care or supervision orders, criminal proceedings against children, or taking children into local authority care or secure accommodation

There is a need to strengthen the preventative approach that is already available across programmes and services, building and extending the activity base in order to make sure that services are available when people need them. We must ensure that people and communities have the information and support they need in a timely way to identify '**what matters to them**'. The Region will give further detailed consideration to how it can best put in place arrangements to deliver an approach that meets that local need and individual need. The implementation of the '*Care Closer to Home*' strategy will play a major role in this.

The nature and level of preventative services provided or arranged **must** be designed to meet the needs for care and support of carers identified in this population need assessment report. Included in each core theme section are proposals for early intervention and prevention programmes. Also included is a high level indication of services that can support the preventative agenda. The RPB will expand on the mapping of services through development of the regional Area Plan and '*Care Closer to Home*' strategy, to ensure that there is a clear understanding of the resources available within communities.

In terms of resource management, there is a need for a focus on earlier intervention rather than concentrating resources and effort further down the care pathway or on crisis management. There are a number of examples of good practice, but these are often only available in one area, yet they often need to be available across Gwent, as equity and consistency of provision is an important focus for the RPB.

As part of 'Care Closer to Home' strategy ABUHB will set out how a preventative approach can be delivered in partnership with local authorities across the region. There are a number of preventative programmes funded through Welsh Government such as **Communities First, Families First, Flying Start and Supporting People**. Approximately £55 million is funded through the 4 'anti-poverty' programmes across the region each year. In addition **Intermediate Care Funding (ICF)** makes a significant contribution to prevention and a reduction in hospital admissions. There are also a number of initiatives across the region that aim to reduce social isolation. There is a need to align resources to ensure synergy between the various funding streams and to avoid duplication. The RJCG have already linked with the third sector in the region to start the process of identifying where support is most needed; and Housing Associations are also key partners in preventative service delivery.

#### **Case Study: Torfaen Pathfinder Pilot**

*The Torfaen Pathfinder is a Welsh Government pilot focussing on understanding the early years' system and enabling system change to improve outcomes in early years (Torfaen is one of two pilots chosen across Wales). The pilot aligns with the First 1000 days Collaborative Programme outcomes:*

- *The best possible outcome for every pregnancy*
- *Children in Wales achieve their developmental milestones at two years of age*
- *Children are not exposed to or harmed by multiple adverse childhood experiences (ACEs) in the first 1000 days*

*A 'First 1000 days' strategic group has been established which includes Torfaen leads for Early Years, Families & First, Flying Start anti-poverty programmes and the Aneurin Bevan Gwent Public Health Team. An in-depth mapping of the early years' system has been completed including mapping of all relevant anti-poverty programmes and financial allocations to programmes. Detailed mapping was completed for Flying Start and non-Flying Start areas. The Pathfinder pilot is primarily an early intervention model and will focus on*

- *exploring the possibility of screening for ACEs during the antenatal and/or during birth visit to enable earlier intervention to occur where required*
- *exploring the feasibility of developing and implementing a common assessment tool across the early years' provision*
- *evaluating the role of the healthy babies advisor, and gain an understanding of the future potential*
- *alignment and integration of the Torfaen First 1000 days programme outcomes with the planning and commissioning of local services, including the anti-poverty programmes, to inform future commissioning arrangements.*

A statutory requirement of the Act is for local authorities and health boards to discharge their responsibilities to provide or secure services that help prevent need. Also, as a requirement of the **Wellbeing of Future Generations Act**, a

**preventative sustainable principle is clearly set out.** There is an opportunity to align both of these important and connected pieces of legislation to focus on preventative services in the future and there is an opportunity for the RPB and local Public Service Boards (PSBs) to adopt one overarching strategic preventative approach across the region.

**What we will deliver through regional Area Plan:**

- 1. Explore a single prevention agenda across the region with PSBs and linked to Wellbeing of Future Generations and SSWB Acts which also includes Housing Associations.**
- 2. Align anti-poverty programmes across the region to set out a single preventative model based on consistent assessment principles, joint workforce and joint commissioning**
- 3. Through the implementation of the ‘Care Closer to Home’ strategy ensure that prevention and early intervention is supported and enabled in a consistent manners across the region**
- 4. Delivery of RJCG work plan with third sector to maximise and align activity to prevent escalation of need and build on existing models of good practice such as befriending, social prescribing etc. and to promulgate the development of social enterprises and co-operatives where possible.**
- 5. Support Early Years Pathfinder pilot and use key messages to shape early intervention models**

### **Information Advice and Assistance (IAA)**

Promoting well-being involves not only the provision of services to prevent the need for care and support but also the provision of information, advice and assistance that people may need to take control of their day to day lives. There is a duty on local authorities, with support from their local health boards, to ensure the provision of an Information Advice and Assistance (IAA) service for all people in their area, not just people who have an immediate need for care or support.

Local authorities are required to provide an IAA service and **must** include, as a minimum, the publication of information and advice on:

- how the care and support system operates in the local authority area
- the types of care and support available
- how to access the care and support that is available; and
- how to raise concerns about the well-being of a person who appears to have needs for care and support.

The information, advice and assistance service is an opportunity to change the perception of social care and support services in Wales. It must promote early intervention and prevention to ensure that people of all ages can be better supported to achieve their personal outcomes and should be considered to be a preventative service in its own right through the provision of high quality and timely information, advice and assistance. Local Health Boards must provide local authorities with information about the care and support it provides. Other partner organisations, including third and independent sector organisations should also be included.

The regional team facilitate an adult services and children services **practice development group** to support front line practitioners deliver and implement the Act. The groups have also developed a regional IAA framework and policy to help ensure consistency across the local authorities and ABUHB. Each local authority must take its lead from the RPB on how to design, plan and develop the model for the information, advice and assistance service that will ensure people find information easy to access. Local authorities should produce a communications strategy to promote their information, advice and assistance service and the regional team facilitate a regional **communications group**, where the 5 communication managers meet to develop regional newsletters and consistent messages in relation to the Act. The regional communications group has also developed and published a regional communication and engagement strategy.

### **Case Study – FISH Monmouthshire**

*Monmouthshire redesigned their information service to a community based model called 'Finding Individual Solutions Here' (FISH), following feedback from citizens highlighting that they want easy access to information and a prompt response when they contact services. FISH is set out over community hubs so that people have access to the right person without being passed between call handlers, and so that services are able to respond with the right information and support as required. When people contact FISH they will be speaking directly to staff that will be 'listening to understand' and looking to facilitate solutions - this may take place over the phone or face to face.*

Local authorities must use information gathered through the population needs assessment to design, develop and continually improve the IAA service. The IAA performance data for 2016/17 is limited as it is a transition year and an opportunity for local authorities to develop the IAA service. However, emerging data will be included in the regional area planning process.

As well as helping to prepare access points to IAA services and/or assessment to implement consistent processes across the region, the regional team have also facilitated the development of the **DEWIS** website which will be a key resource to ensure accurate and timely IAA. **NHS 111 service** is the NHS non-emergency contact number to speak to a highly trained adviser, supported by healthcare professionals who will ask a series of questions to assess symptoms and immediately direct people to the best medical care. Working links between DEWIS and the 111 service are being considered.

### **What we will deliver through the regional Area Plan**

- 1. Further support and develop DEWIS website so it becomes the 'go to' place for information on support, advice and assistance.**
- 2. Continue to support consistent information dissemination and stakeholder engagement through regional communications group**
- 3. Use IAA performance management data to inform design of services**

### **Social enterprises, Cooperatives, User Led Services and the Third Sector**

The Act Part 2, section 16 introduces a duty on local authorities to promote the development, in their area, of not for private profit organisations to provide care and support and support for carers, and preventative services. These models include social enterprises, co-operative organisations, co-operative arrangements, user led services and the third sector. The local authority must promote the involvement of people for whom these care and support or preventative services are to be provided, in the design and operation of that provision. The duty to promote means that local authorities must take a proactive approach to planning and delivering models that will meet the well-being needs of all people – children, young people and adults - in promoting models which are based on social values.

Care to Co-operate is a three year project funded by the Welsh Government under the Sustainable Social Services Third Sector Grant Scheme. It has been developed in partnership with the Social Co-operation Forum and will be delivered by the Wales Co-operative Centre. Care to Co-operate will support the development of social co-operatives, social enterprises and consortia. There are examples of user led services developing across the region – recently a Dementia Friendly Community group in Blaenau Gwent was established – and the Transformation Team will work closely with the Wales Co-operative Centre and the third sector to ensure the regional Area Plan will set in place clear actions and targets to support community assets at an individual, community and population level.

#### **What we will deliver through the regional Area Plan**

- 1. Work with Wales Cooperative Centre to increase and support number of voluntary led services in local communities through ‘Care to Co-operate’.**

#### **Workforce Development**

The region has a Workforce Development Board and delivery plan which is monitored by the Board. Focus has been on supporting staff to ensure they are trained and skilled to implement and deliver the Act. Workforce Development managers and the regional Transformation Team meet regularly, prior to the board to ensure consistent developments across the workforce, joint training and continuous development of the regional training plan.

The regional\_\_has developed an Organisational Development management programme this year which focused on the delivery of the Act and the requirement to change the culture within organisations and measure performance. A programme was developed which included middle managers from both social care and health. This has resulted in us focusing on the wider integration agenda and we are developing a further management programme to deliver on the ‘*Care Closer to Home*’ strategy. This is in the early stages and we are working with Workforce Development leads in ABUHB to present an outline proposal to the regional Leadership Group. At an operational level we ensure that those local authorities that were not part of the ‘Outcome/Collaborative Conversations’ pilot training are supported in the interim, and will continue to support the training in the future.

Local Workforce Development Managers and the regional Transformation team form part of a National Social Services and Wellbeing Act Workforce Development Group.

The group ensures coordinated development across Welsh Government, Care Council for Wales and regional and Workforce Development teams. It is not clear as yet if this group will continue to meet as the Delivering Transformation Grant will form part of the RSG. Regardless, there will need to be a focus on raising the profile of the care sector as a career path and raising standards through commissioning.

### **Case Study – The Raglan Project**

*The Raglan Project was a pilot project looking at how to deliver a high standard of relationship-based home care to people with dementia; and replaced task-based care with flexible care that is focused on the social and emotional needs as well as the physical needs of the person being supported. Before the care begins, staff members establish a relationship with the person receiving care. Staff are then given the freedom to decide for themselves how the relationship and care should be managed – and their decisions are supported rather than controlled by management. It has been possible for people with complex care needs to stay at home rather than moving to permanent residential care or hospital and people have been supported back to independence and re-engaged with their local community. There is also clear evidence that staff have better morale, health, well-being and job satisfaction.*

### **What we will deliver through the regional Area Plan**

#### **1. Continue to support delivery of regional WFD Board work programme and facilitate national links through national group**

### **Links to National Groups**

The regional Transformation Team has supported a number of Welsh Government national task and finish groups to help prepare for the implementation of the Act. Health and social care principles still require further development as the regions implement the Act and specific work streams have been formalised through the Association of Directors Social Services (ADSS)

- *Business Intelligence* – The objective is to influence and support national consistency in the implementation of the performance measurement framework and associated business intelligence processes and also influence the introduction of underpinning systems such as WCCIS and DEWIS (a regional Business Intelligence group with membership from the 5 local authority social services business managers feeds into this group)
- *New Approaches to Practice* – the objective is to support the development of new approaches to processes and practice in areas such as advocacy, assessment, eligibility, care planning and the information, advice and assistance service (Regional Practice Development groups for Adult and Children Services feeds into this group)
- *New Ways of Working* – The objective is to support the development of new models of service including preventative services, commissioning and social enterprises responding to population assessments.

The Transformation Team represent regional views on each of the ADSS groups. The Welsh Local Government Association (WLGA) and Social Services Improvement Agency (SSIA) coordinate a Population Needs Assessment development group and the Transformation Team are also represented.

## **Advocacy**

Under Section 145 of the Social Services and Well-being Act, Welsh Government issued and consulted upon a draft code of practice in relation to advocacy. It is a principle of the Act that a local authority respond in a person-centred, co-productive way to each individual's particular circumstances. Individuals and their families must be able to participate fully in the process of determining and meeting their well-being outcomes through a process that is accessible to them. The code also sets out the requirements for local authorities to:

- Ensure that access to advocacy services and support is available to enable individuals to engage and participate when local authorities are exercising statutory duties in relation to them and;
- To arrange an independent professional advocate to facilitate the involvement of individuals in certain circumstances.

Local authorities must arrange for the provision of an independent professional advocate when a person can only overcome the barrier(s) to *participate fully in the assessment, care and support planning, review and safeguarding processes* with assistance from an appropriate individual, but there is no appropriate individual available.

Advocacy can be a preventative service in itself and will be considered as part of the range and level of services required to meet identified need. The Transformation Team have already started to map advocacy provision across the region and consider potential options going forward.

The regional provider forum includes members from the third sector including Age Cymru who have developed the '**Golden Thread Advocacy Programme**' which has been funded by Welsh Government for 3 years to run alongside and support the implementation of Part 10 of the Social Services and Well-being (Wales) Act 2014. The programme's key aims are

- To support the commissioning of independent professional advocacy through a sustainable, strategic approach.
- To improve the availability of advocacy services to adults across Wales
- To improve the well-being of individuals through advocacy and to give them a stronger voice

Through the regional Area Plan we will bring third sector partners and commissioning teams together to fully map advocacy services and identify good practice and gaps in provision. We will also promote independent advocacy provision and work closely with the third sector umbrella organisations to identify solutions. Heads of Children's Services are currently considering a single advocacy service across the region with the Local Health Board – previously a commissioned service was in place across Blaenau-Gwent, Caerphilly and Torfaen. Care Council



for Wales have developed a specific Advocacy training module, and this is set to be taken forward in 2017.

#### **What we will deliver through the regional Area Plan**

- 1. Alignment of advocacy provision to identified priorities across partner agencies**
- 2. Work with the Golden Thread Advocacy Programme across the region through regional provider forum**
- 3. Support Children's Services joint commissioning of a single advocacy service**
- 4. Joint approach to advocacy provision with third sector partners especially in promotion of independent advocacy**

### **Transitions**

The transition process between a service/support can be an anxious and sometimes vulnerable time for any person but especially for young people and their families. During this period young people may stop receiving health services that they may have had since a very young age and move on to equivalent adult services which can be structured and funded differently. The Social Services and Well-being (Wales) Act is an all-age Act so addresses issues relating to transition. The Regional Partnership Board has responsibility for ensuring there are services, care and support to meet the needs of all people in the region and hence will ensure there is an effective partnership working between ABUHB and local authorities.

There is a statutory requirement on schools to organise transition planning for their pupils with special educational needs. Adults may move from one organisational support service in health to other support services in social care. Also, adults, children and families are transient and will move across local authority boundaries. The key groups for effective transition across the 8 PNA core themes are

- **Autism Spectrum Disorder** – Welsh Government have developed an ASD Strategic Action Plan and priorities will be implemented locally
- **Disabled Children** – effective planning between health and social care
- **Looked After Children** especially in relation to 'When I am ready'
- **Preventions** – national preventative programmes such as Families First and Supporting People operate in each area and effective transition between programmes and local authorities when people move is required to ensure seamless portability

### **National Outcomes Framework (NOF)**

In identifying the range and level of services necessary to meet need, local authorities and Local Health Boards **must** be informed by the National Outcomes Framework (NOF). The NOF is made up of the well-being statement, which articulates what the Welsh Government expects for people who need care and

support, and outcome indicators to measure whether well-being is being achieved. When the data is available and published the PNA and corresponding regional Area Plan will seek to ensure that we will use the NOF in identifying the level of services necessary to meet need.

The PNA has also taken into account and utilised the resources of information in the following Outcomes Frameworks

- Public Health Outcomes Framework – covering all ages of the population and with particular reference to physical and mental health and well-being
- NHS Outcomes Framework – covering all ages and physical and mental health and well-being
- Early years Outcomes Framework – with particular reference to the section on children and young people including mental and physical health and well-being

### **Equality Impact Assessment**

Local authorities and Local Health Boards must undertake an Equality Impact Assessment as part of the process of undertaking a population assessment, which must include impact assessments on; Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Beliefs, Sex and Sexual Orientation. We will expand on EIA in the final PNA but it is likely that the regional Area Plan will set out detailed actions required to implement key findings from the PNA and an EIA will be more effective at the plan level.

### **Links to Wellbeing of Future Generations Act**

The Social Services and Wellbeing Act shares similar principles with a number of key national/regional strategies, and in particular the Wellbeing of Future Generations (WFG) Act. There are a number of key areas where the Acts compliment and reinforce the need for a collaborative approach

- **Principles** – under the WFG Act specific sustainable principles are set out which are similar to the principles under the Social Services and Wellbeing Act (early intervention, prevention, partnership working, co-production) and there is an opportunity to align work streams.
- **Population Assessments** – a statutory requirement of the WFG Act is to undertake a Wellbeing Assessment of the whole population in a local authority area. This PNA has been produced alongside Wellbeing Assessment in each local authority to avoid duplication. A regional Gwent Strategic Wellbeing Assessment Group (GSWAG) has overseen the coordination of the alignment of both assessments and the Transformation Team are members of the group.
- **Partnership Governance** – there are statutory duties under each Act to establish a partnership to oversee the implementation of each Act. Under the SSWB Act Regional Partnership Boards (PPB) are established across regions and under the WFG Act Public Service Boards (PSB) are included on a statutory footing in each local authority area. The work of both boards to promote wellbeing is clear and alignment of work streams will be beneficial to avoid duplication and create synergy between partners.

- **Service Mapping** – there will be a need to understand the levels of service available across the region and in local communities to maximise resources. The close working between the RPB and local PSBs will facilitate a joint mapping of services and identify where there are gaps in provision.
- **Action Planning** – both Acts set out arrangements for action plans following population assessments – regional Area Plan under the SSWB Act and Wellbeing Plans under the WFG Act. An alignment of the corresponding action plans will avoid duplication of priorities and focussed activity for specific priorities. A ‘common language’ and template will also ensure good ‘read across’ the plans.

## **Secure Estate**

Population assessments must take account of the care and support needs of populations from the secure estate in order to fulfil the requirements of section 11 of the Act. The code of practice in relation to part 11 contains full details in relation to local authority’s responsibility for the care and support for those in the secure estate. Monmouthshire is the only local authority in the region where secure estates are located. The Transformation Team have supported training to staff and management to ensure elements of the Act are being planned and implemented. The regional Area Plan will include details on actions required to implement the statutory duties in the Act.

## **Safeguarding and links to Strategic Partnerships**

There are a number of statutory partnerships with individual strategies, action plans and governance arrangements. This PNA aims to acknowledge that some partnerships are better placed and delivering strategic agendas and the actions identified will complement and support the work of these partnerships and not duplicate efforts.

### **Adult Safeguarding Board**

The Gwent-wide Adult Safeguarding Board (referred to as GWASB) is the forum responsible for the strategic leadership, monitoring and reviewing of adult safeguarding practice in Gwent; and is as an opportunity for partners to work together across the region, to embed interagency partnership for the strategic leadership, monitoring and reviewing of adult safeguarding practice.

As of the 6th April 2016, The Gwent-wide Adult Safeguarding Board is a statutory Board as set out in Part 7 of the Social Services and Well Being (Wales) Act 2014. The Board's purpose is twofold:

- to protect adults in Gwent becoming ‘adults at risk’ and
- to protect adults who have been abused or neglected or are at risk of abuse.

The Board has a role in co-ordinating and ensuring the effectiveness of regional organisations to safeguard adults at risk, but it is not accountable for their operational work. Each member agency of the Board remains responsible and accountable for the safeguarding service delivered in their organisations. The

Board's vision is to ensure that all adults in Gwent are safeguarded effectively through partnership working and community engagement. The Board provides strong leadership, governance and accountability and promotes the rights of adults at risk to live in safety and actively works to prevent, identify and investigate alleged abuse. The Board's objectives and functions can be viewed in its partnership.

### South East Wales Safeguarding Children Board

Safeguarding and promoting the welfare of children requires effective coordination in every local area and the Act puts in place regional Safeguarding Children Boards, which are the key statutory mechanism for agreeing how the relevant organisations in each local area will cooperate to safeguard and promote the welfare of children, and for ensuring the effectiveness of what they do. The South East Wales Safeguarding Children Board (SEWSCB) has replaced the five former Local Safeguarding Children Boards in Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen,

The SEWSCB has the lead strategic role in ensuring that children and young people in the South East Wales region are protected from abuse, neglect and exploitation and discrimination, and live in an environment that promotes their well-being and life chances. The SEWSCB is also a multi-agency partnership comprising of representatives from Gwent Police, Social Services and Education Directorates from the five Local Authority areas, the Voluntary Sector, Youth Offending Services, the All Wales Probation Trust, CAF/CASS Cymru, Housing, Public Health Wales and Aneurin Bevan Health Board. The purpose of this partnership working is to hold each other to account and to ensure safeguarding children remains high on the agenda across the region.

This PNA will not replicate the work programmes of both Adult and Children's Boards but complement and link to the underpinning board action plans. Safeguarding is a core feature of the implementation of identified actions in this needs assessment and during the development of the regional Area Plan, we will set out clearly the safeguarding actions under each core theme. However, during the engagement with citizens and partners in developing the PNA concerns such as Child Sexual Exploitation, elder abuse (especially with an aging population) as well as general safeguarding is still a concern. The RPB will work closely with the Safeguarding Boards to ensure a strategic partnership approach and delivery of safeguarding processes is achieved.

### Gwent Substance Misuse Area Planning Board (APB)

The Gwent Substance Misuse Area Planning Board (APB) covers Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen and contains representatives of these five local authorities; membership is also drawn from Aneurin Bevan University Health Board (ABUHB), Gwent Police, National Offender Management Service (NOMS), Aneurin Bevan Gwent Public Health Team and a representative for service users and carers. The Gwent APB provides advice and support to responsible authorities in order to plan, commission and monitor delivery of high quality treatment and prevention services that are based on the needs of substance misusers, families and communities. The APB currently discharges an annual

regional SMAF budget of £4.4m on behalf of the 5 local authorities to provide adult and young person's drug, alcohol and family support services within the region.

In 2014/15 the Gwent Substance Misuse APB commissioned **Gwent Drug and Alcohol Service (GDAS)** to provide an integrated drug, alcohol and family support service. GDAS is a consortium comprised of Kaleidoscope (lead agency), Drugaid and G4S and employs over 100 staff. It operates from a wide variety of local bases throughout Gwent, within community venues and an outreach service. The APB has recently undertaken a re-commissioning process for **substance misuse services for children and young people**. The specification for the new service includes a focus on prevention and early intervention as well as training for professionals and community workers involved in direct work with children, young people and families. It is anticipated that these services will work closely with other teams such as mental health, sexual health, school nursing and youth services. In view of the disproportionate impact of alcohol in deprived communities the services will link with multi-agency panels and programmes that can provide more intensive support such as Flying Start, Families First and Communities First. ABUHB has recently established an **Alcohol Care Team** at the Royal Gwent Hospital and Neville Hall Hospital which provides an alcohol specialist nurse service linked to mental health liaison teams and the in-reach and community-based services provided by GDAS.

Similar to safeguarding board arrangements, the RPB will complement the work of the APB through the development of the regional Area Plan.

## **Next steps and Regional Area Plan**

The 2015 partnership arrangement regulations require local authorities and LHBs to form partnerships in order to carry out the population assessments required by section 14(1) of the 2014 Act. The area plans required to be prepared by local authorities and Local Health Boards under section 14A should also be prepared on a joint basis. Developing an area plan jointly will create consistency with the combined population assessment process and contribute significantly to the objective of integrated and sustainable care and support services. It will also enable partners to discharge the section 14A(2)(f) duty in the 2014 Act to set out the details of anything they propose to do jointly in response to the population assessment. The area plan should set out the specific care and support services proposed to be provided or arranged in relation to each core theme and in how actions will be delivered

- jointly by partners;
- by each individual local authority; and
- by the Local Health Board.

This PNA has highlighted high level priorities under each core theme and necessary process developments required to implement the priorities. The basis of the Area Plan will be the priorities under each core theme and process developments. There are two types of suggestions actions

1. Actions required to improve **outcomes** for people and promote wellbeing
2. Actions to improve regional **processes**

The high level actions to progress through the Regional Area Plan are below and we will develop a more robust analysis of actions required to deliver outcomes through the development of the Area Plan. We will also set out in detail the process actions required to develop a regional approach.

## High level Actions to be progressed through the Area Plan

<b>CORE THEME</b>	<b>Actions to be progressed through regional Area Plan</b>
<b>Children &amp; Young People</b>	<ul style="list-style-type: none"> <li>▪ Support Children and Family Partnership Board's review of local arrangements for children with complex needs and delivery of work programme with a focus on Looked After Children.</li> <li>▪ Consistent models of practice and alignment of Welsh Government's early intervention and preventative programmes</li> <li>▪ Develop and deliver a regional ACE action plan with a focus on earlier intervention and mental health support for children and young people through community based assets.</li> </ul>
<b>Older People</b>	<ul style="list-style-type: none"> <li>▪ Develop place based approach '<i>Care Closer to Home</i>' including consistent delivery of community connectors across the region to reduce social isolation</li> <li>▪ Further develop '<i>Dementia Friendly Communities</i>'</li> <li>▪ Develop domiciliary care joint commissioning process with National Commissioning Board and linked to Care Standards Social Improvement Wales 'Above and Beyond' Report and the 'Care and Support at Home' Strategic Plan currently being developed by Care Council for Wales.</li> </ul>
<b>Health/ Physical Disabilities</b>	<ul style="list-style-type: none"> <li>▪ Implement 'Care Closer to Home' Strategy</li> <li>▪ Align with 5 local Wellbeing Assessments required under Wellbeing of Future Generations Act and explore joint action planning for wider detriments to health</li> </ul>
<b>Learning Disabilities/ Autism</b>	<ul style="list-style-type: none"> <li>▪ Support Mental Health and Learning Disability Partnership Board review Gwent Strategy for Adults with a Learning Disability 2012/17 and set out key regional commissioning, integration actions</li> <li>▪ Local implementation of Welsh Strategic Action Plan including development of new Integrated Autism Service.</li> </ul>
<b>Mental Health</b>	<ul style="list-style-type: none"> <li>▪ Review and align regional strategies to Together for Mental Health Delivery plan</li> <li>▪ Coordination of consistent community based services such as community connectors/social prescribers</li> <li>▪ Multi-agency place based models which include wider partners such as Housing Associations, employment support and community programmes</li> <li>▪ Accurate Information, Advice and Assistance through DEWIS and Five Ways to Wellbeing</li> </ul>

<b>Sensory Impairment</b>	<ul style="list-style-type: none"> <li>▪ Use good practice and effective pathways to develop regional commissioning principles</li> <li>▪ Ensure accurate, accessible and timely Information, Advice and Assistance through DEWIS and other means</li> <li>▪ Work in partnership with third sector to identify new models to support rehabilitation process and supply of low vision tools.</li> </ul>
<b>Carers</b>	<ul style="list-style-type: none"> <li>▪ Coordination of consistent community based services such as community connectors/social prescribers to identify and support carers</li> <li>▪ Review of medical prompting to better support carers</li> <li>▪ Accurate Information, Advice and Assistance through DEWIS and Five Ways to Wellbeing</li> <li>▪ Review of and align third sector commissioning principles to support befriending for carers requiring support</li> <li>▪ Ensure that the implementation of the care closer to home strategy increases the community level support for carers</li> <li>▪ Consistent commissioning across health and social care to ensure equitable, region wide and effective models of carer support including flexible respite.</li> </ul>
<b>Violence against women domestic abuse and sexual violence</b>	<ul style="list-style-type: none"> <li>▪ Implementation of 'Ask and Act' as part of Welsh Government pilot.</li> <li>▪ Strategic alignment with VAWDASV Board, needs assessment and strategic plan.</li> </ul>



**High Level Process Development Actions to be delivered through the Regional Area Plan**

<b>Service Mapping</b>	<ul style="list-style-type: none"> <li>▪ Continue to build on existing service mapping through the 'Care Closer to Home' strategy, Regional Joint Commissioning work stream and Supporting People programme and link specifically to priorities identified therein</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Further develop and enhance the DEWIS website so it becomes the primary directory of resources for the region</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Work with PSBs to ensure wider service mapping is integrated with that of Health and social care as an important step towards the creation of a public service response at community level</li> </ul>
<b>Health &amp; Social Care Integration</b>	<ul style="list-style-type: none"> <li>▪ Integration of care and support provision to key client groups as set out in Part 9 of the Act and emphasised through RPBs Statements of Strategic Intent for older people, children with complex needs and carers, as well as strategy statements for Mental Health and Learning Disability (including Autism)</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Adopt a place based approach through 'Care Closer to Home' strategy as foundation stone that underpins health and social care service integration</li> </ul>
<b>Joint Commissioning and Pooled Budgets</b>	<ul style="list-style-type: none"> <li>▪ Implement RJCG action plan to deliver joint commissioning arrangements for identified priorities for Act Part 9 requirements.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Continue to link with National Commissioning Board to progress national work priorities and proposals across the region</li> </ul>
<b>Preventative Services</b>	<ul style="list-style-type: none"> <li>▪ Explore a single prevention agenda across the region with PSBs and linked to Wellbeing of Future Generations and SSWB Acts which also includes Housing Associations.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Align anti-poverty programmes across the region to set out a single preventative model based on consistent assessment principles, joint workforce and joint commissioning</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Through the implementation of the 'Care Closer to Home' strategy ensure that prevention and early intervention is supported and enabled in a consistent manner across the region</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Delivery of RJCG work plan with third sector to maximise and align activity to prevent escalation of need and build on existing models of good practice such as befriending, social prescribing etc. and to promulgate the development of social enterprises and co-operatives where possible.</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Support Early Years Pathfinder pilot and use key messages to shape early intervention models</li> </ul>
<b>Information, Advice and Assistance</b>	<ul style="list-style-type: none"> <li>▪ Further support and develop DEWIS website so it becomes the 'go to' place for information on support, advice and assistance.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Continue to support consistent information dissemination and stakeholder engagement through regional communications group</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Use IAA performance management data to inform design of services</li> </ul>
	<ul style="list-style-type: none"> <li>▪ To support further initiatives across the region that supports consistency of approach to IAA e.g. self-assessment exercises, peer reviews</li> </ul>
	<ul style="list-style-type: none"> <li>▪ To work with regional workforce managers and Social Care Wales to ensure that cultural change programmes are embedded and on-going</li> </ul>
<b>Social Enterprises</b>	<ul style="list-style-type: none"> <li>▪ Work with Wales Cooperative Centre to increase and support number of voluntary led services in local communities through 'Care to Co-operate'.</li> </ul>
<b>Advocacy</b>	<ul style="list-style-type: none"> <li>▪ Alignment of advocacy provision to identified priorities across partner agencies</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Work with the Golden Thread Advocacy Programme across the region through regional provider forum</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Support Children's Services joint commissioning of a single advocacy service</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Joint approach to advocacy provision with third sector partners especially in promotion of independent advocacy</li> </ul>

## **Appendix**

- A number of the appendices referred to throughout this PNA are still being developed and some plans such as local authority Wellbeing Plans required under the Wellbeing of Future Generation Act are currently going through a consultation phase.
- This PNA would be too large a document if the appendices were 'embedded'
- The final PNA will include a comprehensive list of appendices and hyperlinks but for the consultation phase a list has been highlighted below
- The appendices will be used throughout the consultation phase, however if you wish to view the documents separately, please contact [phil.diamond@torgaen.gov.uk](mailto:phil.diamond@torgaen.gov.uk)

### **Appendices source list**

1. Social Services and Wellbeing Act Data Catalogue report
2. Regional Wellbeing of Future Generations Act data report
  - a. Blaenau Gwent Wellbeing Assessment
  - b. Caerphilly Wellbeing Assessment
  - c. Monmouthshire Wellbeing Assessment
  - d. Newport Wellbeing Assessment
  - e. Torfaen Wellbeing Assessment
3. Care Closer to Home report
4. Supporting People Regional Plan
5. Regional Partnership Board Statements of Intent
  - a. Children with complex needs
  - b. Older People
  - c. Carers
6. Terms of Reference Citizen Panel
7. Terms of Reference Citizen Panel
8. Regional IAA policy
9. Transformation Team Advocacy Report
10. Transformation IAA Report
11. Gwent Substance Misuse Area Planning Board Needs Assessment
12. Adult and Children Safeguarding work programmes

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# Minutes



## Standards Committee

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Date: 16 February 2017

Time: 5.30 pm

Present: Councillors Westwood (Chair), Britton, Watkins and A Mitchell

In Attendance: G Price (Head of Law & Regulation), J Owen (Chief Legal Officer) and A Jenkins (Democratic Services Officer)

Apologies: Councillors D Fouweather, J Guy and Hancock

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### 1 Appointment of Independent Chair

P Westwood was nominated and seconded as Chair.

### 2 Appointment of Independent Vice Chair

The appointment would be held over until there were more members in attendance to nominate and second the Vice Chair.

### 3 Declarations of Interest

### 4 Minutes of the Meeting: 15 September 2016

The minutes of the meeting of 15 September 2016 were submitted.

#### **Agreed:**

That the Minutes of the meeting were recorded as a true record.

#### Matters Arising

- The Annual report was presented to Council by H Taylor and was well received.
- Copies of the Annual Report would be sent to the new Independent Members along with the previous year's Annual Report which had the procedure for Standards in the appendices.
- Members/Officer Relation Protocol was not included in the Agenda for Democratic Services Committee in November 2016 but would be raised at the next committee after the local elections in May.
- There would be no formal training as such for the new members, however all members of the committee would receive training on the Code of Conduct in May, it was compulsory for all members to attend.

- Discussion on Standards Committee training ensued and G Price mentioned that H Taylor the former Chair had given a presentation to Councillors on the Standards Committee.

## 5 **Chair's Announcements**

As the Chair was newly appointed at the meeting, there were no announcements.

## 6 **Complaints**

No further complaints had been received since last time.

## 7 **Work Programme 2017**

The Work Programme would be a matter for discussion post May, again, after the local elections.

One of the issues to consider would be liaising with other authorities for networking purposes and discussing their work programmes.

## 8 **Training**

G Price gave an overview of the Ethical Standards Training for new members.

As there were two new independent members present, G Price went through the Ethical Standards Committee Training, PowerPoint handouts were distributed to those present.

A brief outline of the of the training included:

- Background information
- Members Code of Conduct
- Registration of Personal Interests
- Prejudicial Interests
- How the Code is enforced

A co-opted Code of Conduct and Declaration of Interest forms were given to the new independent members to be completed and signed for recording purposes.

## 9 **Date of meetings for 2017**

The following dates were agreed:

Thursday 29 June 2017 at 5.30pm in Committee Room 4  
Thursday 26 October 2017 at 5.30pm in Committee Room 4