

Agenda



Cabinet

Date: Monday, 12 September 2016

Time: 11.00 am

Venue: Committee Room 1 - Civic Centre

To: Councillors: D Wilcox (Chair of the Cabinet) P Cockeram, G Giles, D Harvey; R Jeavons; R Poole, J Richards, R Truman, and M Whitcutt.

Item		Wards Affected
1	<u>Agenda - Welsh Version/ Fersiwn Gymraeg</u> (Pages 3 - 4)	
2	<u>Apologies</u>	
3	<u>Declarations of Interest</u>	
4	<u>Minutes</u> (Pages 5 - 10)	All Wards
5	<u>City Deal - Update and Memorandum of Understanding</u> (Pages 11 - 54)	All Wards
6	<u>Annual Review of the 15/16 Improvement Plan</u> (Pages 55 - 134)	All Wards
7	<u>Improvement Plan 16-18 Update for Quarter 1</u> (Pages 135 - 162)	All Wards
8	<u>Corporate Risk Register Update</u> (Pages 163 - 182)	All Wards
9	<u>Performance Management Reporting Framework</u> (Pages 183 - 186)	All Wards
10	<u>Wellbeing of Future Generations (Wales) Act 2015</u> (Pages 187 - 194)	All Wards
11	<u>Strategic Equality Plan - Annual Report 2015-16</u> (Pages 195 - 238)	All Wards
12	<u>Update to Medium Term Financial Strategy</u> (Pages 239 - 266)	All Wards
13	<u>Revenue Budget Monitor</u> (Pages 267 - 298)	All Wards

NB: Would Members please ensure no printed copies of the agenda are left in the room at the conclusion of the meeting. Leaving paper copies of reports where they can be accessed by unauthorised persons could present a data breach

Contact: Richard Jefferies, Chief Democratic Services Officer
E-mail: richard.jefferies@newport.gov.uk
Date of Issue: 5 /09/16

14	<u>Education Capital Programme</u> (Pages 299 - 316)	All Wards
15	<u>Capital Programme Monitoring and Additions</u> (Pages 317 - 330)	All Wards
16	<u>Council Tax Premiums: Long-Term Empty Dwellings</u> (Pages 331 - 348)	All Wards
17	<u>Work Programme</u> (Pages 349 - 358)	All Wards



Agenda

Cabinet

Dyddiad: 12/09/16

Amser: 11:00 am

Lleoliad: Ystafell Bwyllgor 1 - Y Ganolfan Ddinesig

At: Cynghorwyr D Wilcox (Cadeirydd), P Cockeram, G Giles, D Harvey, R Jeavons, R Poole, J Richards, R Truman, M Whitcutt

Eitem		Wardiau Dan Sylw
1	<u>Agenda Cym</u>	
2	<u>Ymddiheuriadau</u>	
3	<u>Datganiadau Diddordeb</u>	Pob Ward
4	<u>Cofnodion</u>	
5	<u>Bargen Ddinesig</u>	Pob Ward
6	<u>Cynllun Gwella 2015-2016</u>	Pob Ward
7	<u>Cynllun Gwella 2016-2018</u>	Pob Ward
8	<u>Diweddariad Cofrestr Risg Gorfforaethol</u>	Pob Ward
9	<u>Fframwaith Adrodd Rheoli Perfformiad</u>	Pob Ward
10	<u>Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015</u>	Pob Ward
11	<u>Cynllun cydraddoldeb strategol</u>	Pob Ward
12	<u>Strategaeth ariannol</u>	Pob Ward
13	<u>Cyllideb refeniw</u>	Pob Ward
14	<u>Addysg: rhaglen cyfalaf</u>	Pob Ward
15	<u>Rhaglen Gyfalaf</u>	Pob Ward
16	<u>Premiymau dreth gyngor</u>	Pob Ward
17	<u>Rhaglen Waith</u>	Pob Ward

Cysylltwch â: Richard Jefferies, Prif Swyddog Gwasanaethau Democraidd

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Dyddiad Cyhoeddi: 05/09/16

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Minutes



Cabinet

Date: 11 July 2016

Time: 11.00 am

Present: Councillors D Wilcox (Chair), P Cockeram, G Giles, D Harvey, R Jeavons, R Poole, J Richards, R Truman and M Whitcutt

In Attendance: Mr W Godfrey (Chief Executive); Mr M Nicholson (Strategic Director); Mr R Cornwall (Head of People and Business Change); and Mr O James (Assistant Head of Finance)

1 **Declarations of Interest**

Councillors Harvey and Jeavons declared an interest in Item No 4: Updated Commissioning agreement for the Education Achievement Service (EAS)

2 **Minutes**

The minutes of the meetings of the Cabinet held on 24 May and 6 June 2016 were confirmed as a true record by the Cabinet

3 **Annual Report by the Director of Social Services**

The Director of Social Services presented his annual report

He informed Cabinet that 2015/16 had been a period of great challenge and also opportunity for Social Services staff and for people who have been receiving our services.

He referred to the significant impact of the Social Services and Wellbeing Act 2014 and the need for partners to work together and to focus upon delaying and preventing the need for care and/or support to stop people's needs from escalating. Local authorities must promote co-operation' across its services and with, 'relevant partners and must empower people to seek, 'innovative solutions and ensure that people have greater voice and control over the care and/or support they receive.

The Director mentioned the requirement for Local Authorities and Health Boards to establish a Regional Partnership Board that will aim to improve outcomes and well-being of people, as well as improving the efficiency and effectiveness of service delivery. He informed Cabinet that Newport is already the lead agency for a number of regional services including the Integrated Family Support Team (IFST), the Area Planning Board (APB) for substance misuse and the Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV) co-ordinating team.

In response to the Act, action was being taken to integrate population assessments from the Future Generations and Social Services + Wellbeing Act and Violence against Women, Domestic Abuse and Sexual Violence Act; provide information, advice and assistance; enhance preventative services and early intervention; and to develop the workforce further

The Director informed Members that performance during 2015/16 was mixed with notable improvements for Adult Services but for Children's Services the year on year trajectory of improvement has dropped and we only achieved out target performance on 60% of indicators. Targets were set at or above the last recorded Wales performance and compared to the previous year 2014/15 Children's Services dropped from 85% better than Wales average to 60% and compared to our benchmark group from 77% in 2014/15 to 70% in 2015/16.

Performance outcomes for children in care and young offenders had not hit target for educational outcomes and for those in appropriate education, training or employment when they leave school or leave care. As a result Education colleagues had agreed to provide joint leadership in these areas in order to see improved performance.

The Director stated that some measures are counter – intuitive and ironically we can get a “red” for what is essentially ‘good news’.

Adult services had improved significantly and the misreporting by the Health Board of some statistics made a real impact which means we would have been able to report even better performance if they had reported more accurately. Delayed Transfer of Care issues had improved significantly.

Members were informed that despite the disappointment in performance in relation to some indicators, there was a much better story to tell in relation to inspection reports of the quality of services which show good performance across the board with particularly good performance in relation to services that were seen as poor in 2014/15 in particular the Youth Offending Service and the Adult Residential Services.

He stated the challenges of significant budget reductions at a time of increasing need had been faced The City's population continues to grow quickly and indicators for deprivation in Newport show some of the highest rates of vulnerable children and adults in Wales. It was becoming harder to manage within budgets

The Director described improvements in safeguarding and reports a reduction in the number of children on the Register He referred to toll out of training; an increase in referrals to the Adult protection Service brought about by better reporting; the establishment leadership and a review of policies and procedures in relation to sexual exploitation of children

The Director went on to describe how we listen and respond to people receiving services, referring to consultation and participation groups; individual surveys of users; complaints monitoring and reviews where outcomes were most important.

Members were informed of the benefits of the thriving Carer's Forum and the Director referred to the updated Newport Carers' Handbook. The Carers forum has good attendance and engagement from the Cabinet member and they have created a smaller community based drop in service. We have a Carers Champion in 17 GP surgeries and we have developed a new carer's assessment which is compliant with the Social Services and Wellbeing Act 2014

As to staff, the Director stated that the workforce indicates that they are settled and positive about their experience at work with a clear sense of purpose. He stated that more is being

done to engage citizens in the design and delivery of our services and we have designed our, 'stay well' plans for older people based on feedback from users of the service.

The Director informed Cabinet that there was much to do to be compliant with Welsh Language Standards and this will be an area of significant activity in 2016/17.

In conclusion the Director stated:

- 2015/16 has been a year where we have focussed upon strengthening the quality of our services and preparation for the Social Services and Wellbeing Act 2014.
- We have done less well on our performance indicators but all the evidence indicates a big step forward in service quality as seen by inspectors and independent reviewers.
- We have managed a real terms reduction of between 15 and 20% in our base budgets from 2013/14 and signs of strain are showing in some overspending for the year 2015/16
- We have set out a vision to develop more integrated services and shared assets with the Health Board as we roll out the Older Persons Prevention Pathway, create integrated teams based on the three Neighbourhood Care Networks (NCNs).
- In 2016/17 will see closer links particularly in NCNs with adult community and primary care health services, team around the school clusters, community hubs for anti-poverty services and libraries and community centres

In response to the Chair of the Cabinet, the Director explained the move towards consortia that work together and that can reallocate resources as they are needed. The Voluntary Sector was supported in creating its consortium. It is important for the Voluntary sector to concentrate on outcomes and work in an integrated way. We will have one entry point for voluntary sector services. Every individual currently receiving services will be reassessed and everything will be done to meet identified needs.

The Cabinet Member for Education & Young People welcomed the report stating that whilst we had to recognise that not all targets were met there were underlying reasons that had been explained. The quality of services was continuing to improve and the improvement in the Youth Offending Service was significant and very pleasing. The Cabinet member stated that the impact on budgets of out of area placements needed to be recognised and that a single case could impact considerably. She mentioned the successful link with Barnardo's and the success of the carers Forum. The counter – intuitive nature of some targets was recognised.

The Cabinet Member for Adult Social Services & Housing referred to the significant support provided by carers and the consequent savings to the public purse. The new Act foresaw more people receiving care at home. It needed to be recognised that this was not an inexpensive option. It was unlikely; however, that Welsh Government would provide sufficient funding. The Director's report drew out positives showing improvements in sickness absence and delayed transfer of care is improving. The increase in complaints showed that people are better informed and the Cabinet Member considered outcomes are very important. He mentioned that the relationship with the Health Authority is good and he welcomed the good feedback from Scrutiny on the report.

The Cabinet Member for Finance and Resources welcomed the recognition of the important role of carers who often were unpaid. He offered congratulations to the Cabinet Members and to the previous Cabinet Member for Education & Young People.

The Deputy Leader stated that those who set budgets need to recognise increasing demands in this service area.

Decisions:

To receive the Director's report and refer it to the Council

4 Updated Commissioning agreement for the Education Achievement Service (EAS)

(Councillors Harvey and Jeavons each declared non-pecuniary interest in this item)

The Cabinet Member for Education and Young people presented a report which asked Cabinet to consider the Supplemental Agreement to the Collaboration and Members Agreement (CAMA) for the Education Achievement Service (EAS)

The Cabinet was informed that a series of proposed changes to the original agreement have been outlined in the updated agreement including changes to:

- Governance arrangements that ensure the LAs and the EAS are complying with requirements of the National Model for Regional Working.
- The way grants can be dealt with by the EAS is changed – the first change being that all grants will now be channelled through the Directors group in first instance. There is a detailed process that explains how this will work in practice. The EAS will report on this regularly to both the directors/heads of education and the Executive Members for Education in each of the LAs.
- The EAS ability to provide services to other customers other than the SEWC LAs for a fee and subject to scrutiny and approval from the Joint Executive Group. The EAS may proceed with such a commission without prior JEG consent when:
 - The contract is valued at up to £50k but carries no risk/will have no impact on agreed delivery outcomes
 - The contract is valued up to £15k and may/will have an impact on agreed delivery outcomes
 - The EAS has taken appropriate advice on any VAT liabilities that entering into such a contract may give rise to and these are factored into the detail of the contract.
 - The EAS has taken appropriate legal advice in drawing up the contract.
 - The EAS will inform the next JEG meeting of all new contracts that exceed £10,000 over a financial year.
- In the event the EAS core service costs more than predicted, in line with prior JEG approval, each LA will pay its proportional share on this overspend. However, the EAS in negotiation with the LAs will repay this "loan" over an agreed period through reducing the core service charge each LA pays for an agreed period.

The report stated that any overspend in relation to the delivery of core services will be recharged proportionately to each of the councils and then repaid as a "loan" over a period of time through reduced service charges. Potential overspending could also be at the request of Councils through JEG to increase the delivery of services Cabinet Members considered the Local Authorities needed greater control over this and were informed by the Chief Education Officer that the JEG and the EAS Board would ensure safeguards were in place.

The EAS Board has delegated powers to agree to enter into contracts with third parties for the delivery of services, in order to generate additional income. Members considered that this should not impact on the organisation's core business which remains the provision of school improvement services to the councils.

The Chief Education Officer stated that contracted work over specified thresholds or values will require the consent of the JEG. However, provided the value of the contracted work is below the threshold, then the EAS Board can agree this even if it may have an impact on agreed service delivery outcomes for the council work. The Chief Education Officer stated that the JEG and the Director's Group meet regularly and whilst these clauses would rarely be used those groups would provide a process for monitoring.

The report also suggests that this contracted work could give rise to risks of liabilities which the local authorities would become responsible for. The Cabinet considered that local authorities should not be liable for the financial risks of any contracted work for third parties. The tax issues of any contracted third party work would also need to be carefully considered. The Chief Education Officer stated that arrangements were in place for independent VAT and Tax advice to be provided on each contract, and this is EAS's responsibility.

The Chief Education Officer stated that he would raise these issues with the EAS and provide a statement from the Company

The Cabinet agreed to adopt the Agreement in principle but wanted to ensure safeguards were in place in relation to the issues members had raised in relation to VAT advice, continual dialogue with Directors, the EAS Company Board and JEG about delivery, contracts and any potential liabilities.

Decision:

To agree in principle to the adoption of the Supplemental Agreement to the Collaboration and Members Agreement (CAMA) for the Education Achievement Service (EAS) April 2016 as explained in this report, subject to the safeguards discussed by Cabinet being confirmed in writing.

5 Certificate of Compliance

The Chair of the Cabinet informed Members that as part of the programme of regulatory activity the Auditor General has issued the Council with a Certificate of Compliance following an audit of the Improvement Plan 2016-18.

This is the first of two certificates that the authority will aim to achieve in each financial year, the second certificate will be as part of the Assessment of Performance Audit and the council's arrangements to secure continuous improvement.

Decision:

To note the receipt of the Certificate

6 Work programme

The Corporate Assessment suggested to the Council that it should consider strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

In response to that suggestion, Cabinet had previously agreed that the Head of Democratic Services will regularly ask Chief Officers to update the Cabinet work programme and an update will be reported to Cabinet each month.

An updated work programme suggested by Chief Officers was discussed. This was, of course, a working document and will be subject to change.

Decision:

To adopt the suggested programme and provide an update at the next meeting

The meeting terminated at 12:55 pm



Report

Cabinet

Part 1

Date: 12 September 2016

Item No: Insert item number here

Subject **City Deal – Update and consideration of Memorandum of Understanding**

Purpose To provide an update to cabinet about the ongoing city deal process and seek agreement to sign the updated Memorandum of Understanding between the 10 authorities which will guide the process.

Author Will Godfrey – Chief Executive

Ward All

Summary In March of this year, the council signed the outline city deal, which is an agreement between the 10 authorities of the Cardiff Capital City Region (CCCR), UK Government and Welsh Government. The deal outlines how all parties can work together to improve economic outcomes across the city region. It also outlines the creation of an Infrastructure Investment Fund of £1.229bn which, if certain conditions are met, could be invested over a 20 year period to deliver projects aimed at improving economic outcomes.

There is still a long way to go and the council will need to consider carefully whether the investment will deliver value for money and outcomes which meet the needs of our communities. However it is important at this point to continue our involvement in the process and work with other partners to secure the best deal possible.

Any final proposal will require sign off by council and it is anticipated this will take place before the end of the 2016/17 financial year.

Proposal **Cabinet is asked to:**

1. Endorse the work to date on the city deal and support the ongoing work to its conclusion.
2. Agree the attached Memorandum of Understanding between the 10 authorities and authorise the Chief Executive to sign on behalf of the council.

Action by Chief Executive

Timetable Immediate

This report was prepared after consultation with:
Leader of the Council

Background

Newport City Council has been working with the other 9 authorities making up the South East Wales region to secure a city deal which could potentially bring investment worth £1.229bn over the next 20 years to improve economic outcomes for the communities across the region.

A city deal is a mechanism designed by UK Govt, which began in 2012, as a means of ensuring better regional working to secure infrastructure investment. A commitment was given by the Chancellor of the Exchequer in November 2014 to consider developing a city deal for the Cardiff region and discussions began in earnest in the summer of 2015. Cabinet received a report in June 2015 to outline the commitment needed from the council, including the agreement to contribute £50,000 to a joint fund to finance the necessary work to secure agreement on a city deal. At this point Welsh Government joined the discussions.

An informal structure was created by the 10 authorities to co-ordinate the work, with each authority represented by the Leader of the Council. Officer working groups were also created to ensure all the authorities worked together to develop an initial proposal.

Essentially there are three phases to a city deal:

Phase 1 – development of initial proposal which outlines the headline commitments from all parties and the overall aims from the deal. This phase is concluded with the signing of a “Heads of Terms” document between the parties – local authorities, UK Govt and Welsh Govt.

Phase 2 – translates the Heads of Terms into more detailed agreement. This needs to outline financial commitments from all parties and also provide more clarity about the projects which will be funded through the city deal money. This phase concludes with each authority signing (or not) an assurance framework which essentially is a document outlining the rules to secure release of the city deal money.

Phase 3 – delivery of the city deal projects and evaluation of the economic impact.

We reached the end of phase 1 in March 2016 when all parties – local authorities, UK Govt and Welsh Govt signed the “Heads of Terms”. The deal document is attached at appendix 1.

No financial commitments have been made at this point as the deal is just an outline commitment and there is still a lot of work to be done to understand the detail of the proposal. A key consideration for the council will be whether we can demonstrate value for money and positive impact for the communities of the city of investments to be made through the city deal mechanism.

We are now in phase 2 of the process where more detailed discussions are taking place with UK and Welsh Govts on the structure of the deal. The 10 authorities also need to work more closely together to determine the projects we would all support as part of phase 3. This is a complex process to balance the views of a large number of parties.

As the work has progressed it has been necessary to formalise some of the governance structures. The Leaders meeting is now described as a “shadow cabinet” and one of the key requirements of the conclusion of the process will be the establishment of a number of regional structures to oversee and guide the work associated with the city deal.

All authorities have been asked to sign up to a memorandum of understanding (MOU), attached at appendix 2 which outlines the work required and seeks a commitment to work together to bring the deal to a conclusion. Each authority is also asked to provide some further funding to provide the necessary resource to complete this work. As the MOU shows the proposal is to set aside a further £500,000 with contributions made by each authority based on population proportions across the city region. For Newport this equates to a contribution of just under £50,000. Cabinet has already agreed to set this money aside as part of the consideration of the year- end report for 2015/16.

The next few months will be critical to help the council come to a judgement about whether to sign up to the final deal. Doing the necessary work to the highest possible standard will be an important aspect to help with this evaluation.

As outlined in the summary, the plan is to consider the final proposal by the end of this financial year.

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?
Insufficient funding and commitment to complete phase 2 of city deal work	H	L	We are participating fully in the process and have already committed funding	Leader & Chief Executive
Other authorities may decide not to participate	M	L	Most other authorities have already agreed to sign the MOU	Leader & Chief Executive
The final proposal may not secure a viable city deal	H	L	Newport is fully engaged in the process and will ensure any deal helps to secure better economic outcomes	Leader & Chief Executive

Links to Council Policies and Priorities

Council recently adopted the 2015/16 Improvement Plan which sets out 8 key activities. One of the 8 objectives is to, "Develop and Regenerate the City". The negotiation of a city deal for South East Wales is a central element of the long term strategy to help improve outcomes for the communities of the city.

Options Available

Option 1: Agree to proceed with preparatory work for city deal and authorise Chief Executive to sign the MOU.

Option 2: Cease participating in city deal and do not sign the MOU.

Preferred Option and Why

The preferred option at this stage is option 1. The opportunities arising from a city deal are significant. We have already committed £50,000 to complete the work for phase 2. It would make sense to complete this work as only then would the council have sufficient information to decide on whether to sign up to the final proposed deal.

Comments of Chief Financial Officer

The Council has set aside £50,000 in order to progress the work for phase 2, therefore there is no additional revenue implication to this report.

A further detailed report would come to Cabinet which would detail the financial commitment of signing

up to the final deal, which will include the commitment to contributing a share of the Local Authorities £120m to the fund.

Comments of Monitoring Officer

Cabinet has previously confirmed the Council's continued participation in the City Deal negotiations and has agreed the original offer document, on the basis that this did not constitute any legally binding commitment. Phase 1 of the project has now been completed and, in order to progress to phase 2, it will be necessary for all the councils to enter into this MOU in order to share the project costs and indemnify Cardiff (in the same proportions) against any costs that it incurs in employing staff or procuring services, to the extent that this is not covered by the fixed contributions. The MOU also establishes enhanced governance arrangements to take the project forward through the next phase. Although the governance arrangements establish a Shadow Joint Committee of Council Leaders, this executive Committee does not have any delegated decision-making powers, as any decision is reserved to each participating council. So, it does not have the power to take collective decisions that would be binding on each council. Similarly, although the Chief Executives Board can take unanimous decisions, that only applies where the decisions are within their own officer scheme of delegation and the agreed pooled budget. The Council's financial contribution of £50k towards the project costs has already been agreed. The MOU does not commit the Council to participate in the final deal and any long-term financial commitment would need to be reported back and formally approved by Cabinet and full Council in due course. The MOU would then need to be superseded by a formal joint agreement between the participating councils.

Staffing Implications: Comments of Head of People and Business Change

None

Comments of Cabinet Member

The Leader of the Council has been fully involved in the city deal negotiations and supports the proposed course of action.

Local issues

This is a citywide issue and it isn't possible at this stage to identify specific local issues.

Scrutiny Committees

To date no consideration by scrutiny

Equalities Impact Assessment

No assessment required at this stage

Children and Families (Wales) Measure

N/a

Consultation

No formal consultation carried out.

Background Papers

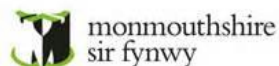
Appendix 1: Cardiff Capital Region City Deal – Outline Heads of Terms – March 2016

Appendix 2: Proposed Memorandum of Understanding between 10 authorities

Dated: 12 September 2016

Appendix 1

Cardiff Capital Region City Deal





Executive Summary

1. This City Deal will provide local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region. It is a deal that seeks to build on the region's sectoral strengths, its high skill base and three successful universities. The City Deal also provides an opportunity to continue tackling the area's barriers to economic growth by: improving transport connectivity; increasing skill levels; supporting people into work; and giving businesses the support they need to innovate and grow.
2. As well as driving economic growth, this City Deal will develop stronger and more effective leadership across the Cardiff Capital Region, enabling ten local authority leaders to join up decision making, pool resources and work more effectively with local businesses.
3. Cardiff Capital Region has secured a deal worth £1.2 billion. Over its lifetime, local partners expect the City Deal to deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment.
4. The City Deal includes:
 - **£1.2 billion investment in the Cardiff Capital Region's infrastructure.** A key priority for investment will be the delivery of the South East Wales Metro, including the Valley Lines Electrification programme.
 - **Connecting the Region.** The Cardiff Capital Region will establish a new non-statutory **Regional Transport Authority** to co-ordinate transport planning and investment, in partnership with the Welsh Government.
 - **Support for Innovation and Improving the Digital Network.** To develop capabilities in Compound Semiconductor Applications the UK Government will invest £50 million to establish a new Catapult Centre in Wales. The Cardiff Capital region will also prioritise investment in research and development and provide support for high value innovative businesses.
 - **Developing a Skilled Workforce and Tackling Unemployment.** The Cardiff Capital Region Skills and Employment Board will be created (building on existing arrangements) to ensure skills and employment provision is responsive to the needs of local businesses and communities. The Cardiff Capital Region and the Welsh Government will work with DWP to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed.
 - **Supporting Enterprise and Business Growth.** A Cardiff Capital Region Business Organisation will be established to ensure that there is a single voice for business to work with local authority leaders.
 - **Housing Development and Regeneration.** The Welsh Government and the Cardiff Capital Region commit to a new partnership approach to strategic planning. This will ensure the delivery of sustainable communities, through the use and re-use of property and sites.

Our signing of this document, subject to relevant council approvals, confirms our joint commitment to ensure full implementation of the Cardiff Capital Region City Deal proposed by: City of Cardiff Council; Blaenau Gwent County Borough Council; Bridgend County Borough Council; Caerphilly County Borough Council; Merthyr Tydfil County Borough Council; Monmouthshire County Council; Newport City Council; Rhondda Cynon Taff County Borough Council; Torfaen County Borough Council; and Vale of Glamorgan Council.

.....
The Rt Hon George
Osborne
Chancellor of the
Exchequer

.....
Carwyn Jones
First Minister of Wales

.....
The Rt Hon Stephen
Crabb
Secretary of State for
Wales

.....
Cllr. Phil Bale
Leader of City of Cardiff
Council

.....
Cllr. Steve Thomas
Leader of Blaenau Gwent
County Borough Council

.....
Cllr. M E J Nott OBE
Leader of Bridgend
County Borough Council

.....
Cllr. Keith Reynolds
Leader of Caerphilly
County Borough Council

.....
Cllr. Brendan Toomey
Leader of Merthyr Tydfil
County Borough Council

.....
Cllr. Peter Fox
Leader of Monmouthshire
County Council

.....
Cllr Bob Bright
Leader of Newport City
Council

.....
Cllr. Andrew Morgan
Leader of Rhondda Cynon
Taff County Borough
Council

.....
Cllr. Robert Wellington
Leader of Torfaen County
Borough Council

.....
Cllr. Neil Moore
Leader of Vale of
Glamorgan Council

Introduction

5. The Cardiff Capital Region is comprised of ten local authorities: Blaenau Gwent; Bridgend; Caerphilly; Cardiff; Merthyr Tydfil; Monmouthshire; Newport; Rhondda Cynon Taff; Torfaen; and Vale of Glamorgan. It is the largest city-region in Wales and accounts for approximately 50% of the total economic output of the Welsh economy, 49% of total employment and has over 38,000 active businesses.
6. The Cardiff Capital Region is an area where people want to live and work. With two cities (Cardiff and Newport) at its core, the region has seen significant regeneration and investment over recent decades. Cardiff, as the capital city, is now dynamic, fast growing and forecast to have a higher population growth rate over the next 20 years than any other city in the United Kingdom.
7. The area is home to a range of competitive business clusters with significant international and indigenous businesses across sectors such as: financial services; creative and digital industries; advanced manufacturing; life sciences; energy; and energy supply. These business clusters are serviced through a wide and supportive ecosystem, not least a higher education sector that includes Cardiff University (recently ranked 2nd in the UK in terms of the impact of its research¹), Cardiff Metropolitan University and the University of South Wales which recently doubled its amount of research rated as world leading.
8. However, despite these strengths, numerous challenges remain. Gross Value Added, which is a measure of goods and services produced in an area, is lower than all but one of the English Core City Regions. There are also connectivity issues across the region which makes it more difficult for people in Valley's communities to access economic opportunities.
9. Recognising these opportunities and challenges all the signatories to this deal are working together to realise the Vision for the Cardiff Capital Region, which is to: *“work together to improve the lives of people in all our communities. We will maximise opportunity for all and ensure we secure sustainable economic growth for future generations”*. This City Deal provides local partners with further powers and tools to realise this vision.

¹ Research Excellence Framework

Key Elements of the Deal

Cardiff Capital Region Investment Fund

10. This City Deal sets out a transformative approach in how the Cardiff Capital Region will deliver the scale and nature of investment needed to support the area's growth plans. Central to this will be the development of a 20 year £1.2 billion Investment Fund, which the Cardiff Capital Region will use to invest in a wide range of projects.
11. Both the UK and Welsh Government are both contributing £500 million to this fund respectively. The Welsh Government funding will be provided over the first seven years of the Investment Fund, from 2016/17 to 2022/23. The ten Local Authorities in the Cardiff Capital Region will contribute a minimum of £120 million over the 20 year period of the Fund.
12. The Cardiff Capital Region believes investments in these areas will deliver up to 25,000 new jobs and bring forward at least £4 billion of additional investment from local partners and the private sector by 2036

South East Wales Metro

13. A key priority, which the City Deal Investment Fund will support, is the delivery of the South East Wales Metro. The scheme has the potential to provide a significantly improved public transport system that will transform the way people travel around the region.
14. Given the importance of the Metro to the UK Government, Welsh Government and Cardiff Capital Region, a proportion of the Investment Fund will be pre-allocated to the delivery of this scheme. This pre-allocation focuses on both phases of the wider Metro scheme. These are:
 - The delivery of the Valley Lines Electrification programme. This City Deal re-confirms the continued shared ambition of both Government's and the Cardiff Capital Region to deliver this element of the wider Metro scheme. £325 million of the £1.2 billion Investment Fund has already been committed to the delivery of this scheme (£125 million from the UK Government, £94 million from the Welsh Government and £106 million from the European Regional Development Fund).
 - The delivery of the wider South East Wales Metro scheme. The Welsh Government will pre-allocate a further funding from the Investment Fund to deliver the wider ambitions around the Metro scheme, which is the subject of ongoing design work. As part of this City Deal the Welsh Government commits to involving the Cardiff Capital Region in the co-design of the wider Metro scheme and in the procurement of a delivery organisation.
15. The Department for Transport will agree the arrangements for making the agreed contribution to the Valley Lines Electrification project with the Welsh Government. The Welsh Government will agree with the local authorities the arrangements for managing the funding of the Metro scheme, and how it interacts with funding for additional Metro investments delivered through this City Deal.

Wider Investment Priorities

16. The remaining element of the Investment Fund will be used to take forward a wide range of projects and schemes that support economic growth across the Cardiff Capital Region. Decisions on the prioritisation of these schemes will be taken by the Cardiff Capital Region Cabinet. Schemes taken forward could include: further transport schemes; investment to unlock housing and employment sites; and development of research and innovation facilities.

Investment Fund Assurance Framework

17. The ten local authorities across the Cardiff Capital Region commit to writing and adopting an assurance framework for this Investment Fund. This will be agreed by the UK and Welsh Government. By adopting the assurance framework prior to the commencement of the Investment Fund, the Cardiff Capital Region will ensure that schemes that are taken forward (outside of the South East Wales Metro which will be subject to a separate assessment against an assurance framework) represent good value for money and are underpinned by a robust business case.

18. This assurance framework will be based on existing best practice from the UK Government and Welsh Government. In addition the framework will also draw upon any local best practice for managing investment decisions across the Capital Region. Key elements that the assurance framework will include are:

- Purpose, structure and operating principles of the framework.
- Arrangements to ensure value for money and effective delivery through strong project development, project and options appraisal, prioritisation, and business case development.
- A description of the arrangements for supporting the effective delivery and implementation of projects and schemes, including relationships with delivery bodies.
- Arrangements which enable effective and meaningful engagement of local partners and the public in the investment decisions taken and subsequent scrutiny of these decisions.

Investment Fund Gateway Assessments

19. Cardiff Capital Region will be required to evaluate the impact of the Investment Fund in order to unlock UK and Welsh Government Funding that has not been pre-allocated to the South East Wales Metro programme. This will be comprised of gateway assessments every five years. To underpin these gateway assessments, an independent review will be commissioned to evaluate the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Cardiff Capital Region, but agreed at the outset with the UK Government. The next five year tranche of funding will be unlocked if the UK and Welsh Governments are satisfied that the independent assessment shows the investments to have met key objectives and contributed to national growth.

Local Authority Borrowing

20. Throughout the course of the City Deal programme the ten Cardiff Capital Region local authorities will be responsible for financing the capital investment programme. The difference in the profile between the proposed investment and the capital grant funding may require a local authority or authorities to borrow to fund any difference in expenditure and grant. The cost of any external borrowing is the responsibility of the relevant local

authority or local authorities and is to be managed in accordance with prudential principles – it must be prudent, affordable and sustainable.

21. In a scenario where a future Gateway is not achieved, leading to any reduction or cessation of City Deal grant, then it will be the responsibility of individual local authorities within the Cardiff Capital Region to manage the financial impact of this within their local authority budget, utilising reserves or surpluses as required.

Additional Flexibilities

22. In order to deliver the Cardiff Capital Region's City Deal commitments and a longer-term economic strategy, the ten local authorities have requested greater financial autonomy and flexibility. As part of this City Deal the Welsh Government will explore with the Cardiff Capital Region:

- The devolution of business rate income above an agreed growth baseline to provide funding for the City Deal programme.
- Providing the ability to levy an infrastructure supplement.
- Creating the option for the local authorities to use alternative finance sources.
- Removing conditions around some specific Welsh Government grants, to allow funding to be pooled at the regional level in areas such as school support and interventions that seek to address poverty.

Connecting the Cardiff Capital Region

23. Transport has a key role in delivering economic growth and improving outcomes for people by connecting communities, business, jobs, facilities and services. However across the Capital Region there are significant congestion and transport capacity issues that need to be addressed. The City Deal Investment Fund and South East Wales Metro will make a significant contribution to improving transport connectivity.
24. In addition to this investment the Cardiff Capital Region will establish a new non-statutory Regional Transport Authority to co-ordinate transport planning and investment, in partnership with the Welsh Government. The Cardiff Capital Region Transport Authority will be responsible for:
- Pooled local transport resources.
 - Regional planning for the local transport network.
 - Working with Transport for Wales to ensure objectives for transport investment are aligned.
 - Exploring the creation of a single integrated ticketing platform for public transport across the Cardiff Capital Region.
 - Working in partnership with the Welsh Government to define the priorities of the South East Wales Metro concept and to support its delivery.
 - Working in partnership with Welsh Government to promote the development of integrated aviation routes from Cardiff Airport and St Athan Enterprise Zone, to deliver economic benefit.
 - Developing plans for improvement of Cardiff Central Station and surrounds, working in partnership with the Welsh Government and Network Rail to identify funding and consider how a fair contribution may be drawn from the beneficiaries.

Investing in Innovation and the Digital Network

25. The Cardiff Capital Region has an aspiration to extend the “arc of innovation” that runs along the M4 corridor into the Cardiff Capital Region. Capitalising on the research strengths of the Region’s three universities, the Cardiff Capital Region will designate an “**Innovation District**” that helps to: create and nurture new high growth businesses; increases investment in research and development; and provides the skills that businesses need now and in the future.

Developing the Compound Semiconductor Sector

26. To transform the UK’s capability, and help position Cardiff as the European leader in Compound Semiconductor applications, the UK Government will invest £50 million to establish a new Catapult in Wales. This new Catapult will complement the work of other organisations in Wales who are already working in this important area, including the Compound Semiconductor Institute at Cardiff University and the Compound Semiconductor Centre, a joint venture between Cardiff University and IQE.

27. Recognising this opportunity, the Cardiff Capital Region will prioritise interventions that support the development of an internationally-competitive Compound Semi-Conductor cluster. Local partners believe that this will put the UK at the heart of an emerging global growth technology.

Innovation Investment

28. To accelerate the growth of innovation and facilitate investment in research and development, the Cardiff Capital Region will seek to prioritise:

- Mechanisms to support high growth sectors.
- The development of new facilities and employment sites.
- New approaches to public service delivery.
- The Software Academy in Newport and related programmes across the Capital Region.
- Investment in intellectual property creation and commercialisation.
- Adding value and complimenting existing innovation support.
- Developing a cyber-security academy with the University of South Wales.

Innovate UK

29. Innovate UK is now planning to increase its footprint and presence in Wales, in order to: raise the awareness and engagement in Innovate UK programmes and activities; to strengthen its links with business, Universities and other key partners; and to work with the Welsh Government to promote and support innovation.

Data

30. Cardiff Capital Region commits to developing proposals for how better and more flexible use of data could be used to drive innovation across the public sector and within the wider economy. The Cardiff Capital Region will present a clear case to the UK Government for

how a different approach to the use of specific data would improve service delivery and would benefit particular groups.

The Digital Network

31. Innovation will also be a central theme within the Cardiff Capital Region's ambition to deliver an outstanding digital infrastructure and wider ecosystem to support economic growth. To continue to build on investments in next generation broadband and the Region's reputation as one of the fastest growing tech hubs in the UK, the Cardiff Capital Region will prioritise:

- Exploring the case for direct international connectivity.
- The mobile infrastructure across 4G and 5G technologies that add value to existing provision.
- Increasing Wi-Fi services across public transport.
- Digital solutions to solve the big problems, such as smart housing, citizen payments and open data challenges.
- Facilitating collaboration between stakeholders to identify and exploit opportunities.

Developing a Skilled Workforce and Tackling Unemployment

32. This City Deal will improve the co-ordination and delivery of skills and employment support across the Capital Region. It will help to increase the number of people moving into work (including those that have been out of work for a long time), increase the number of people undertaking an apprenticeship or other relevant skills provision and give people the skills they need to compete in a global employment market.

The Cardiff Capital Region Skills and Employment Board

33. To ensure skills provision is adapted to local economic and social needs and provides the best value for money, the Cardiff Capital Region will strengthen the existing Learning, Skills and Innovation Partnership. This will be re-launched in 2016 as the Cardiff Capital Region Skills and Employment Board.

34. The Partnership will represent a wide range of stakeholders, including: business bodies; higher and further education; local authorities and the Welsh Government. It will be responsible for:

- Cardiff Capital Region's skills and worklessness strategy.
- Pooled local authority skills resource.
- Producing an annual regional plan for employment and skills. This annual plan, led by industry, will set out how both the existing skills needs of businesses and the Capital Region's future skills challenges will be addressed.
- Influencing and monitoring the delivery and impact of employment and skills programmes across the Region.
- Ensuring an industry led approach to the design and delivery of apprenticeship programmes meets the needs of both business and apprentices.
- Supporting the Welsh Government's "Curriculum for Wales, Curriculum for Life" plan, by encouraging closer alignment between future employer skills needs and education provision across the region.
- Ensuring European Union funding investments in skills and employment add value and align with other programmes.

Work and Health Programme

35. Cardiff Capital Region and the Welsh Government will work with Department for Work and Pensions to co-design the future employment support from 2017, for people with a health condition or disability and/or long term unemployed², many of whom are currently referred to the Work Programme and Work Choice.

36. The respective roles of the Department for Work and Pensions and Cardiff Capital Region in the co-design include:

- Department for Work and Pensions setting the funding envelope; however Cardiff Capital Region and the Welsh Government can top up if they wish, but are not required to.
- Cardiff Capital Region and the Welsh Government setting out how they will join up local public services in order to improve outcomes for this group.

² Long term unemployed is defined as claiming benefits for 24 months.

- Department for Work and Pensions setting the high level performance framework ensuring support appropriately reflects labour market issues. The primary aim will be to reduce unemployment and move people into sustained employment.
- Cardiff Capital Region, working with the Welsh Government, will have input into determining specific local outcomes that reflect their labour market priorities, however these outcomes should be complementary to the ultimate employment outcome. In determining any local outcome(s) Cardiff Capital Region and the Welsh Government will work with Department for Work and Pensions to take account of the labour market evidence base and articulate how these will fit within the wider strategic and economic context and deliver value for money.

37. Before delivery commences, the Department for Work and Pensions, Cardiff Capital Region and the Welsh Government will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support. This will include a mechanism by which each party can raise and resolve any concerns that arise.

38. The Department for Work and Pensions sets the contracting arrangements, including contract package areas, but should consider any proposals from Cardiff Capital Region on contract package area geography.

39. Providers will be solely accountable to the Department for Work and Pensions, although Cardiff Capital Region and the Welsh Government will be involved in the tender evaluation.

40. The Department for Work and Pensions and Cardiff Capital Region will develop a mechanism by which Cardiff Capital Region (working with the Welsh Government) can escalate to the Department for Work and Pensions any concerns about provider performance/reaching local agreements and require Department for Work and Pensions to take formal contract action where appropriate.

Supporting Enterprise and Business Growth

41. The Cardiff Capital Region is committed to improving the co-ordination of local and national business support arrangements. This includes working in partnership with the Welsh Government to address identified barriers to growth, support spatial and sectoral priorities and to target emerging opportunities for driving economic performance.

The Cardiff Capital Region Business Organisation

42. Local partners recognise that ensuring there is a strong business voice to guide both the design and delivery of business support across the region will be critical.

43. Therefore, working with public sector partners, the business community, and representative bodies, the Cardiff Capital Region will establish a Cardiff Capital Regional Business Organisation. This organisation will provide a direct business voice that will influence and shape business support programmes. In creating the Board, a mapping and consultation process will be undertaken with existing advisory Boards operating within the Region. This will ensure roles and remits are complimentary and add value. The Board will be responsible for:

- Articulating the regional needs of business.
- Identifying regional priorities for existing business support services.
- Designing future business support programmes.

44. Membership will be drawn from across a range of sectors and interests, including social enterprises and mutuals. A joint **Confederation of British Industry**, Federation of Small Business, Institute of Directors and the South Wales Chamber of Commerce statement outlined the underlying principles for the business organisation. The final structure will be designed by the Cardiff Capital Region business community.

Integration of Local Business Support Services and Resources

45. To ensure that business support and promotional activities at the local level are undertaken on the basis the Capital Region local resources will be aligned to create an Integrated Delivery Unit for regionally significant aspects of economic development. This includes: business development; marketing; tourism; and inward investment.

46. The Integrated Delivery Unit, working in collaboration with the Welsh Government, and the proposed Regional Business Organisation, will ensure that any new business support provision complements existing national initiatives. In addition, through this collaborative approach, the Welsh Government is committed to working with the Cardiff Capital Region to explore where existing business support provision can be built on/expanded, whilst avoiding duplication. A number of existing programmes, for example Business Wales, which offers a one stop shop advice and referral service to SMEs and Entrepreneurs and has already been designed through consultation with industry, have the potential to be aligned with identified regional needs and priorities.

47. Further to this, Welsh Government is also committed to working in partnership with the Cardiff Capital Region to promote the area at a global level. As part of this, the Welsh Government will ensure greater levels of visibility with both the Welsh Government's own overseas offices and will continue to work closely with UK Trade and Investment to ensure that its propositions are promoted and co-ordinated across the UK Trade and Investment overseas post network.

Housing Development and Regeneration

48. Delivering an increase in house building across the Cardiff Capital Region will help to address critical housing shortages especially for first time buyers and those unable to join the 'housing ladder'. House building is also a critical element of the economy as it: stimulates demand within the supply chain during construction and through purchases by the eventual occupiers; contributes to a more balanced regional planning framework; and is a major employer in its own right.
49. The City Deal presents a unique opportunity for the ten local authority areas to come together to develop and deliver a strategic approach to housing, regeneration and economic growth which will create an accessible, liveable, 'work-life integrated' and highly connected Capital Region. To support this ambition the Cardiff Capital Region will:
- Commit to development of a partnership between the Region and Welsh Government to take a strategic and balanced approach to housing and regeneration, focussing development on where it is most needed – in a regional and coordinated way.
 - Ensure that new housing is linked to the delivery of sustainable and balanced communities, through the re-use of property and sites. Further, both the Welsh Government and Cardiff Capital Region will ensure that proposals to improve the efficiency and quality of the housing stock are aligned with other regeneration outcomes.
 - Establish a collective way of working, for example, through an asset development vehicle to progress speculative opportunities for potential Cardiff Capital Region regeneration ventures.
 - Develop an integrated public-private housing offer, with clarity over tenure, mix type, design and affordability with prototyping for 'settlements of the future'.
 - Utilise innovation in local procurement to secure supply chain benefits, local labour and other social clauses to maximise value.
 - Establish the delivery of renewable energy-led regeneration and housing programmes and ensure the principles of 'clean-tech' are anchored within physical development initiatives. This will contribute to ensuring 'future-proofing' and creation of new supply chain networks.
 - Engage the affordable housing sector providers in the region as one network. Working with Cardiff Capital Region this network will develop a regional "Housing Plus" strategy in which added value benefits such as training construction apprenticeships, energy resilience and job creation are clearly set out and adopted. This will provide a framework against which site regeneration schemes can be prioritised for investment.
50. In both the planning and delivery of new housing and regeneration projects, the Cardiff Capital Region will ensure that there is alignment to current Welsh Government programmes including Creating Vibrant and Viable Places – the Welsh Government's regeneration framework and increasing the supply and standards of housing

Cardiff Capital Region Governance

51. The ten local authority partners of the Cardiff Capital Region City Deal have agreed to establish a governance model that:

- Complies with the existing Statutory Framework that exists in Wales to deliver this City Deal.
- Strengthens and streamlines the existing governance and partnership arrangements across the Capital Region.
- Improves business involvement in local decision making.
- Provides confidence and assurance to both the UK and Welsh Government that the local authority leaders are making decisions which will drive economic growth across the Capital Region.
- Enables local authorities to explore with the Welsh Government alternative governance arrangements in the medium term.

Cardiff Capital Region Cabinet

52. Utilising the existing statutory framework, the ten local authorities will establish a Cardiff Capital Region Cabinet. The Cabinet will have the status of a Joint Committee and will be the ultimate decision making body in the governance structure.

53. The establishment of a Capital Region Cabinet will be the first step in the development of greater city-region governance across the Cardiff Capital Region. The Cabinet will comprise the ten participating local authorities, and provide the basis for initial decision making regarding the Investment Fund and over areas where decision making will be undertaken on a city-region basis. The Cardiff Capital Region Cabinet will be responsible for:

- Management of the Cardiff Capital Region Investment Fund.
- Additional devolved funding provided to the Capital Region.
- The Cardiff Capital Region Transport Authority.
- Contracting with Transport for Wales on prioritised Metro projects.
- Control over devolved business rate income above an agreed growth forecast, subject to Welsh Government agreement.
- Strategic planning including: housing; transport planning; and land use.
- Influencing skills and worklessness and programmes.
- An Inward investment and marketing strategy.
- Considering the scope for strengthening Capital Region governance further.

54. A comprehensive agreement will be drawn up between the participating authorities which will bind and commit each individual local authority and any successor authority (in the event of Local Government Re-organisation) for such duration as is necessary to deliver the City Deal. The agreement will also allow for the possibility of additional functions and powers to be devolved to the Cabinet in the future.

55. The Cardiff Capital Region commit to reviewing the City Deal governance and exploring the future options for moving to even stronger and effective governance that is legally binding. The review will include consulting the Welsh Government and the UK Government to identify actions needed to take forward future governance options.

Strategic Regional Planning

56. The Cardiff Capital Region, in partnership with the Welsh Government, will commit to the creation of an integrated strategic development plan that incorporates housing and employment land-use with wider transport plans. The strategic plan will provide the underpinning blue-print for development across the city-region.

Cardiff Capital Region Economic Growth Partnership

57. A Cardiff Capital Region Economic Growth Partnership will be established to bring together business, higher education and local government. The partnership would be responsible for setting the overarching city-region economic development strategy, as well as monitoring and making recommendations to the Cabinet with regard to City Deal implementation. The partnership will have a specific role to provide advice on investment decisions to ensure the City Deal and other interventions make an impact on economic growth and increasing employment.

58. The Partnership's membership and terms of reference will be established using the best international practice such as the Danish Growth Forums, as well as the Local Enterprise Partnership model in England and the Economic Leadership Board established in Glasgow.

Independent Growth and Competitiveness Commission

59. The Cardiff Capital Region will establish an independent Growth and Competitiveness commission to support the city region's economic and investment strategy. It will review activities related to the City Deal as well as wider economic and growth interventions.

60. The Commission's first task will be to review the evidence about the functional economic area and advise how best to generate GVA growth and support the ambitions of a dynamic capital region.

61. The commission will be jointly established by the ten local authorities that comprise the Cardiff Capital Region in consultation with the Welsh and UK Governments.

62. The Commission will examine the challenges and opportunities for economic growth and competitiveness and make recommendations for how the Cardiff Capital Region can achieve its full growth potential.

Delivery, Monitoring and Evaluation

63. Cardiff Capital region will work with the UK Government and the Welsh Government to develop an agreed implementation, monitoring and evaluation plan in advance of implementation, which sets out the proposed approach delivery and evaluating the impact of delivery.

64. The Cardiff Capital Region City Deal will be monitored by the Joint Cabinet. The joint programme management team will provide the Cabinet, the UK Government and the Welsh Government with quarterly performance report that will:

- Highlight City Deal successes.
- Provide a performance narrative for each element of the City Deal against agreed implementation plan timescales.

- Provide information on outputs and outcomes agreed.
- Identify mitigating actions for projects and programmes that are not being delivered to agreed timescales.

65. The UK Government and Welsh Government will work with the Cardiff Capital Region to agree a timetable for the production of these reports and will convene regular progress meetings.

66. The Cardiff Capital Region commit to recognising the “City Deal” in promoting and branding investments made as a result of this Deal. This includes acknowledging the government equally alongside other funding partners. The Cardiff Capital Region may wish to explore a single unique brand identity that represents the whole Capital Region area and all the partners involved in delivering the City Deal.

APPENDIX 2

**CARDIFF CAPITAL REGION CITY DEAL
2015**

**MEMORANDUM OF UNDERSTANDING
to assist in the development of a City Deal.**

Draft version -10 May 2016

THIS MEMORANDUM OF UNDERSTANDING is made between:

Blaenau Gwent County Borough Council whose principal office is situated at Municipal Offices, Civic Centre, Ebbw Vale, NP23 6XB

Bridgend County Borough Council whose principal office is situated at Civic Offices, Angel Street, Bridgend, CF31 4WB

Caerphilly County Borough Council whose principal office is situated at Penallta House, Tredomen Park, Ystrad Mynach, Hengoed CF827PG

The County Council of the City and County of Cardiff whose principal office is situated at County Hall, Atlantic Wharf, Cardiff CF10 4UW ("Cardiff Council")

Merthyr Tydfil County Borough Council whose principal office is situated at Castle Street, Merthyr Tydfil, Mid Glamorgan CF47 8AN

Monmouthshire County Council whose principal office is situated at County Hall, Rhadyr, Usk Monmouthshire NP15 1GA

Newport City Council whose principal office is situated at Civic Centre, Newport, NP20 4UR

Rhondda Cynon Taf County Borough Council whose principal office is situated at Ty Bronwydd, Porth, Mid Glamorgan CF39 9DL

Torfaen County Borough Council whose principal office is situated at Llanfrechfa Way, Cwmbran NP44 8HT
and

Vale of Glamorgan County Borough Council whose principal office is situated at Civic Offices, Holton Rd, Barry CF63 4RU
(collectively referred to as 'the Councils')

Recitals

- 1 On 15th March 2016 the Leaders of the Councils referred to above, along with Ministers of Welsh Government and UK Government signed a document in respect of the Cardiff Capital Region City Deal ('the City Deal'). The document (copy annexed as schedule 1) outlines in high level terms the scope, financial aspects and proposed governance arrangements for the City Deal.
- 2 The Councils are working together to develop the detailed City Deal proposals and put in place all arrangements and documentation required to finalise the City Deal, which activities are collectively referred to in this Memorandum as the 'City Deal Project Work'.
- 3 The purpose of this Memorandum of Understanding is to set out how the Councils will allocate resources to undertake and co-ordinate the City Deal Project Work. This Memorandum supersedes a Memorandum concluded by the Councils in August 2015, which was put in place to initially develop the City Deal proposals
- 4 The Councils have concluded this Memorandum and are carrying out the City Deal Project Work pursuant to their powers conferred by section 101 and 111 of the Local Government Act 1972,

section 25 of the Local Government (Wales) Act 1994, section 2, 19 and 20 of the Local Government Act 2000 and all other enabling powers now vested in the Councils.

Now it is hereby agreed that

1. OBJECTIVES AND SCOPE OF THE MEMORANDUM OF UNDERSTANDING

1 The Councils agree:-

1.1 to work together to carry out the City Deal Project Work, as outlined in Schedule 2

1.2 to continue, with some modification as set out in this Memorandum, the interim governance arrangements that have been put in place to oversee, direct and or carry out the City Deal Project Work. The arrangements, as modified, include:

- (i) a shadow joint committee to be referred to as the Cardiff Capital Region Shadow Joint Committee (“the Shadow Joint Committee”). The membership and terms of reference of the Shadow Joint Committee shall be as set out in Schedule 3 part 1;
- (ii) a Chief Executives Board. The membership and terms of reference shall be as set out in Schedule 3 Part 2; and
- (iii) officer working groups to carry out the day to day activities required. The membership and terms of reference shall be as set out in Schedule 3 Part 3

2. DECISION MAKING

- 2.1 In terms of the need for decisions to facilitate the City Deal Project Work, then all such decisions shall be referred to each Council to make in accordance with their own decision making rules.
- 2.2 The parties acknowledge that to facilitate the timely progression of the City Deal Project Work that decisions will need to be made in a timely manner and where appropriate the Council's representatives on the various governance bodies referred to in clause 1 may be asked to make certain decisions in respect of their Council at such meetings, to the extent their delegated authority permits the same and subject always to the provisions of clause 2.3.
- 2.3 For the avoidance of any doubt neither the conclusion of this Memorandum of Understanding nor any decision made to facilitate the City Deal Project Work shall serve to commit the Councils or any one Council to approving the Final City Deal Agreement. The signing of this Memorandum of Understanding is without prejudice to the Councils' respective positions as regards approval of the final City Deal Agreement.

3. EXTERNAL ADVICE

- 3.1. The Councils anticipate that specialist financial, legal, technical and other advice will be required to assist the Councils in the City Deal Project Work and have agreed that Cardiff Council should put in place arrangements to secure such specialist advice and deal with all ancillary matters relating thereto.
- 3.2 The Councils agree that all costs incurred by Cardiff Council pursuant to clause 3.1 shall be met from the financial contributions to be paid by the parties and referred to in clause 4 or as provided by clause 9.

4. FINANCIAL CONTRIBUTIONS

Each Council hereby agrees:-

- (i) to pay to Cardiff Council its respective financial contribution listed in Schedule 4 on or before the 15th July 2016 ("Financial Contributions"). Cardiff Council shall hold and use such monies solely in connection with the City Deal and account for any payments made therefrom in accordance with normal accountancy rules and share any interest earned on such monies in accordance with the percentages set out in Schedule 4,
- (ii) that it consents to Cardiff Council liaising with HMRC on its behalf in respect of any permissions necessary to ensure that VAT is correctly accounted for on all Cardiff Capital

Region City Deal expenditure properly incurred and to indemnify Cardiff Council for any irrecoverable VAT that may arise.

- (iii) that, save as provided in clauses 6 and 9, the Financial Contributions from each of the Councils is intended to form each Council's maxim contribution payable for the City Deal Project Work ,
- (iv) that in the event any Council determines to withdraw from the City Deal before the expiry of this Memorandum then the withdrawing Council shall not be entitled to any refund of its financial contributions and it shall remain liable in respect of its financial and indemnity obligations under this Memorandum of Understanding,
- (v) that any residual balance held by Cardiff Council on expiry of this Agreement shall be shared between the Councils in accordance with the percentages set out in Schedule 4, subject to the provisions of clause 9, and
- (vi) that Cardiff Council shall be entitled to retain and use as set out in clause 4 (i) any residual balance of monies held by it out of the financial contributions made by the Councils in the financial year 2015/16 under the Memorandum concluded by the Councils in August 2015, to develop the initial City Deal proposals.

5 COMMENCEMENT AND TERM

This Memorandum of Understanding will be deemed to have come into operation on the 1st June 2016 and shall continue until:-

- 5.1.1 such time as the City Deal Project Work has been completed;
 - 5.1.2 it is changed in any way or superseded by any new arrangement agreed between the Councils; or
 - 5.1.3 the 31st March 2017;
- which ever is the first to occur.

6 GENERAL RESPONSIBILITIES OF EACH PARTNER

- 6.1 Each Council will co-operate with each and every other Council in order to carry out and complete the work required to finalise the City Deal and will provide the resources reasonably required in terms of officers' time and information within their possession and use of Council facilities so as to enable the City Deal Project Work to be carried out and completed.
- 6.2 In carrying out the City Deal Project Work the Councils will have due regard to all legislative requirements, including without limitation to the generality of the foregoing, their duties as regards the Welsh language and the Public Sector Equality Duty.

7 RISK

- 7.1 Each of the Councils should take steps to assess the risk involved for their Council in the City Deal or any part of the process and it shall be a matter for each Council to determine if it wishes to conclude the final City Deal Agreement.
- 7.2 No Council (" the Indemnifier") shall be responsible, liable or be obliged in any way to indemnify another Council or the other Councils (" the Beneficiary") in respect of any decision the Beneficiary may take in respect of the City Deal or for any reliance placed by a Beneficiary on any information or advice provided, assembled , procured or contributed to by the Indemnifier Council.

8 PROGRAMME DIRECTOR

- 8.1 It is intended to appoint a project director to help deliver the City Deal Project Work ('The Project Director').
- 8.2 The Project Director once appointed shall produce for the Chief Executive Board monthly monitoring reports setting out:-
- a. progress made on the City Deal Project Work,
 - b. financial monitoring reports , including details of actual expenditure measured against the financial contributions received , contract sums measured against budget allocations and any financial information reasonable required by the Chief Executive Board ,
 - c. identified risks relating to the completion of the City Deal Project Work, and
 - d. such other information as the Chief Executive Board may reasonable require .
- 8.3 Cardiff Council shall, as its deems appropriate, following full discussion with the Chief Executives of the other Councils, second, engage or employ the Project Director with all costs and expenses incurred by Cardiff Council in respect of such secondment, engagement, employment or termination of any such secondment, engagement or employment being met out of the Financial Contributions or as provided in clause 9.

9 INDEMNITY

- 9.1 Each Council agrees to indemnify Cardiff Council and to pay Cardiff Council within 10 working days of Cardiff Council issuing a demand, its proportion (calculated in accordance with the percentages set out in schedule 4) of:-

- (i) any cost and expenses incurred by Cardiff Council in respect of the matters referred to in clause 3 and 8 that are not met out of the Financial Contributions should the same prove insufficient to meet the costs and expenses, and
- (ii) any costs, expenses, claims, demands, losses or liabilities how so ever incurred by Cardiff Council as a result of any of the matters referred to in clause 3 and 8.3.

9.2 This clause 9 shall remain operative following the expiry of the Memorandum of Understanding.

10. DISPUTE RESOLUTION

All Councils will use best endeavours to work together to achieve the aims and objectives of this Memorandum, complete the City Deal Project Work and avoid disputes. In the event of any dispute the dispute shall be referred to the Councils' Chief Executives to find a resolution.

11 LIABILITY OF THE COUNCILS

No Council shall make any claim of what so ever nature against Cardiff Council to recover any loss, damage, expense, cost or the like which it may incur by reason of or arising out of the carrying out by Cardiff Council of any of its obligations under this Memorandum unless and to the extent such loss, damage or expense arises from a wilful default or wilful breach by Cardiff Council of its obligations under this Memorandum. This clause 11 shall not operate so as to limit any liability that Cardiff Council may have, where such liability cannot be limited by law.

12 CONTRACTS (THIRD PARTY RIGHTS)

The Councils as parties to this Memorandum do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

13 NOTICES

13.1 Any notice or demand in connection with this Memorandum shall be in writing and may be delivered by hand, prepaid first class post, special delivery post, or email, addressed to the recipient at the address set out for each Council in this Memorandum or such other recipient address as may be notified in writing from time to time by any of the parties to this Memorandum to all the other parties to this Memorandum.

13.2 The notice or demand shall be deemed to have been duly served:-

13.2.1 if delivered by hand, when left at the proper address for service;

13.2.2 if given or made by prepaid first class post or special delivery post, 48 hours after being posted (excluding days other than Business Days);

13.2.3 if given or made by email, at the time of transmission,

provided that, where in the case of delivery by hand or email such delivery or transmission occurs either after 4.00pm on a Business Day or on a day other than a Business Day service shall be deemed to occur at 9.00am on the next following Business Day.

13.3 For the avoidance of doubt, where proceedings to which the Civil Procedure Rules apply have been issued, the provisions of the Civil Procedure Rules must be complied with in respect of the service of documents in connection with those proceedings.

14 GOVERNING LAW

This Memorandum shall be governed by and construed in all respects in accordance with the laws of England and Wales and the English and Welsh Courts shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Memorandum.

15 ASSIGNMENTS

15.1 The rights and obligations of the Councils under this Memorandum shall not be assigned, novated or otherwise transferred

16 WAIVER

16.1 No failure or delay by any Council to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same or some other right, power or remedy unless a waiver is given in writing by that Council.

16.2 Each Council shall pay their own costs incurred in connection with the preparation, execution and completion of this Memorandum.

17 COUNTERPARTS

This Memorandum may be executed in any number of counterparts each of which so executed shall be an original but together shall constitute one and the same instrument.

18 RELATIONSHIP OF COUNCILS

No Council shall have the right to act on behalf of another nor to bind the other by contract or otherwise except to the extent expressly permitted by the terms of this Memorandum. In particular and for the avoidance of doubt, none of the provisions relating to the principles of working together shall be taken to establish any Partnership as defined by The Partnership Act 1890.

19 DATA PROTECTION

Each Council shall comply with its obligations under the Data Protection Act.

20. FREEDOM OF INFORMATION AND ENVIRONMENT INFORMATION

20.1 Each Council acknowledges that the other Councils are subject to the requirements of the Freedom of Information Act 2000 ("FoIA") and the Environmental Information Regulations 2004 ("EIR") and each Council shall where reasonable assist and co-operate with the other Councils (at their own expense) to enable the other Councils to comply with these information disclosure obligations in relation to the City Deal.

20.2 The Councils shall be responsible for determining in their absolute discretion whether any information requested of them under the FoIA or the EIR is exempt from disclosure under the FoIA or the EIR or is to be disclosed in response to a request for information.

20.3 Each Council acknowledges that the other Councils may be obliged under the FoIA or the EIR to disclose information:

20.3.1 without consulting with the other Councils where it has not been practicable to achieve such consultation; or

20.3.2 following consultation with the other Councils and having taken their views into account.

21. MITIGATION

Each Council shall at all time take all reasonable steps to minimise and mitigate any loss for which the relevant Council is entitled to bring a claim against the other Council(s) pursuant to this Memorandum.

22. STATUTORY RESPONSIBILITIES

Notwithstanding anything apparently to the contrary in this Memorandum, in carrying out their statutory duties, the discretion of any Council shall not be fettered or otherwise affected by the terms of this Memorandum.

AS WITNESSED the duly authorised representatives of the Councils have signed this Memorandum as a deed on the date written at the beginning of this Memorandum.

Signed for and on behalf of

Signed by way of acceptance of the above terms

Authorised signatory on behalf of

Blaenau Gwent County Borough Council

Authorised signatory on behalf of
Bridgend County Borough Council

Authorised signatory on behalf of
Caerphilly County Borough Council

Authorised signatory on behalf of
The County Council of the City and County of Cardiff

Authorised signatory on behalf of
Merthyr Tydfil County Borough Council

Authorised signatory on behalf of
Monmouthshire County Council

Authorised signatory on behalf of
Newport City Council

Authorised signatory on behalf of
Rhondda Cynon Taf County Council

Authorised signatory on behalf of
Torfaen County Borough Council

Authorised signatory on behalf of
Vale of Glamorgan County Borough Council

Outline of City Deal Project Work required

1. Preparation of the Joint Working Agreement (that is the detailed agreement that would be required between the Councils to underpin the proposed City Deal arrangements and to establish a Joint committee (referred to as the Cardiff Capital Region Cabinet).
2. Financial work, by way of illustration only:
 - (i) preparation of mechanisms for apportionment of costs between the Councils,
 - (ii) preparation of an assurance framework for the Investment Fund, and
 - (iii) preparation of a Gateway Assessment process.
3. Consideration of the potential for the parties to seek new powers and fiscal flexibilities to support the delivery of the City Deal.
4. Carrying out the preparatory work required to facilitate the establishment of the following new bodies (PROVIDED ALWAYS that the decision to establish such bodies will be a matter for each Council to make in accordance with its own decision making rules and procedures):-
 - (i) Non Statutory Regional Transport Authority
 - (ii) Cardiff Capital Region Skills and Employment Board
 - (iii) Cardiff Capital Region Business Organisation
 - (iv) Cardiff Capital Region Economic Growth Partnership
 - (v) Independent Growth and Competitiveness Commission

**CARDIFF CAPITAL REGION CITY DEAL SHADOW JOINT COMMITTEE
TERMS OF REFERENCE**

1. Parties

Blaenau Gwent County Borough Council
Bridgend County Borough Council
Caerphilly County Borough Council
The County Council of the City and County of Cardiff
Merthyr Tydfil County Borough Council
Monmouthshire County Council
Newport City Council
Rhondda Cynon Taf County Borough Council
Torfaen County Borough Council, and
Vale of Glamorgan County Borough Council

Welsh Government

2. Status and Membership

Status - The Cardiff Capital Region City Deal Shadow Joint Committee is established to provide direction, oversee and facilitate the development of a City Deal for the Cardiff Capital Region, which final arrangements will be submitted to each authority for approval. The City Deal proposal is to be developed in line with the vision and interests of all participating parties and the City Deal Document signed on 15th March 2016.

Membership - 10 Local Authority Leaders (or their nominated deputies) from across the Cardiff Capital Region.

The Chief Executives or delegated deputies may attend any meetings held, as advisors,
An officer appointed by the Minister for Finance of the Welsh Assembly Government may attend meetings as an observer.

Decision Making - Any formal decision required will be a matter for each authority to make in accordance with its own decision making rules and procedures. Where direction on any matters is required from the Board, views will be sought of each Leader Representative on the Board (or deputy) with the aim of reaching a consensus as to the direction to be given.

It is acknowledge that any direction given or comment made by any member at a Board meeting is without prejudice to any decisions that his/her respective authority may be asked to make on this matter and shall not serve to fetter an authority in its decision making.

3. Functions of the Shadow Joint Committee

The Shadow Joint Committee is established to provide direction, oversee and facilitate the development of the Cardiff Capital Region City Deal in line with the vision and interests of all participating parties and the City Deal document signed on 15th March 2016. The Shadow Joint Committee will be requested to consider the final proposed report on the City Deal and business case prior to its submission to each Authority for approval.

The Cardiff Capital Region City Deal Shadow Joint Committee will be invited to consider any reports and recommendations from the Cardiff Capital Region City Deal Chief Executives Group and provide such direction thereon to the Chief Executives Group, as they deem appropriate.

4. Professional and administrative support

The City of Cardiff County Council shall act as the accountable body for the Cardiff Capital Region City Deal Shadow Joint Committee in respect of financial matters and its financial procedure rules will apply in this context.

Administrative support to the Cardiff Capital Region City Deal Shadow Joint Committee will be provided by the City of Cardiff County Council.

The procurement, finance and other rules of the City of Cardiff County Council will apply in respect of projects.

5. Quorum and Notice of meetings

No formal quorum is set for the meetings but each party shall use its reasonable endeavours to ensure one member representative (the Leader or nominated deputy) is in attendance. Reasonable notice is to be given of the dates, times and venues of the proposed meetings.

**CARDIFF CAPITAL REGION CITY DEAL CHIEF EXECUTIVES BOARD
TERMS OF REFERENCE**

1. Parties

Blaenau Gwent County Borough Council
Bridgend County Borough Council
Caerphilly County Borough Council
The County Council of the City and County of Cardiff
Merthyr Tydfil County Borough Council
Monmouthshire County Council
Newport City Council
Rhondda Cynon Taf County Borough Council
Torfaen County Borough Council, and
Vale of Glamorgan County Borough Council

Welsh Government

2. Status, Membership and Decision Making

Status - The Cardiff Capital Region City Deal Chief Executives Board has been established to act as a forum in order to provide senior level officer direction and make arrangements to discharge the instructions of the Cardiff Capital Region City Deal Shadow Joint Committee.

Membership - 10 Chief Executives of the South East Wales local authorities or nominated deputies with delegated authority to act on behalf of their respective Chief Executive (i.e. one from each of the ten member Councils).

An officer appointed by the Minister for Finance of the Welsh Assembly Government may be in attendance as an observer.

A Chair and Deputy of the Chief Executives Board will be appointed by the 10 Chief Executives.

Decision making – Any decision required relating to the functions of the Executive Board will be a matter for each authority to make through its Chief Executive Representative on the Board (or deputy) to the extent that such decision falls within his or her delegated authority. All decisions must be made on a consensual basis of all ten authorities, with each attendee's agreement, if given, being deemed (i) to represent the decision of their respective authority to the course of action / authorisation concerned and (ii) to be within their delegated authority.

Meetings – may be held in person or by telephone conference or matters may be considered via email exchange between all members.

3. Functions of the Executive Board

The Cardiff Capital Region City Deal Chief Executives Board will provide support to the Cardiff Capital Region City Deal Shadow Joint Committee to ensure that the development of the Cardiff Capital Region City Deal is in line with the vision and interests of participating parties and the City Deal Document signed on 15.3.16.

The Cardiff Capital Region City Deal Chief Executives Board will be responsible for developing the final proposal and business case for a City Deal for consideration by the Cardiff Capital Region City Deal Shadow Joint Committee and approval by each of the 10 authorities.

The Cardiff Capital Region City Deal Chief Executives Board will be responsible for authorising the City of Cardiff County Council to (i) commission external support and (ii) oversee the management of the project expenditure.

The Cardiff Capital Region City Deal Chief Executives Board will be responsible for delegating actions, as appropriate, to the Project Officer Group.

4. Professional and administrative support

The City of Cardiff County Council shall act as the accountable body for the Cardiff Capital Region City Deal Chief Executives Board in respect of financial matters and its financial procedure rules will apply in this context.

Administrative support to the Cardiff Capital Region City Deal Chief Executives Board will be provided by the City of Cardiff County Council.

The procurement, finance and other rules of the City of Cardiff County Council will apply in respect of projects.

Any expenditure on preparatory work required to develop the detailed City Deal proposals, which preparatory work has a value in excess of £20,000, will require the full approval of the Cardiff Capital Region City Deal Chief Executives Board.

Expenditure decisions falling below a cumulative value of £20,000 in a financial year may be made by the Chair of the Project Officers Group.

Expenditure would also be subject to the appropriate delegations relating to the City of Cardiff Council.

5. Reports and recommendations

The Cardiff Capital Region City Deal Shadow Joint Committee will receive reports and recommendations from the Chief Executives Group as appropriate.

Cardiff Capital Region City Deal Officers Group

The Cardiff Capital Region City Deal Officers Group will provide support to the Cardiff Capital Region City Deal Chief Executives Board to ensure that the development of the Cardiff Capital Region City Deal is in line with the vision and interests of participating parties.

The Cardiff Capital Region City Deal Officers Group will comprise officers nominated by the Cardiff Capital Region City Deal Chief Executives Board and may be split into sub groups reflecting particular professional disciplines and expertise.

The Cardiff Capital Region City Deal Officers Group will undertake such activities as directed by the Cardiff Capital Region City Deal Chief Executives Board, to progress the development of the City Deal. The Cardiff Capital Region City Deal Officers Group will, if required, work with any appointed specialist advisor to develop the City Deal .

Welsh Government appointed officials may attend all City Deal Officer Group meetings as appropriate.

Schedule 4 - Financial Contributions

CITY DEAL PARTNER CONTRIBUTIONS

	Pro Rata
Blaenau Gwent	£23,366
Bridgend	£47,034
Caerphilly	£59,989
Cardiff	£117,736
Merthyr Tydfil	£19,751
Monmouthshire	£30,832
Newport	£49,076
Rhondda, Cynon, Taff	£79,037
The Vale of Glamorgan	£42,582
Torfaen	£30,597
Column Total	£500,000

Calculations

<u>local authority</u>	<u>Population</u>	<u>%</u>	<u>£ pro-rata</u>
Blaenau Gwent	69,800	5%	£23,366
Bridgend	140,500	9%	£47,034
Caerphilly	179,200	12%	£59,989
Cardiff	351,700	24%	£117,736
Merthyr Tydfil	59,000	4%	£19,751
Monmouthshire	92,100	6%	£30,832
Newport	146,600	10%	£49,076
Rhondda, Cynon, Taff	236,100	16%	£79,037
The Vale of Glamorgan	127,200	9%	£42,582
Torfaen	91,400	6%	£30,597
Column Total	1,493,600	100%	£500,000

ACCOUNTING PERIODS

Start of Accounting Period	End of Accounting Period
1 April	30 June
1 July	30 September
1 October	31 December
1 January	31 March

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Report



Cabinet

Part 1

Date: 5th September 2016

Item No:

Subject Annual Review of the 15/16 Improvement Plan

Purpose To inform Council of the progress made towards the delivery of the 15/16 Improvement Plan

Author Rhys Cornwall, Head of People and Business Change
Mike Dickie, Business Service Development Manager
Rachel Kalahar, Senior Performance Management Officer

Ward All

Summary Under the Local Government Measure 2009, Local Authorities have a duty to make arrangements to secure continuous improvement and to account for it. This report offers details of our progress in delivering the Improvement Objectives described in the Improvement Plan 2015/16.

Overall progress against the 15/16 plan is assessed as being 'good', with most Improvement Objectives performing well with Excellent progress is being made in some areas including: 'Ensuring the best educational outcomes for children' and 'Helping children have a flying start in life'

Proposal

To note the content of the report, to commend areas of successful service delivery, to recommend the report to Council.

Action by Council

Timetable Immediate

This report was prepared after consultation with:

Chair of Cabinet
Cabinet
Performance Board
Chief Executive
Strategic Directors
Heads of Service
Service Managers

Background

Improvement Plan 15/16

Appended to this reported is the year-end review of the Improvement plan for 15/16. This document enables the council to fulfil its statutory duty to make arrangements for continuous improvement and to account for them.

The year-end review details progress towards the eight Improvement Objectives identified in the Improvement Plan 15/16 and an assessment of how successful the council has been in achieving them. The eight Improvement Objectives are linked to the six themes in the Corporate Plan 2012-2017.

Overall progress against the 15/16 plan is assessed as being 'good', with most Improvement Objectives performing well; The : 'Ensuring the best educational outcomes for children' and 'Helping children have a flying start in life' themes were all assessed as excellent.

National Strategic Indicators

The council's performance against the National Strategic Indicators (NSI) and Public Accountability Measures (PAM) for 15/16 is also assessed.

Overall performance of NSIs and PAMs for the Council can be summarised as follows:

- 40% of NSIs and PAMs have performed better than target
- 53% of NSIs and PAMs have performed better than last year
- ■■■ of NSIs and PAMs better than Wales average data*

*Data to be released 7th September 2016.

Financial Summary

There are no direct financial implications from this report.

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
That the council's plans and projects do not have the desired impact on the city	H	M	The council will assess the impact of its actions on an on-going basis and enable adjustments to actions and policies to be brought forward as the need arises	Heads of Service / Strategic Directors
That major impacts are not properly monitored due to faulty assessment of risk and/or impact	H	L	Quarterly reporting to cabinet, together with opportunity for scrutiny reviews will enable adjustments to monitoring regime to be implemented as the need arises	Heads of Service / Strategic Directors

That on-going monitoring impedes progress on project delivery	H	L	The assessment criteria for monitoring progress are designed to ensure monitoring is proportionate to impact and purpose. This will be reassessed as part of the on-going reporting process	Cabinet / Strategic Directors
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Links to Council Policies and Priorities

This report directly links with all of the council's priorities identified in the Corporate Plan and the Improvement Plan 15/16.

Options Available

1. To recommend the report to Council
2. Not to recommend the report to Council

Preferred Option and Why

Preferred option is 1. Recommending the report will enable the council to fulfil its statutory duty and to publish the report before the deadline of 31st October 2016.

Comments of Chief Financial Officer

There are no direct financial implications from this report.

Comments of Monitoring Officer

The details set out in this report reflect the requirements of the Local Government Measure. The approach for monitoring progress against corporate priorities and strategies is consistent with the Council's performance management framework and risk management principles

Staffing Implications: Comments of Head of People and Business Change

There are no direct staffing Implications. The success toward the delivery of the Improvement Plan 15/16 is pleasing to note. This report fulfils the council's statutory duty to make arrangements to secure continuous improvement and account for it.

Comments of Cabinet Member

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Cabinet for consideration.

Local issues

No specific local issues

NB: Do not circulate for ward member comments until the report is drafted in accordance with the wishes of your Head of Service or Corporate Director and with the knowledge of the relevant cabinet member.

Scrutiny Committees

Joint Meeting of Scrutiny Committees "Draft Improvement Plan Priorities 2014/15" (16/12/13)
Learning, Caring and Leisure Scrutiny Committee "Draft Improvement Plan 2014/15"
(25/02/15)

Streetscene, Regeneration and Safety Scrutiny Committee "Draft Improvement Plan 2014/15" (12/02/15)
Community Planning and Development Scrutiny Committee Draft Improvement Plan 14/15 (12/02/15)

Equalities Impact Assessment

An EIA was completed for the Improvement Plan 2015/16

Consultation

See background papers section for more detail

Background Papers

Council Report "Corporate Plan 2012-2017" (25/09/12)
Cabinet Report "Corporate Assessment Review" (06/07/2015)
Learning, Caring and Leisure Scrutiny Committee "Draft Improvement Plan 2015/16" (25/02/15)
Streetscene, Regeneration and Safety Scrutiny Committee "Draft Improvement Plan 2015/16" (12/02/15)
Community Planning and Development Scrutiny Committee Draft Improvement Plan 15/16 (18/02/15)
Performance Board, Draft Improvement Plan 15/16 (23/03/15)
Cabinet, Improvement Plan 15/16 (13/04/15)
Council, Improvement Plan 15/16 (28/04/15)
Cabinet Report Improvement Plan 15/16 Update for Q1 (01/09/15)
Cabinet Report Improvement Plan 15/16 Update for Q2 (18/12/15)
Cabinet Report Improvement Plan 15/16 update for Q3 (14/03/16)
Cabinet Report Improvement Plan 15/16 update for Q4 (06/06/16)

Dated: September 2016

Annual Review of the 15/16 Improvement Plan

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Summary

The following report outlines progress the council has made against achieving the goals set out in the 2015/16 Improvement Plan.

The 2015/16 Improvement Plan was based on the key themes that form the Corporate Plan 2012/17; the change this year has been that there are ten Improvement Objectives spread across the themes, their performance is summarised below.

The 2015/16 Plan has been successful and has achieved an overall rating of good – amber. Despite an ever increasing drive to realise savings and an unprecedented internal economic climate, the Plan demonstrates solid performance. Key areas of high performance include ‘Ensuring people have the right social services to meet their needs’, ‘education attainment’ and ‘Flying Start’ themes which all achieved green – excellent performance ratings.

Each of the Objectives is linked to a Corporate Plan theme as listed below:

Improvement Plan 15/16

The Improvement Plan for 2014/15 set out ten Improvement Objectives that contribute towards each of the five themes in the Corporate Plan.

Corporate Plan theme: A Caring City

1. Supporting older people leaving hospital
2. Improving care and support services for adults

Corporate Plan theme: A Fairer City

Corporate Plan theme: A Learning & Working City

3. Developing and regenerating the city
4. Supporting young people into education, employment or training
5. Ensuring the best educational outcomes for children

Corporate Plan theme: A Greener and Healthier City

6. Helping children have a flying start in life
7. Increasing recycling

Corporate Plan theme: A Safer City

8. Improving outcomes for youth justice

Progress against objectives

The following outlines the progress made in each of the objectives as listed under their Corporate Plan theme.

Newport is a Caring City

1. Supporting older people leaving hospital – Good - Amber

Objective: We want to ensure that people who require social care support do not stay in hospital beds any longer than necessary. When we are responsible for organising to discharge someone from hospital and we are unable to do so within reasonable time, they will be recorded as delayed for social care reasons.

This objective is rated amber – good; Actions and measures are mostly on track, only marginally short of targets, overall good progress has been made.

2. Improving care and support services for adults – Acceptable - Orange

Objective: It is part of adult services statutory duty to review packages of care and support for individual service users. Achieving this objective will improve our planning with individuals proactively, ensuring a planned and efficient approach to our reviewing framework. We are also required to develop an integrated assessment process for older people. By developing more integrated approaches to the management of care and support packages, we aim for more multi-professional involvement in reviewing care plans. This should also contribute to improving care plan reviewing.

This objective is rated Orange - Acceptable; There has been a positive improvement overall, however, an action is falling short of planned outcomes and there is a red measure.

Newport is a Fairer City

Newport is a Learning and Working City

3. Developing and regenerating the City – Good - Amber

Objective: The objective is to make Newport an attractive place for:

- The creation of opportunities for businesses to set up in Newport
- Businesses to continue to deliver their services and develop their business
- The city is seen as a destination for tourism, culture, sport and retail
- Where the residents of the city benefit through increased employment and community benefits

We will provide support to local businesses in order to promote economic growth and will enhance the city's skill base, generating additional employment for Newport residents through a variety of physical and social regeneration projects.

This objective is rated amber - good; Good progress has been made and most actions and measures are on track.

4. Supporting young people into education, employment or training – Good - Amber

Objective: Engagement in learning and training are critical if young people are to make successes of their lives and meet their own needs and the needs of the city of Newport as an economic community. The Council and its partners have an important role to play in helping young people to make the most of opportunities for training and employment. The Improvement Objective measures the percentage of young people who are not in education, employment or training at key stages of their lives.

This objective is rated amber - good; This objective continues to make good progress although some measures and actions have fallen marginally short of targets.

5. Ensuring the best educational outcomes for children – Excellent - Green

Objective: To ensure all our pupils are effectively engaged in education so that they can attain the best possible educational outcomes. This includes vulnerable learners that may be at risk of not reaching their expected level of attainment.

This objective is rated as green - good; All actions are on track, good progress has been made throughout the year.

Newport is a Greener and Healthier City

6. Helping children have a flying start in life – Excellent - Green

Objective: "Flying Start aims to make a decisive difference to the lives of children in the most disadvantaged communities". The Flying Start programme offers eligible parents free quality childcare for 2-3 year olds, parenting support, an enhanced health visitor service and support for early language development.

This objective is rated as Green - Excellent All actions and measures have achieved or exceeded target

7. Increasing recycling – Good - Amber

Objective: To ensure Newport delivers the Welsh Government objectives for the increasing of recycling and the European targets for diversion of waste from landfill, every recycling and diversion opportunity available to the city must be explored and where applicable, implemented. The diversion of residual municipal waste from landfill will largely be covered by the operation of Prosiect Gwyrdd and Cwm-y-Fory. Therefore, this objective will largely focus on encouraging businesses and residents within the city to recycle more which will maximise the potential currently being classified and treated as residual waste.

This objective is rated as Amber - Good Actions and measures are mostly on track with some falling slightly short of planned targets, overall improvement on last year.

Newport is a Safer City

8. Improving outcomes for youth justice- Acceptable - Orange

Objective: The principle aim of the youth justice system, established by section 37 of the Crime and Disorder Act 1998, is to prevent offending by children and young people. This relates to prevention of antisocial behaviour and offending; appropriate use of Out of Court Disposals to divert young people from the criminal justice system; reducing the rate of proven re-offending and reducing the proportion of young people sentenced to custody. In line with Welsh Government and Youth Justice Board policy, we believe that prevention is better than cure and that children are young people first and offenders second.

This objective has been rated as Orange – Acceptable, good progress has been made, there is 1 action which has deviated from planned outcomes, there is a red measure and an amber measure which are falling short of target.

Summary Table of Progress Against Improvement Plan Objectives

<i>Report produced in...</i>	<i>September</i>	<i>December</i>	<i>March</i>	<i>June</i>
<i>To show status for....</i>	<i>Q1 Apr-Jun</i>	<i>Q2 Jul-Sept</i>	<i>Q3 Oct-Dec</i>	<i>Q4 Jan-Mar</i>
1. Supporting Older People leaving hospital	Amber	Amber	Green	Amber
2. Improving care and support services for adults	Amber	Orange	Orange	Orange
3. Developing and regenerating the City	Green	Orange	Amber	Amber
4. Supporting young people into education, employment or training	Green	Amber	Amber	Amber
5. Ensuring the best educational outcomes for children	Green	Green	Green	Green
6. Helping children have a flying start in life	Green	Green	Green	Green
7. Increasing recycling	Amber	Amber	Orange	Amber
8. Improving outcomes for youth justice	Amber	Orange	Orange	Orange
OVERALL	Good	Good	Good	Good

NSI and PAM summary

The points below highlight the Council's performance in 2015/16 for the NSI and PAMs overall:

- 40% of NSIs and PAMs have performed better than target
- 53% of NSIs and PAMs have performed better than last year
- ■■■ of NSIs and PAMs better than Wales average data for 2015/16*

*Data to be released 7th September 2016.

WAO proposals for improvement

During 13/14 the council received its Corporate Assessment from the Wales Audit Office (WAO) containing six recommendations for action. Progress has been made towards delivering the Wales Audit Office proposals for Improvement and recommendations. The WAO returned to conduct a follow-up review of the Corporate Assessment 2014/15, this resulted in removal and revisions to the original recommendations and PFIs and the addition of a recommendations. Additional detail on these actions can be found at the end of this report.

A further review of the Corporate Assessment was carried out by the WAO in 2015/16, the report for this is due to be received by the Council soon and a new action plan will be initiated.

Links and further information:

[Improvement Plan 15/16](#)

[Improvement Plan Summary 15/16](#)

[Corporate Plan 2012-2017](#)

[Performance Management webpages](#)

Have your say

Newport City Council is committed to improving our services and it is important that we listen to what the community have to say. We welcome your comments or suggestions at any time of the year.

If you have any comments, would like any further information, or to request a copy of this Improvement Plan review please contact:

Corporate Performance Team
Newport City Council
Civic Centre
Newport
NP20 4UR

Email: performance.management@newport.gov.uk

Telephone: 01633 656656

Improvement Objectives in Detail

This section discusses the Improvement Objectives in more detail. An overall assessment of each of the objectives has been made based on the following:

An overall evaluation of progress is made using the following criteria.

Status	Evaluated as	Explanation
Green	Excellent	All actions and measures are on track
Amber	Good	Actions and measures are on mostly on track, one or two falling marginally short of planned targets
Orange	Acceptable	Some actions and measures have deviated from plan and are some are falling short of planned targets
Red	Improvement Required	Actions and measures are of concern and are mostly falling short of planned targets

Key for Actions

Green – actions fully achieved against plan and expected outcomes for citizens are realised

Amber – actions fall marginally short of planned activity and/or some of the expected outcomes for citizens are realised

Red – actions not achieved as planned and expected outcomes for citizens not realised

Key for Measures

(G) = Green, performance is better than target / previous year

(A) = Amber, performance has fallen slightly short of target / previous year

(R) = Red, performance has missed target / previous year

Improvement Objective 1 – Supporting Older people leaving Hospital

Link to Corporate Plan: A Caring City

Lead Cabinet Member: Cabinet Member for Adult Social Services & Housing

Lead Officer: Head of Adult and Community Services

Overall assessment – Amber- Good; Actions and measures are mostly on track, only marginally short of targets, overall good progress has been made.

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
1.1 Reduce DTOC levels for social care reasons to 4/1000 of the population	<p>We have engaged with health colleagues at a strategic level including Winter Planning discussions to plan for potential pressures on the health system across the year.</p> <p>The criteria for step down beds has been reviewed to improve usage and further manual handling training and equipment has been purchased for Parklands. We have identified a dedicated social work resource for the step down facility. The Step down beds are now fully operational as part of Discharge to Assess pathway.</p> <p>The capacity within reablement teams has also been increased using ICF funding from Welsh Government.</p> <p>Negotiations with care homes regarding fees have been concluded which has reduced the number wishing to charge a top up fee from relatives.</p>	<p>People are now able to be discharged with the appropriate support and delays for social care reasons are low.</p> <p>People are able to access a care package and also use of the step down beds has improved and the majority of people using these beds are able to return to their own home.</p> <p>The number of people being fully reabled following an episode of reablement has continued to meet targets set.</p>	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
1.2 Fully implement a single referral for discharge at RGH site which links therapist, social work and frailty team.	<p>The referral hub for hospital discharge continues to act as coordinating point for hospital referrals to ensure the most appropriate response. However at times the number of inappropriate referrals has been excessive and has created delays in SW assessment.</p> <p>Additional Social Capacity secured in the Hospital Social Work Team to manage the increased demand for social work assessment in RGH.</p>	The number of delayed transfers of care continues to remain very low at 3 per month, however, over reporting by ABUHB in March 2016 meant that we fell short of our target.	Amber
1.3 Working in partnership to adopt a 'discharge to assess' approach, where patients are discharged from hospital once they are medically fit and have their support needs assessed within an agreed timescale on arrival at home.	<p>The Rapid Response discharge service and the PATHE have been merged to maximise capacity within these teams which provide low level support such as shopping to older people leaving hospital.</p> <p>The referrals for therapy through the Frailty portal have been screened to ensure they are appropriate and that people can be supported by Frailty to be assessed on discharge.</p> <p>The pilot for an in reach-model for hospital discharge has started at the RGH and is fully supported by ABUHB and NCC. NCC is working on behalf of Torfaen and Caerphilly to facilitate discharges which reduces need for RGH staff to understand different systems.</p>	<p>The reduction in time between being considered medically fit and discharged has been reduced.</p> <p>The right people who would benefit most are being referred to Reablement.</p> <p>There is improved partnership working across the Local Authorities and NHS to improve the discharge pathway and make best use of everyone's skills.</p>	Green

MEASURE UPDATE

(G) = Green, performance is better than target / previous year

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(R) = Red, performance has missed target / previous year

Improvement Plan 2015/16

Theme 1 - Supporting older people leaving hospital

Adult & Community Services 2015/Q4

Measure	Actual	Target			Last Year		
	Data	Data	Index	Index Range	Data	Index	Index Range
SCA/001 Delayed Transfers of Care (NSI, SP) # (M)	4.29 per 1,000	3.96 per 1,000	91.6%	Amber	5.37 per 1,000	120.0%	Green
CCAS/L/017 Number hospital discharge assessments (IP, SP) (M)	837.0	800.0	104.6%	Green	1,297.0	64.5%	Red
SCA/001 (N) LA Residents Experiencing DTOC # (M)	50.0	46.0	91.3%	Amber	62.0	119.4%	Green
CCAS/L/019 % people needs met following planned discharge (IP, SP) (Q)	96.6%	95.0%	101.7%	Green	92.0%	105.1%	Green
CCAS/L/020 Number of people fully reabled (IP, SP) (M)	457.0	270.0	169.3%	Green	371.0	123.2%	Green

Improvement Objective 2 – Improving Care and Support Services for Adults

Link to Corporate Plan: A Caring City

Lead Cabinet Member: Cabinet Member for Adult Social Services & Housing

Lead Officer: Head of Adult and Community Services

Overall Assessment: Orange - acceptable. There has been a positive improvement overall, however, an action is falling short of planned outcomes and there is a red measure.

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
2.1 To continue to improve the volumes of reviews of care plans completed up to 85% by the 2015/16 year end	<p>The number of reviews completed has now achieved the target set.</p> <p>The services where the numbers were low have been targeted and performance has improved.</p> <p>The reviews in future will be allocated and recorded on the system including those where there has been a reassessment.</p> <p>To continue to improve activity to meet Welsh average levels of performance for reviews.</p>	<p>People now receive a timely review of their care and support arrangements and a reassessment of their needs where appropriate.</p> <p>The offer of a Carers reviews has not met the target but we have consulted with Carers Forums on the right approach to take which consists of making a genuine offer rather than a blanket letter approach.</p>	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
2.2 Agree review team structure in line with client pathway so we ensure consistent review practice	A revised team structure based on the NCN footprint has been agreed. Development of IA documents to fulfil SSWB Act requirement underway to meet objectives of the Gwent action plan.	There are fewer “handoffs” between teams and a greater understanding of the needs of the people who live in the NCN footprint and improved partnership working with health colleagues in primary care.	Green
2.3 Develop and implement a revised process as part of integrated assessment to include the needs of carers and ensure that all cases are reviewed appropriately.	The development of IA documents to fulfil SSWB Act requirement is underway which meets the objectives of the Gwent action plan. Adult teams have started to use the new IA format including the care and support plan. Further work required however to ensure the new tools are on the ACS system and are in accessible formats.	People are being involved in their assessment which is based on a strengths approach and explores what matters to them.	Amber

MEASURE UPDATE

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(R) = Red, performance has missed target / previous year

Improvement Plan 2015/16

Theme 2 - Improving care and support services for adults

Adult & Community Services 2015/Q4

Measure	Actual	Target		Last Year			
	Data	Data	Index	Index Range	Data	Index	Index Range
SCA/007 Care Plan Reviews (PAM, SP) % (M)	86.3%	85.0%	101.6%	Green	77.9%	110.9%	Green
CCAS/L/026 OT Assessments & Reviews (IP) % (M)	93.3%	85.0%	109.8%	Green	--	--	Grey
SCA/018a Carers offered assmt or review (PAM, SP) % (M)	72.1%	90.0%	80.2%	Red	94.0%	76.7%	Red

Improvement Objective 3 – Developing and Regenerating the City

Link to Corporate Plan: A Learning and Working City

Lead Cabinet Member: Cabinet Member for Regeneration & Investment and
Cabinet Member for Community Services, Work and Skills

Lead Officer: Head of Regeneration, Investment and Housing

Overall Assessment: Amber - Good – Good progress has been made in quarter 4 and most actions and measures are on track.

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
<p>3.1 To finalise and continue schemes started in year 1 of the programme and to commence new schemes identified as part of Vibrant & Viable Places Year 2.</p>	<p>Completion of a number of VVP projects:</p> <ul style="list-style-type: none"> • 62-66 Cardiff Road • King's Court (former King's Hotel) • Potters Arms Public House • National Building & 92 Commercial Street • 8, 38 & 40 Cardiff Road <p>Further VVP projects underway:</p> <ul style="list-style-type: none"> • Premier Inn (former Yates) • Griffin Island • King's Arms/Top of the Range Club • Demolition of St Paul's House/Kingsway Snooker Club 	<p>Delivery of the VVP programme has secured the following benefits to Newport communities:</p> <ul style="list-style-type: none"> • 351 jobs created or enabled as a result of regeneration investment (including 212 supported into work via work programmes), enabling local people to benefit from the revitalisation of the city centre. • 1262 sq. m business premises created or improved, providing a stimulus to new or existing city centre businesses. • 59 new high-quality dwellings created in the city centre, plus an additional 40 existing units improved, improving health and aspirational outcomes. • Majority of work carried out by local building contractors and professionals, boosting the local economy. Community benefit 	<p>AMBER</p>

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
		clauses.	
3.2 Regeneration Strategy focussing on the physical environment and infrastructure, improvement in skills, training and job creation along with continued provision of robust business support for new and existing businesses. The strategy also provides support for the newly developed Business Improvement District and the opportunity to link themes within the strategy to similar themes within the BID	Throughout the work delivered by the work and skills team and community regeneration we have delivered qualifications and skills programmes to over 800 users. Additionally we have supported 619 people into full time sustainable employment. We have utilised the community benefit scheme to create work experience, employment and training opportunities and will continue to develop this. Additionally we are growing our Employer Services offer to support retailers and other employers in the city to recruit suitably qualified staff. We have already supported employers this year such as; ABHB, Street Scene, Seren Group, Lovells, BAM Construction, SIMEC, Cogent and many retailers based at the Friars Walk development. Working in partnership with developments such as Friars Walk, VVP and Communities First we have been able to develop funded training programmes for residents and employers.	Collectively the work has delivered; Skills and training to over 800 residents of Newport Supported over 600 people into full time employment Supported local employers to recruit suitably trained staff Created apprenticeship & work experience opportunities to residents. Delivered the Friars Walk Jobs Fair – Over 3000 visitors and 400 actual vacancies available on the day.	GREEN
3.3 To continue to secure external funding for Regeneration programmes such as the continued redevelopment of the fourteen locks system and	The following additional funding has been secured into regeneration activity in Newport in 2015/16:	This funding has enabled: <ul style="list-style-type: none"> Provision of 6 extra high-quality affordable housing units in the city 	GREEN

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
identification of a project to work with the Heritage Lottery Fund.	<ul style="list-style-type: none"> • £1.2m Vibrant and Viable Places • £365,000 Arts Council for Wales grant for Maindee Unlimited • £90,000 Fourteen Locks refurbishment (£60k Heritage Lottery Fund & £30k Landfill Tax) 	<p>centre.</p> <ul style="list-style-type: none"> • Enabled a new phase of master-planning for the city centre that will identify key regeneration areas and assist with future investment bids. • Attracted funding in to Maindee Unlimited, who will deliver improvements to the former library and public realm in Maindee. • Completion of the restoration project at Fourteen Locks, protecting the water supply to this unique heritage asset and ensuring its continuing vitality as a community and leisure facility. 	
3.4 Continue to develop new and innovative large scale energy improvement work with energy companies and Welsh Government	Although no Arbed funding was secured for 2015/16, the housing service worked with the Welsh Government's NEST scheme and with local charity, S E Wales Energy Agency, to implement targeted schemes, as well as delivering domestic energy improvements through development work with RSL's and through housing loan schemes.	<ul style="list-style-type: none"> • Some low-income households in Newport have more energy-efficient homes; • Some residents with health problems have been able to keep warmer through the winter; • New or renovated housing units are available offering energy-efficient homes 	AMBER

MEASURE UPDATE

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Improvement Plan 2015/16

Theme 3 - Developing and regenerating the City

Regeneration, Investment & Housing 2015/Q4

Measure	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
RRS/L/037 Provision of coherent business support (Q) (IP, SP)	1,159	500	200.0%	887	130.7%
RRS/L/012 % people in training, job search or voluntary work (M) (IP, SP)	99.7%	90.0%	110.8%	--	--
RRS/L/003 Economically inactive people supported back into work (M) (IP, SP)	619	600	103.2%	608	101.8%
RRS/L/031 Number of homes benefitting domestic energy measures. (Q)	259	300	86.3%	161	160.9%
RRS/L/036 VVP - increase in city centre housing (A) (IP, SP)	57	19	200.0%	57	100.0%

Improvement Objective 4 – Supporting Young People into Education, Employment or Training

Link to Corporate Plan: A Learning and Working City

Lead Cabinet Member: Cabinet Member for Community Services, Work and Skills

Lead Officer: Strategic director – people

Overall Assessment: Amber – Good. This objective continues to make good progress although some measures and actions have fallen marginally short of targets.

Outcome Agreement Assessment: Fully successful 2

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
4.1 Develop and deliver specific employability programmes through WBLA to meet the needs of those young people who are only seeking employment	<p>Throughout the year we have continued to deliver employability programmes and develop new initiatives to target unemployment for young people. We have delivered;</p> <p>10 x NEET/ Newport Works employability programmes – working with over 100 young people across the city on a 13 week employability programme.</p> <p>Work & Skills / C1st/ VVP / Youth Service – working in partnership to deliver bespoke packages of one to one support to young people including qualifications and skills specifically aimed at linking to local recruitment drives and supporting them to gain employment.</p>	<p>Collectively the work we have completed and are developing has engaged 534 young people into employment focused activities with over 70 % of young people gaining qualifications and additional skills. We have successfully supported 222 young people into meaningful employment.</p> <p>With the development of the apprenticeship programme and the introduction of the Inspire to Work programme we will be expecting to support an additional 100 people per year to gain skills and qualification and support an additional 50 people per year into employment</p>	GREEN

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	<p>Community Benefit – Working with a number of contractors in the city who have successfully tendered for work. Arranged work placement, employment and apprenticeship opportunities within the areas of; Street Lighting, Caerleon Lodge School, Domiciliary Care, Pill Redevelopments, Brynglas Tunnels refurbishment, Junction 28 repairs and the Welsh Medium school.</p> <p>Apprenticeships – We have developed a scheme to promote apprentices within the authority and with external partners. We have gained accreditation with Agored Cymru to support us with developing pilot schemes.</p> <p>We have identified areas within Community Regeneration where there are skills gaps that the service is unable to recruit suitably skilled staff. A Cabinet Member Report has been submitted for comment and we are hoping to have the scheme running by July 2016.</p> <p>Currently we are developing a STEM show case event in partnership with Cogent and the Celtic Manor to demonstrate to businesses and</p>		

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	<p>schools the need to develop initiatives.</p> <p>We are currently seeking approval to gain funding from WEFO to draw down £1m of funding to deliver an ESF funded provision called Inspire to Work. The programme will target over 300 young people aged between 16 and 24 over a 3 year period.</p> <p>We are expecting approval in June 2016.</p>		
4.2 Implement the Youth Engagement and Progression Framework action plan	<p>The YEPF has continued to be implemented through a variety of ways through the 6 strands.</p> <p>The YEPF Co-ordinator provides support for the use of the early identification tool with schools and managing the provision of lead workers for individuals at risk.</p> <p>Direct work is carried out with Careers Wales to ensure data and tracking systems are in place and working effectively to track all young people on transition. This has meant offering 16 – 17 year olds learning opportunities to enable them to re – engage into education and training opportunities.</p> <p>Working with providers of education</p>	<p>This has ensured that the appropriate support has been put in place for young people at the earliest opportunity, preventing young people from becoming NEET.</p> <p>All contributes to the success in reducing the number of young people not in education, employment or training in Years 11, 12 and 13.</p>	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	<p>and further learning to ensure appropriate provision is in place at post compulsory education transition points.</p> <p>YEPF Officer in place for data analysis.</p> <p>Data analysis carried out and reported on for all young people in the 5 tier model.</p> <p>School destination visits are carried out with work around young people who are NEET.</p> <p>The ESF project I2A has been agreed with the EPC beginning initial work with partners.</p> <p>Additional work with Heads of 6th Form, Coleg Gwent and CW has ensured young people in tier 4 are worked with.</p>		
4.3 Map provision for those young people unable to progress against their specific needs	<p>Mapping of provision for those young people unable to progress against their specific needs and ensure robust mechanisms are in place to support transition has begun.</p> <p>Further resource needs to be invested and the strategic Youth Support Services Board (previously the</p>	<p>Services can be realigned to 'fit' the gaps and resource can be shared.</p> <p>Some young people are unable to continue in education, learning or employment for a variety of reasons, such as caring responsibilities, illness (including mental health problems) or involvement in the criminal justice system. Being better able to</p>	Amber

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	YPEET) has agreed to revisit Youth Support Services.	understand the needs and resource issues will enable us to make a real difference in their lives.	
4.4 Meet regularly with Careers Wales, Schools, Work Based Learning Providers and Coleg Gwent to ensure provision appropriately meets the needs of young people	<p>Monthly meetings are carried out with the following groups:</p> <p>16-18 practitioner group</p> <p>Learning Provider Network</p> <p>Tier 1 allocation meeting</p> <p>Additional meetings are carried out with all secondary Schools, Careers Wales and Coleg Gwent regarding the young people not in education, employment and training for the October destination figure (2015 school leavers).</p> <p>All schools were met with re the Key Stage 5 piece of work around young people in tier 4</p> <p>The YEPF Coordinator has also become a member of Newport's Curriculum Deputies group to aid with the reduction of young people not in education, employment and training in Key Stage 5.</p> <p>The Pre 16 NEET group meets once a term with Senior Management in</p>	<p>These meetings ensure that young people at risk of becoming NEET in providers are identified early and support can be put in place.</p> <p>Resource can be shared.</p> <p>Duplication of working with young people is minimised.</p> <p>All of these meetings have contributed to success of reduction of young people not in education, employment or training in Years 11, 12 and 13.</p>	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	attendance from all Schools		
4.5 Development of Skills and Work service within Newport City Council	<p>The skills and work service continues to deliver employment focused programmes to young people across the city. The service is developing partnerships through community benefit and other external funders such as ESF and private providers which will provide further resources and opportunities when tackling youth unemployment.</p> <p>The service is also growing its links with internal partners and other Community Regeneration programmes such as Families First, Communities First, Flying start and the Youth Service.</p>	<p>These developments and the progress made in point 4.1 above have enabled the service to offer more resource and opportunity to its service users. As a whole service we have been able to deliver services to over 800 users and supported over 600 people into full time employment (aged between 16 – 65) Further developments and implementation of current projects will improve access and quality of service to users as well as seeing greater numbers of people improving skills and gaining employment.</p>	GREEN

MEASURE UPDATE

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(R) = Red, performance has missed target / previous year

Improvement Plan 2015/16

Theme 4 - Supporting young people into education, employment or training

Regeneration, Investment & Housing 2015/16

Measure	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
NEET\01 Number of families accessing family skills project (Q) (IP/SP)	412	270	152.6%	374	110.2%
NEET\02 Number of young people accessing children and YP skills project (Q)	1,086	885	122.7%	1,145	94.8%
NEET\03 Number of enrolments on basic skills courses (A)	372	400	93.0%	455	81.8%
NEET\04 Number of entrants into work based learning academy (Q)	534	480	111.3%	586	91.1%
NEET\05 Retention rate for enrolments on basic skills course (A)	96.9%	80.0%	121.2%	73.2%	132.5%
NEET\06 Achievement rate for enrolments on basic skills course (A)	96.9%	70.0%	138.5%	67.7%	143.2%
NEET\07 Retention rate for community learning courses (A)	96.9%	85.0%	114.0%	90.6%	106.9%
NEET\08a Achievement rate for community learning courses (A)	96.9%	85.0%	114.0%	72.4%	133.8%
NEET\09 % 16-18 yr olds not in education, employ or training (A)	3.95%	10.00%	160.5%	10.80%	163.4%
NEET\10 Number graduates from WBLA progressing (Q)	222	80	200.0%	133	166.9%

SIP Newport 2015/16

Measure	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
**SIP Young people NEET Year 11 (%) (A)	3.1%	4.8%	135.4%	4.8%	134.7%
**SIP Young people NEET Year 13 (%) (A)	2.4%	7.0%	166.1%	6.2%	162.0%

Improvement Objective 5. – Ensuring the Best Educational Outcomes for Children

Link to Corporate Plan: A Learning and Working City

Lead Cabinet Member: Cabinet Member for Education and Young People and Cabinet Member for Community Services, Work and Skills

Lead Officer: Chief Education Officer

Overall Assessment: Green - Excellent. All actions are on track to the end of Q4.

Outcome Agreement Assessment: fully successful 2 points

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
<p>5.1 Improve the number of pupils achieving the expected level of attainment at Foundation Phase, Key Stage 2, Key Stage 3 and Key Stage 4 (Level 2 inclusive indicator).</p> <ul style="list-style-type: none"> The local authority will continue to commission the services of the Education Achievement Service to support and improve the quality of teaching and learning in Newport schools. The local authority will continue to focus on the national priorities of <i>'improving literacy, improving numeracy and reducing the impact of poverty and deprivation'</i>. 	<p>Schools have received confirmation of their national categorisation. Schools in yellow, amber and red categories have (in partnership with the EAS) developed bespoke support plans. Schools in red and amber support categories will be monitored to ensure timely and effective progress is made.</p> <p>Schools have submitted regular 'Progress Towards Targets'. Head Teachers, Governing Bodies, the local authority and EAS will continue to monitor the data set to consider if additional or alternative action is required.</p>	<p>There is strong green categorisation in primary schools (52%) compared to 22% across Wales. 36% have been categorised as amber and 11% as yellow. There are no red primary schools in Newport.</p> <p>Newport has the only green secondary school across the region. 2/8 (25%) are categorised as green or yellow), 4/8 (50%) are categorised as amber and 2/8 (25%) are categorised as red.</p> <p>The Foundation Phase Indicator outcome for 2014/15 was 88.1% Foundation Phase Progress Towards Targets for 2015/16 show that collectively schools are on track to improve this outcome by 0.5%</p>	<p>Green</p>

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	<p>A Closing the Gap Team has been established within the EAS. A specific 'Closing the Gap' action plan is embedded into the EAS Business Plan 2016-19. Newport will be one of two local authorities across the region to participate and lead the 'Family Learning Signature' project.</p> <p>Wave success</p>	<p>The Key Stage 2 CSI outcome for 2014/15 was 89.3%. Key Stage 2 Progress Towards Targets for 2015/16 show that collectively school are 0.1% below the target set.</p> <p>The Key Stage 3 CSI outcome for 2014/15 was 81.6%. Key Stage 3 Progress Towards Targets for 2015/16 show that collectively school will improve last year's outcome.</p> <p>The Key Stage 4 Level 2 Indicator outcome for 2014/15 was 54.2%. Key Stage 4 L2+ Progress Towards Targets for 2015/16 show that collectively school will improve last year's outcome.</p> <p>Free School Meals data has been verified for 2014/15 and demonstrates that outcomes for pupils in receipt of Free School Meals (FSM) have improved at all Key Stages. The gap between FSM and Non FSM learners is reducing slightly at Foundation Phase, reducing at a faster pace in Key Stage 2, getting bigger at Key Stage 3 and remains static at Key Stage 4 (L2+).</p> <p>Progress Towards Targets for 2015/16 shows that FSM learners in all Key Stages are on track for improved outcomes. Verified data will become available in October 2016.</p>	

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
<p>5.2 Improve Primary & Secondary Attendance</p> <ul style="list-style-type: none"> The local authority will co-construct an attendance work plan with schools. Sub groups will be established to lead and develop specialist work streams e.g. minority-ethnic issues, Early Years, good practice including adopting CALLIO processes and practices 	<p>Development and implementation of the Newport Attendance Strategy took place.</p> <p>Education Welfare has implemented consistent school visit protocols and paperwork for use in schools from September 2015.</p> <p>A 100% attendance celebration took place in September 2015 sponsored by Admiral.</p> <p>EWO staff were reallocated to reflect pupil numbers and schools progress towards attendance targets.</p> <p>Fixed Penalty Notices for unauthorised school absence were introduced across the Authority. The Local Authority Attendance Policy and Code of Conduct for FPN was reviewed</p> <p>The first termly Attendance forum for all Newport schools took place in October 2015. The Attendance page of the Education Services website was revised and is regularly updated to reflect the materials discussed at the Attendance Forum.</p> <p>A multi-School/Local Authority working group to reduce the absence linked to Religious Observance was established.</p> <p>A multi-School/Local Authority working group to develop a consistent school approach to</p>	<p>Aggregated tracking of attendance data indicates that primary and secondary schools are in line to hit the city wide attendance targets.</p> <p>Primary Attendance Target: 94.6% Primary February Attendance: 94.96%</p> <p>Secondary Attendance Target: 93.2% Secondary February Attendance: 93.32%</p> <p>Schools have formed professional networks with an attendance focus, supported by the Local Authority, and have reported they have found this useful and supportive.</p>	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	<p>support pupils with low attendance was established.</p> <p>The Local Authority Elective Home Education policy has been revised through joint working between Education Services and Children's Social Services.</p> <p>Targeted additional Education Welfare support in reviewing attendance practice and the development of an attendance action plan has been provided to the secondary school with the lowest attendance rate in the city.</p> <p>Actions contained in the Local Authority Attendance Plan have been monitored by the Every Child Group which includes membership by both the Local Authority and Schools.</p> <p>A briefing on the appropriate use of Study Leave and correct attendance codes to be used with Year 11 pupils during exam periods was given to all Secondary Schools via Managed Move panel.</p> <p>Joint School/EAS/Local Authority meetings have taken place for schools where attendance is a concern.</p>		
5.3 Reduce pupil exclusions	Exclusion Targets have been set for	Fixed term exclusions continue to	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
<ul style="list-style-type: none"> The Local Authority will agree exclusion targets with secondary schools and monitor their success. A Primary Learning Resource Base Review will take place to ensure that there is appropriate provision for pupils who require specialist support. 	<p>Secondary Schools and shared with Head teachers. Regular monitoring meetings take place to support/challenge. An Exclusion Focus Group has been set up to share good practice and strengthen links amongst schools in a bid to reduce fixed term exclusions. An Exclusion Action Plan to reduce exclusions and new Exclusion Guidance document have been agreed by Focus Group and will now go to Heads for agreement.</p> <p>Review of the data collected, so that challenge and support happens in a more timely fashion.</p> <p>The LRB Steering Group has successfully concluded that a Cluster based model is the way forward and staffing issues have been addressed.</p> <p>Entry and Exit Criteria for LRB's written and agreed with stakeholders. Collaboration with Resource and Planning to identify new sites for LRB's in line with review findings and begin consultation process following a Supply and Demand Analysis, some LRB's will be reduced from September and new ones will be established</p> <p>Environmental and Skills Audit of LRB's completed and Action Plan for improvement developed. Programme of training developed to address any shortfall identified through audit and training from Maes Ebbw and Outreach Team will also continue to upskill</p>	<p>decrease following increased collaboration between schools.</p> <p>Other areas of work have been identified by the Focus Group e.g. reintegration from PRU to mainstream which will be supported by an EP</p> <p>All Secondary Schools have shared their Behaviour Policies and many have been changed to adopt good practice from others.</p> <p>Head teachers and Inclusion Teams have increased awareness of the detriment of exclusions on attendance and attainment and are actively looking to set up alternatives.</p> <p>The focus on Cluster LRB's will enable more pupils to access provision in their locality and the increased staffing will aid reintegration into host school, giving children more chance of success when transitioning in to mainstream secondary school. This could also, in the long term, reduce out of county placements.</p> <p>Fewer children will be traveling across the city by taxi to access LRB's which will save money that can be reinvested into quality local provision.</p> <p>LRB staff will be better equipped to deal the complex needs of children attending LRB's through training.</p>	

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	staff in our mainstream schools to better meet the needs of children with ALN. A new assessment tool has been introduced into Primary LRB's to make sure we are tracking expected progress of pupils on P Levels.	Tracking of pupils' progress in LRB's will inform planning and leads to improved outcomes.	

MEASURE UPDATE

- (G) = Green, performance is better than target / previous year*
- (A) = Amber, performance has fallen slightly short of target / previous year*
- (R) = Red, performance has missed target / previous year*

Education Year End Report (AY14/15, FY15/16)

Data by end of September 2015

2015/16

Measure (Location)	Units	Actual	Target		Last Year			
		Data	Data	Index	Index Range	Data	Index	Index Range
EDU/L/054 % Schools acheiving full spend SEG (A) (Education)	Percentage 0.00	100.00%	90.00%	111.1%	Green	91.67%	109.1%	Green
EDU/L/055 % Schools acheiving full spend PDG (A) (Education)	Percentage 0.00	100.00%	95.00%	105.3%	Green	96.55%	103.6%	Green
EDU/010b) (N) Pupils fixed excl'ns secondary days # (Education)	Number 0	2,167	2,450	111.6%	Green	2,115	97.5%	Amber
EDU/016a) Attendance Primary Year-end % (A) (Education)	Percentage 0.0	94.5%	93.6%	101.0%	Green	94.2%	100.4%	Green
EDU/016b) Attendance Secondary Year-end % (A) (IA Theme 3) (Education)	Percentage 0.0	93.1%	92.1%	101.1%	Green	92.9%	100.3%	Green
EDU/004 Pupils KS3 CSI % (A) (Education)	Percentage 0.0	81.6%	78.2%	104.3%	Green	--	--	Grey
EDU/L/057 Percentage of FSM pupils achieving the expected core subject KS2 (A) (Education)	Percentage 0.0	79.4%	74.0%	107.3%	Green	73.1%	108.6%	Green
EDU/L/058 Pupils achieve expected outcome end Foundation Phase (A) (Education)	Percentage 0.0	88.1%	86.5%	101.8%	Green	87.0%	101.2%	Green
EDU/L/059 Percentage of pupils gaining KS2 Level 4+ English in Teacher Assessment (A) (Education)	Percentage 0.0	91.5%	89.8%	101.9%	Green	89.6%	102.1%	Green
EDU/L/060 Percentage of pupils gaining KS3 Level 5+ English in Teacher Assessment (A) (Education)	Percentage 0.0	87.2%	83.5%	104.4%	Green	83.7%	104.2%	Green
EDU/002 i) Leavers without qualifications % (A) (Education)	Percentage 0.0	0.2%	0.4%	138.8%	Green	--	--	Grey
EDU/017 Pupils achieving level 2 threshold inc English & Maths % (A) (Education)	Percentage 0.0	54.2%	52.9%	102.5%	Green	52.8%	102.7%	Green

Improvement Objective 6. – Helping Children Have a Flying Start in Life

Link to Corporate Plan: A Green and Healthy City

Lead Cabinet Member: Cabinet Member for Education & Young People and
Cabinet Member for Community Services, Work and Skills

Lead Officer: Head of Regeneration, Investment and Housing

Overall Assessment: Green – Excellent; All actions and measures are on track

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
6.1 To provide targeted intervention to children aged 9 months to 4 years old identified as requiring additional language support.	We are currently running Tiny Talkers for children 9mths to 2 years in 8 areas across the Flying Start catchment. We have increased Chatty Children for 2-4 years to a further 3 areas, delivering in 6 areas in total.	Early identification of children with speech and language delay and then early intervention with targeted support reduces the need for referral to generic services. Early intervention reduces the need for costly intervention and significantly impacts on educational attainment and life chances for children.	GREEN
6.2 To ensure children identified with Additional Needs are supported within the programme promoting seamless transition into and out of Flying Start childcare	An ALN guidance file has been created and a coherent pathway developed for transition in and out and a specific pathway that every Flying Start strand uses within Flying Start for those children identified with ALN needs	The early referral panel meets monthly which has made great improvements on children coming into the setting with ALN which has been quite seamless. Improvements made for transition out, transition manager working closely with school to ensure smooth transition.	GREEN
6.3 To support parents to acquire the skills/strategies to parent effectively.	There have been 23, 10 week Nurture programme provided across all Flying Start areas. 114 Families	Distance travelled demonstrates improved family life and parents better able to understand and respond to the behaviour of their children.	GREEN

	<p>completed the courses and 80% showed positive Distance Travelled.</p> <p>Delivery Officers have provided 117 targeted packages of support in the home to include PAFT, one to one Nurture and speak and language support.</p> <p>The STEP's programme has been launched which has enabled parents to look at progression routes after Flying Start</p> <p>Flying Start is involved in the Financial Literacy pilot in Wales for Money Advice Service in conjunction with Children in Wales. We are piloting this in Bettws.</p> <p>In the expansion area of the Gaer we piloted a joint delivery of the Nurture Programme along with Families First and C1st. New Family Delivery Officer appointed to support the new area.</p>	<p>Service users are able to access courses that can improve their outcomes after Flying Start.</p> <p>We are improving financial literacy to those attending the workshops by providing them with the opportunity to look at how we manage money and how they pass these skills onto their children.</p> <p>More citizens are able to access Flying Start as a result of the expansion into the Gaer area of Newport</p> <p>Parents had the opportunity to work with staff from Families First and C1st as well as Flying Start and benefitted from their expertise and were offered future community opportunities.</p>	
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MEASURE UPDATE

(G) = Green, performance is better than target / previous year

(A) = Amber, performance has fallen slightly short of target / previous year

(R) = Red, performance has missed target / previous year

Improvement Plan 2015/16

Theme 6 - Flying Start

Regeneration, Investment & Housing 2015/Q4

Measure	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
FS/L/006 Delivery of Tiny Talker and Chatty Children groups (Q) (IP, SP)	36	10	200.0%	--	--
FS/L/007 % parents report improvement in child language skills (Q) (IP, SP)	100.00%	70.00%	142.9%	--	--
FS/L/008 % parents report positive transition children ALN (Q) (IP, SP)	100.00%	70.00%	142.9%	--	--
FS/L/009 % children improving in Wellcomm assessment scores (Q) (IP, SP)	85.71%	50.00%	171.4%	--	--
FS/L/004 % of families improved TOPSE scores completing PAFT (HY) (SP, IP)	81.3%	80.0%	101.6%	89.5%	90.8%

Improvement Objective 7 – Increasing Recycling

Link to Corporate Plan: A Greener and Healthy City

Lead Cabinet Member: Deputy Leader and Cabinet Member for Environment Sustainability and Transport

Lead Officer: Head of Streetscene and City Services

Overall Assessment: Amber – Good - Actions are measures are mostly on track with some falling slightly short of planned targets

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
7.1 To understand the reasons why 30% of Newport residents do not recycle	<ul style="list-style-type: none"> -Undertake a compositional analysis of residual waste to understand what materials could still be recycled -Start a door knocking campaign and prepare specific communications campaign linked to changes in household collections -Work with WG and WRAP under the Collaborative Change Programme (CCP) in reviewing all waste services with the aim to produce a new Waste Strategy until 2020 -As part of the work included in the CCP review, prepare changes to household recycling collections (linked to actions below) 	<ul style="list-style-type: none"> -Data from the compositional analysis has provided valuable information that has allowed us to better design engagement campaigns-with special focus on FW -All the preliminary works have enabled to prepare grounds to provide an improved household recycling service (implementation in 16/17) 	Amber
7.2 In partnership with WG and WLGA under the Collaborative Change programme, Newport City Council is planning to undertake a comprehensive trial of approximately 660 properties using the best practice options on a	<ul style="list-style-type: none"> -Trial on new recycling containers and improved recycling service (use of new kerbside-sort vehicles, weekly cardboard and Tetra Pak collections) -Other recycling initiatives: increase 	<ul style="list-style-type: none"> -The trial allowed testing of changes prior to implementation; lessons learned-one size doesn't fit all but advantages in using new vehicles, good acceptance of increased collections. It has enabled us to prepare the grounds to provide an improved recycling 	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
small number of properties to evaluate how we might meet the 70% target.	performance in flats-proposal of activities and preliminary stages to allow implementation during 16/17	service (implementation in 16/17) -Improved recycling facilities for blocks of flats in Bettws area (trial to be conducted in 16/17 with the aim to extend the activity to other areas of flats across Newport)	
7.3 The Council will further increase recycling at the household waste recycling centre by increasing staff presence and assisting residents to segregate the waste they bring to the centre.	-Assessment of baseline and report about areas of improvement at NCC CA site within the CCP programme; it will be the basis to model future scenarios that will be part of our new Waste Strategy -Trial for extended opening times in the reuse shop located at the CA site	-Proposal to make some short term improvements to the site that will make it more accessible/efficient -Reuse shop now open 7 days a week with plans of extending it due to high demand	Amber
7.4 Commence full Prosiect Gwyrdd waste to energy contract in Q3.	Energy from Waste Facility became fully operational during 15/16 and the commissioning period started in September 2015; full contract starts in April 2016, so the Council has been able to start diverting waste from landfill	-Municipal waste that can't be recycled can now be sent to the EfW facility, diverting waste from landfill in line with the waste hierarchy -Part of the ash recovered after the incineration process can be recycled, contributing to increase Newport's recycling performance	Green
7.5 Commence Cwm-y-Fory food waste recycling contract end of Q1.	New contract to send food waste to a anaerobic digestion facility started in July 2015	-By being able to treat the food waste the Council is increasing the city's recycling performance -As a result of the digestion process electricity is generated, which contributes to reduce our carbon footprint	Green

MEASURE UPDATE

(G) = Green, performance is better than target / previous year

(A) = Amber, performance has fallen slightly short of target / previous year

(R) = Red, performance has missed target / previous year

Improvement Plan 2015/16

Theme 7 - Increasing Recycling

Streetscene & City Services 2015/Q4

Measure	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
WMT/010 WMT/009b municipal waste reused, recycled and composted (Q)	57.14%	58.00%	98.5%	52.03%	109.8%
WMT/004b Percentage of municipal wastes sent to landfill (Q)	23.64%	25.00%	105.4%	36.65%	135.5%
STR/L/018 % of municipal waste recycled at the HWRC (Q)	62.92%	65.00%	96.8%	--	--
STR/L/019 No Households encouraged to recycle 70% NCC/WG Proposed Trial (Q)	716.0	600.0	119.3%	--	--

Improvement Objective 8 – Improving Outcomes for Youth Justice

Lead Cabinet Member: Cabinet Member for Education and Young People

Lead Officer: Head of Children and Family Services

Overall Assessment: Orange – Acceptable, good progress is being made, there is 1 actions which has deviated from planned outcomes, there is a red measure and an amber measure which are falling short of target.

Outcome Agreement Assessment: Partially successful 1 point

ACTION UPDATE

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
8.1 Reduction in first time entrants (FTE)	Q4 (internal YOS information) evidenced 14 FTE in Q4. Whilst this is higher than the previous quarter, overall for the year, there has been a dramatic decline in FTE (positive)	According to YOS internal YOS performance reports, youth crime significantly decreased over the year with FTE figure reducing by over 42% in the year. (internal information)	Green
8.2 Reduction in youth re-offending	<p>On average, within the precourt cohort, Q4 YOS internal information evidenced that just over 22% of those who had some type of intervention re-offended within 12 months. This decreased (improved) from Q3.</p> <p>On average, the rate of re-offending for the young people subject of statutory orders was just over 39% which decreased (improved) from Q3.</p> <p>The average combined re-offending rate for Q4 is 28.5% (YOS internal</p>	YOS internal data shows a much more positive picture over 2015/16 with less young people re-offending, meaning less victims and less youth crime, and more effective interventions to address the presenting factors.	Green

Improvement Plan 15/16 Action	What has been achieved this year (01/04/15 to 31/03/16)	What difference has it made to citizens (Improved outcomes)	RAG Status
	information) within 12 months.		
8.3 Reduction in the use of youth custody	In Q4, only 1 young person received a custodial sentence.	Over the year significant reduction (over 41%) in the use of custody.	Green
8.4 Effective public protection / managing risks	No CSPPI notifications in Q4 Use of Vulnerability Management Panels (VMP) and Risk Management Panels (RMP) where all young people assessed as being of medium vulnerability /risk of serious harm or above, continues as needed with multi-agency attendance and planning.	Every effort is made through the multi-agency VMP/RMP to put appropriate measures in place to manage vulnerabilities and risk.	Green
8.5 Effective safeguarding (identifying vulnerable young people)	As above	As above	Green
8.6 Access to Education, Training and Employment	Q4 internal YOS performance data evidenced a drop in ETE attendance between start and end of order for school aged children from 13.6 to 10.6. For those 16 and above, hours attended increased from 11.7 - 13.6 hours An education action plan is in place to monitor and improve performance in this area and it continues to be a priority area for the Management Board.	Consistently between the start and end of orders generally young people increase their attendance/engagement in ETE provision, thus giving them increased life chances and less opportunity to commit offences as their time is usefully employed. Despite this, we have failed to hit the targets set by YJB (as have their other YOS in Gwent and Wales) of 25 hours per week and 16 hours for 16+. An Education Action Plan is integral to the YOS improvement plan, and ETE is currently subject of discreet focus of the YOS management board.	Amber

MEASURE UPDATE

(G) = Green, performance is better than target / previous year

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 (R) = Red, performance has missed target / previous year

Improvement Plan 2015/16

Theme 8 - Improving outcomes for youth justice

Children & Young People Services 2015/Q4

Measure	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
YJ/L/01 Number of young people referred for community resolution (Q)	129	168	123.2%	142	109.2%
YJ/L/02 Number of young people referred to Newport Bureau (Q)	65	118	144.9%	121	146.3%
YJ/L/05 Proportion of young people sentenced to custody (Q)	0.35 per 1,000	1.18 per 1,000	170.3%	0.48 per 1,000	127.1%
YJ/L/06 Access to suitable accomm (Q)	93.7%	80.0%	117.1%	83.6%	112.0%
YJ/L/07 Av hours education, training or employment (Q)	15.5	19.5	79.5%	18.3	84.9%
YJ/L/08 Young people with substance misuse needs access services (Q)	78.0%	80.0%	97.5%	91.8%	85.0%
YJ/L/09a % victims satisfied with service received (Q)	88.2%	50.0%	176.5%	88.2%	100.0%
YJ/L/10a % young people who reoffend in 12 months (Q)>	25.5%	30.0%	114.9%	25.5%	100.0%
YJ/L/03 Number of first time entrants into youth justice system (A) (IP, SP)	70	128	145.3%	70	100.0%
YJ/L/04 Rate of re-offending young people (A) (IP, SP)	50.5%	37.0%	63.5%	50.5%	100.0%

Equalities and the Welsh language

Equalities

Welsh

Council approved the Strategic Equality Plan (SEP) in March 2012 to comply with the Equality Act 2010 and the Statutory Duties (Wales) Regulations 2011. An annual report has been published for the last four years against the Strategic Equality Plan and the council's five chosen equality objectives:

- Engagement
- Accessible services
- Community cohesion and tackling hate crime
- Domestic abuse
- Worklessness

Equality Impact Assessments, which include impact on Fairness and the Welsh language, remain a priority, with particular focus on EIAs during the budget setting process. Consultation with the public is a key priority in this area and as part of the budget setting processes for 2015/16 and 2016/17 the Council received over 3,000 and 1,000 responses respectively. . Service Areas also consulted service users individually in advance of developing the F&EIAs.

As well as continuing consultation and engagement work on the budget the Wellbeing of Future Generations Act 2015 which came into force in April 2016 has introduced a new statutory duty to 'involve' stakeholders in decisions which affect them. Developments in consultation and engagement are outlined in report to Cabinet Member for Community Work and Skills July 2016 (decision schedule [here](#)).

A Strategic Equalities Group has been reconvened, to ensure all year strategic scrutiny and direction setting. The Group is chaired by Cabinet Member Finance and Resources and will consider each theme through the 16/17 year.

Corporate Complaints and Compliments

Complaints

2015/2016 is the fifth consecutive year where the number of informal (stage 1) complaints received has decreased since recording of the corporate process began in 2011.

This reduction in informal complaints received could be interpreted in a number of ways:

- There are fewer services now provided by the Council
- There may be an overall improvement in the quality and timeliness of service provision so customers do not wish to make as many complaints
- There may be an overall improvement in communication so customers have a better understanding about the services that the Council does and does not supply; therefore the services provided meet their expectation.
- Initial complaints are being dealt with by the service area (as per the policy) but are not being recorded centrally on CRM

Reviewing the reasons for Stage 2 complaints indicates that, where customers had already received a response, Stage 2 complaints from customers were because they were unhappy with the outcome and response they received at Stage 1 – however when reviewed by a senior officer none of the outcomes at Stage 1 were amended due to any new findings.

Stage 2 complaints decreased compared to the previous, down from 50 to 33. This may indicate that;

- Customers are receiving a better service and response when they are raising informal complaints, meaning that customers are satisfied with the Council's first attempt to resolve the complaint.
- Officers have become better at responding to informal complaints.

The number of complaints that customers submitted to the Ombudsman following the two-step process increased by 1 year on year. The Ombudsman has recently issued tighter deadlines for organisations to respond to their enquiries within 1 week. Although the Council has been able to negotiate longer response times when appropriate these stringent timescales represent an increased pressure on limited resource. This has been communicated to the Ombudsman as part of the all-Wales Complaints Forum at which the Council has representation.

Of the 278 complaints received, 51 were closed or cancelled as they were not complaints. This may have been because an initial request for service had not been submitted first, or because there was an appeal process to follow instead.

49 complaints remain open at this time, leaving 178 complaints that were reviewed and investigated as appropriate. Following review and investigation, 100 complaints were upheld and a further 35 complaints were partially upheld. 118 complaints received were not upheld.

The percentage of the total complaints received that were fully or partially upheld is consistent with results over the last 2 years.

Compliments

A total of 227 compliments were recorded in 2014/2015, less than the 347 received in the previous year.

In balance the service areas that receive the most complaints are also the areas that received the most compliments as they are the most visible frontline services.

Streetscene have received the most compliments, followed by Customer and Information Services, for the fourth consecutive year.

The compliments recorded for Streetscene mainly relate mainly to the wild flowers displays across Newport and the speed of service from when a request for service has been logged to when the service has been carried out.

Customer Services received the majority of the compliments recorded for the helpful and pleasant nature of staff providing an efficient and friendly service.

Partnership work and collaboration

Newport City Council is committed to working in partnership on a number of service delivery areas with a variety of partners.

During 2015/16 the council collaborated extensively with other partners and stakeholders across service areas.

Ranging from the One Newport Single Integrated Plan (SIP) Board which supports the shared strategic purpose as detailed in the SIP; NEETS groups, Financial Inclusion Forum, Hate Crime Forum, PREVENT to tackle extremism; the Community Cohesion Group; Armed Forces Forum, south east Wales adoption service; the SE Wales safeguarding children board; Gwent Safeguarding Adults Forum; Employability and Skills Group, Prosiect Gwyrdd; Domestic Abuse forum; Newport Schools Admissions Forum; Regional Welsh Education Forum; All Wales Education Safeguarding Group. The partners listed here provide a 'flavour' of the kinds of partnership and collaboration work being undertaken and it should be noted that this list is not exhaustive.

The level and range of partnership and collaboration work is significant and as such it is not possible to list every agency or stakeholder that works alongside the Council. The 2015/16 published service plans reviews provide a more comprehensive compendium of those organisations that work with the Council.

Please click on the link below to access the 2015/16 Service Plan Reviews

<https://intranet.corporate.newport/sites/live/Pages/Service-Plans.aspx>

Wales National Strategic Indicators and Public Accountability Measures analysis

Target setting principles were introduced in March 2015 to help increase levels of performance when compared to other Welsh Authorities; this made our targets challenging but more meaningful at a national level. The following 3 principles were applied;

1. Improve on previous year performance and, where relevant;
2. Be set at least at the Wales average or,
3. Be set above quartile 4 levels

Early analysis of 2015/16 performance for these national measures can be summarised as follows

- 55% of NSIs and PAMs have performed better than target
- 58% of NSIs and PAMs have performed better than last year
- 65% of NSIs and PAMs have performed better than Wales average*

*These are early analysis figures, final figures will be provided once national data has for 2015/16 has been released by the Data Unit Wales.

Year- end actual data for all national measures can be seen in the tables below

Monthly NSI and PAM

Mar 2016

Measure (Location)	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
STS/006 Response Rates For Removing Reported Fly Tipping Incidents (M) (Streetscene & City Services)	94.54%	97.00%	97.5%	98.09%	96.4%
STS/005b) Monthly Cleanliness Insp'ns of highways & relevant land % (M) (Streetscene & City Services)	94.6%	97.0%	97.5%	98.3%	96.3%
SCA/001 Delayed Transfers of Care (NSI, SP) # (M) (Adult & Community Services)	4.29 per 1,000	3.96 per 1,000	91.6%	5.37 per 1,000	120.0%
SCA/002a) Support for Older People in the Comm (NSI, SP) # (M) (Adult & Community Services)	58.31 per 1,000	64.00 per 1,000	91.1%	61.81 per 1,000	94.3%
SCA/002b) Suppt for Older People in Care Homes (NSI, SP) # (M) (Adult & Community Services)	14.69 per 1,000	16.20 per 1,000	109.3%	14.36 per 1,000	97.6%
SCA/007 Care Plan Reviews (PAM, SP) % (M) (Adult & Community Services)	86.3%	85.0%	101.6%	77.9%	110.9%
SCA/018a) Carers offered assmt or review (PAM, SP) % (M) (Adult & Community Services)	72.1%	90.0%	80.2%	94.0%	76.7%
SCC/002 Changes of School Looked After Children % (M) (NSI, SP) (Children & Young People Services)	13.5%	9.0%	49.8%	11.9%	86.1%
SCC/004 Stability of Placements Looked After Children % (M) (NSI, PAM, SP, IP) (Children & Young People Services)	9.5%	9.0%	94.2%	--	--
SCC/011b) Initial Assessments - child seen alone by SW % (M) (NSI, SP) (Children & Young People Services)	64.0%	57.0%	112.3%	--	--
SCC/045 Reviews carried out (M) (PAM) (Children & Young People Services)	99.4%	98.0%	101.4%	--	--
SCC/025 Statutory Visits to Looked After Children % (M) (PAM) (Children & Young People Services)	94.0%	91.0%	103.3%	--	--
SCC/033d) Leaving Care - in contact % (M) (NSI, SP, IP)> (Children & Young People Services)	96.6%	95.0%	101.6%	--	--
SCC/033e) Leaving Care - suitable accommodation % (M) (NSI, SP, IP) (Children & Young People Services)	85.7%	95.0%	90.2%	--	--
SCC/033f) Leaving Care - edu, train, employ % (M) (NSI, SP, IP) (Children & Young People Services)	60.7%	69.0%	88.0%	--	--
SCC/041a) Planning for Leaving Care - Pathway Plans % (M) (NSI, SP)> (Children & Young People Services)	100.0%	92.0%	108.7%	--	--

Quarterly NSI and PAM

2015/Q4

Measure (Location)	Actual	Target		Last Year	
	Data	Data	Index	Data	Index
WMT/004b Percentage of municipal wastes sent to landfill (Q) (Streetscene & City Services)	23.64%	25.00%	105.4%	36.65%	135.5%
WMT/010 WMT/009b municipal waste reused, recycled and composted (Q) (Streetscene & City Services)	57.14%	58.00%	98.5%	52.03%	109.8%
LCS/002b Visits to Sport and Leisure Centres (Q) (Streetscene & City Services)	8,274 per 1,000	8,662 per 1,000	95.5%	8,701 per 1,000	--
PPN/009 Food establishments broadly compliant (Q) (Law & Regulation)	95.64%	94.19%	101.5%	93.03%	102.8%
LCL/001b Use of Public Library Services (Q) (Regeneration, Investment & Housing)	3,249 per 1,000	3,525 per 1,000	92.2%	3,978 per 1,000	81.7%
SCA/019 Adult Protection risk managed (NSI, PAM, SP) (Q) (Adult & Community Services)	99.19%	96.00%	103.3%	98.58%	100.6%

Half Yearly NSI and PAM

2015/16 - H2

Measure (Location)	Actual	Target		Last Year		Wales Avg.	
	Data	Data	Index	Data	Index	Data	Index
PSR/004 Housing dwellings return occ'pn % (HY) (NSI, SP) (Regeneration, Investment & Housing)	6.39%	6.00%	106.5%	3.19%	200.0%	--	--
THS/007 Concessionary travel passes - Over 60s takeup % (HY) (Streetscene & City Services)	90.7%	88.0%	103.1%	89.0%	101.2%	--	--
PSR/002 Adapt'ns DFG days delivery avg. (HY) (NSI, PAM, IP, SP) (Regeneration, Investment & Housing)	216 days	231 days	106.4%	261 days	117.1%	--	--

Annual NSI and PAM Also to include EDU/006ii Targ (G), Prev (G), WA (R)

2015/16

Measure (Location)	Actual	Target		Last Year		Wales Avg.	
	Data	Data	Index	Data	Index	Data	Index
STS/005b) Annual Cleanliness Insp'ns of highways & relevant land % (A) (Streetscene & City Services)	94.6%	95.0%	99.6%	98.3%	96.3%	--	--
THS/012 Condition of Roads (A) (Streetscene & City Services)	5.3%	9.3%	142.9%	7.9%	133.0%	--	--
PLA/006 Provision of affordable housing units % (A) (NSI, PAM, SP) (Regeneration, Investment & Housing)	26%	20%	129.1%	27%	95.2%	--	--
EDU/002 i) Leavers without qualifications % (A) (Education)	0.2%	0.4%	138.8%	--	--	--	--
EDU/002)ii) Leavers without Qualifications LAC % (Schools) (A) (Education)	0.0%	2.0%	200.0%	--	--	--	--
EDU/003 Pupils KS2 CSI % (A) (Education)	89.3%	87.5%	102.1%	86.2%	103.6%	--	--
EDU/004 Pupils KS3 CSI % (A) (Education)	81.6%	78.2%	104.3%	--	--	--	--
EDU/006 ii) Pupils KS3 Teacher Assessment in Welsh % (A) (Education)	0.0%	0.0%	100.0%	0.0%	100.0%	--	--
EDU/011 KS4 External Qualifications Wider Point Score (A) (IA Theme 3) (Education)	514.4	520.0	98.9%	519.1	99.1%	--	--
EDU/015a) SEN Statements 26 wks: Inc excep % (A) (Education)	37.8%	78.0%	48.5%	27.8%	136.2%	--	--
EDU/015b) SEN Statements 26 wks: Excl excep % (A) (Education)	60.0%	98.0%	61.2%	37.5%	160.0%	--	--
EDU/016a) Attendance Primary Year-end % (A) (Education)	94.5%	93.6%	101.0%	94.2%	100.4%	--	--
EDU/016b) Attendance Secondary Year-end % (A) (IA Theme 3) (Education)	93.1%	92.1%	101.1%	92.9%	100.3%	--	--
EDU/017 Pupils achieving level 2 threshold inc English & Maths % (A) (Education)	54.2%	52.9%	102.5%	52.8%	102.7%	--	--
SCC/037 External Qualifications Points Score # (A) (NSI, SP, IP) (Children & Young People Services)	188	276	68.1%	313	60.0%	276	68.1%
CAM/037 % change in av DEC score buildings over 1000sq M (A) (Regeneration, Investment & Housing)	--	--	--	--	--	--	--
CHR/002 Sickness Absence (A) (PAM) (People and Business Change)	10.13days	8.51days	81.0%	--	--	--	--

Note: HHA/013 is no longer included in the PAM set.

EDU/006ii – Newport does not have a Welsh medium secondary school, so reports zero for this measure.

Wales Audit Office Recommendations and Proposals for Improvement

The table below shows the progress made towards the recommendations proposals for Improvement made to the authority by the Wales Audit Office. This was considered by Cabinet as part of a [year-end report in June 2016](#).

Q4 Update on Wales Audit Office Proposals for Improvement

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
29	Ensure that its Economic Development Strategy and Master Plan clearly relate to the relevant objectives in the Community Strategy and Improvement Objectives and to each other, to help the Council assess their contribution to its improvement programme and to achieving the Council's strategic priorities.	<p>The draft Economic Growth Strategy was endorsed by Cabinet on October 19th.</p> <p>It was considered and adopted by full Council on November 24th.</p> <p>The plan sets out a range of key objectives, within the context of three strategic themes, relevant to the Council's Corporate Plan and Single Integrated Plan.</p>	<p>An action plan will be implemented with immediate effect and monitored by the Council's Regeneration service, through existing partnership and project meetings.</p> <p>This work will be reported to and monitored by the Council's Regeneration and Streetscene Committee on a bi-annual basis.</p>	By close of 2015/16	Head of Regeneration, Investment and Housing Services
30	Prioritise its actions and, against those actions, consistently include more details regarding outcomes, targets, deadlines, resources, milestones, risk factors and mitigating actions, which can be used to monitor progress, measure success and establish improvement.	<p>The document is accompanied by an action plan, which identifies outcomes, outputs and measures of success to support effective monitoring. It also includes timescales and high-level resource requirements to enable improved project management and risk</p>			
31	Strengthen the setting of outcomes and targets for regeneration schemes and projects, and ensure sufficient performance information is available to maintain monitoring and evaluation.				

32	Include more details on time, budget and resources in regeneration documents such as project initiation documents to enable assessment of value and cost effectiveness.	mitigation.	All operational regeneration projects to fall under Vibrant and Viable Places Programme Board for monitoring of performance, targets and outcomes.		
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Proposals for Improvement from the Corporate Assessment 2013 and Corporate Assessment Review April 2015 (includes those from Data Quality, Transformation and ICT Reviews)

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
40	<p>The Council should:</p> <ul style="list-style-type: none"> • develop and implement an appropriate engagement and communication strategy that both communicates the new mission and organisational framework, and also supports cultural changes within the organisation; • ensure that it has in place the people and resources capable of implementing the organisational framework and delivering subsequent service changes; and • engage the Fairness Commission when developing improvement priorities as well as budget proposals. 	<p>This is a key quarter for communication as the council completes its annual budget setting process.</p> <p>A multi-channel communications strategy was used in order to provide information to both staff and residents on the council's budget position. We endeavoured to explain about statutory and non-statutory services, and the importance of maintaining front line services, vital for our mission of Improving People's Lives.</p> <p>We continued with daily messaging through the staff</p>	<p>Preparations will commence to consider the communication for the new organisational framework, Newport 2020.</p> <p>The council became a more bilingual organisation on 30th March as it was required to comply with the requirements of the Welsh Language Standards.</p> <p>All communications including spoken, written, and digital will embrace the requirements of the Act.</p> <p>The council will also ensure that it notes and communicates the organisational implications of both</p>	Ongoing	Head of Law and Regulation

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
		<p>intranet. This carried multiple messages ranging from the chief executive's message, updates on key council-wide projects and department specific projects as well as a daily news summary.</p> <p>A weekly ebulletin was also sent to staff which included a mix of corporate messages, staff updates and wider city news.</p> <p>Social media was effectively used including Facebook and Twitter. These channels continue to increase in popularity, allowing the council to inform many residents instantly of key council information.</p> <p>The meetings of full council can still be watched online via a live streaming service accessible from the council's website.</p>	<p>the Future Generations and Social Services & Wellbeing Acts, both coming into force in this quarter.</p> <p>The council will maintain its increased momentum of staff communications, and this quarter will see the responsibility for this transfer to HR.</p>		
42	Develop a clearer understanding of the collaborative projects taking place across the Council and an agreed and widely communicated approach to the management of collaboration. The approach should help the Council to ensure that collaborations are providing	Details of collaborations and partnerships are included in the service planning and review process, and through the annual governance statement. A clearer understanding of the council's collaborative activity is now available.	Service plans and reviews contain collaborative information and are reviewed at mid-year and year end by scrutiny	Ongoing	Head of People and Business Change

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
	value for money outcomes for Newport's citizens.	Service plans and reviews contain collaborative information and were considered by Scrutiny in Autumn			
45	<p>Strengthen the LSB's performance management framework to set out:</p> <ul style="list-style-type: none"> • clearer and more detailed roles and responsibilities on what will be delivered by which organisations; • what performance information will be collected, where and when it will be monitored, and how progress and performance will be monitored; • mechanisms for dealing with underperformance; and • a stronger focus on performance and resource management across the LSB. 	<p>The mechanism for dealing with underperformance is firstly the SIP Board within their responsibilities to manage the delivery of the SIP and if this fails it is escalated to the LSB.</p> <p>One Newport Local Service Board produced the first Annual Report detailing work undertaken during 2013/14 and this was presented to Scrutiny in June 2014.</p> <p>The Performance Management Framework was reviewed and revised after year 1 in April 2014. LSB meeting schedules were also changed so that there is better alignment for performance monitoring arrangements.</p> <p>Three communication and engagement events took place in March 2015 to assess progress of the SIP and agree SIP priorities for the coming year.</p> <p>The Performance Management Framework has been reviewed and updated for 2015-16. The</p>	The Annual Report 2015-16 is currently under development and will be presented to PSB in June and Scrutiny Committees in July.	This will be on going as part of a culture of continuous improvement.	Head of People and Business Change

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
		<p>main changes to the framework are:</p> <ul style="list-style-type: none"> • Updated clearer roles and responsibilities; • The removal of the Performance Group from the structure to reduce duplication; • An increase in the frequency of performance reporting to quarterly and a simplification of the SIP Board performance process to focus on the core theme dashboards. This will enable the SIP Board to address underperformance, reduce risk and remove blockages; • The introduction of a process to critically analyse the core themes to ensure that the overarching themes of Tackling Poverty and Vulnerable Groups are focused on. • A streamlining of the Priority Delivery Plan for use by the Working Groups and Theme Boards; 			

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
		<p>The Annual Report for 2015/16 has been presented to the LSB on 19th May 2015.</p> <p>The first quarter performance was reported to the SIP Board on 26th August 2015 and the LSB on 15th September 2015.</p> <p>The second quarter performance was reported to the SIP Board on 25th November 2015 and the LSB on 15th December 2015.</p> <p>The third quarter performance was presented to SIP Board on 26th February 2016 and the LSB on the 15th March. Scrutiny Committees also considered the current performance of the LSB during February and March 2016.</p> <p>The Performance Management Framework has been reviewed and updated for 2016-17.</p>			
46	No further action required.				
49	<p>New focus on service improvement and value for money</p> <p>P3 Instil a new focus on service improvement and value for money by:</p> <p><input type="checkbox"/>clarifying the extent of</p>	<p>Performance team now merged into the Council's Business Improvement function.</p> <p>Alignment of the Change Programme, Budget and Performance reporting to relevant</p>	<p>Identify appropriate Benchmark comparators and incorporate within the Change Programme reporting process.</p>	Ongoing	<p>Head of People and Business Change</p>

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
	<p>improvement the Council wants to make through the programme and supporting this with appropriate measures and targets to monitor progress, particularly focusing on service quality, performance, customer experience and the difference the Council wants to make to the lives of local citizens;</p> <ul style="list-style-type: none"> <input type="checkbox"/> jointly reporting savings and performance information to help evaluate the impact of the programme on service performance and assess whether value for money is improving; <input type="checkbox"/> continuously challenging performance through benchmarking with other councils and service suppliers and integrating this with programme monitoring and reporting; <input type="checkbox"/> developing more consistent mechanisms to obtain feedback from users and using this to take corrective action and inform future changes to service delivery; and <input type="checkbox"/> continuing to develop a performance culture in which service managers are accountable for service performance and efficiency. 	<p>boards,</p> <p>Improvement measure and target developed for the Change programme and incorporated into the Council's Performance Management framework and reporting mechanisms.</p> <p>Change Programme reporting dashboard incorporating performance, savings and budgetary Information reported monthly to the Change Programme Board and the Cabinet Member.</p> <p>High level portfolio and all council dashboards bring together finance, performance and change information along with people related information and risk management</p> <p>Social media "Yammer" being utilised internally to gain feedback from users across the Council.</p> <p>Development of performance culture – Embed review of performance into the service area management meetings Social</p>			

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
		<p>Services, Streetscene, Regeneration and Regulatory Services, CLL and Education.</p> <p>Through project governance processes service users are consulted on proposed changes to service delivery and feedback is used to inform the direction of future activity.</p> <p>Increased alignment of the change programme with the Council's performance framework.</p> <p>Staff involved in budget consultation process and underlying change programme proposals</p> <p>Heads of Service and Service Manager are the key for the development and delivery of the efficiency initiatives which underpin the forward MTRP.</p> <p>Heads of Service and Service Managers are responsible for the development of Service planning, monitoring and target setting.</p> <p>Development of new targets as</p>			

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
		<p>part of the service planning process, to be at least in line with the Wales Average, above the quartile four level and improving on the previous year.</p> <p>Development of specific PI targets to be incorporated into initiatives e.g. specification for Newport Norse, Newport Live.</p>			

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
50	<p>Learning and evaluation P4 Strengthen the arrangements to capture and share learning by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> more consistent evaluation of reviews at key stages and on completion; <input type="checkbox"/> strengthening mechanisms to capture, share and apply learning on a corporate basis; and <input type="checkbox"/> establishing mechanisms to systematically obtain post-implementation feedback from staff and managers, for example to assess the impact on staff capacity, identify training and IT needs and learn from their experience. 	<p>Gateway review process and post implementation reviews defined as part of the Newport Programme and Project Management methodology.</p> <p>Lessons Learned log completed and circulated to key stakeholders for the Budget setting process and development of the Change programme for the 14/15 financial period</p> <p>Lessons Learned log completed for the Norse Property Joint Venture, Street cleansing and Refuse.</p> <p>Lessons learned report completed for the 2015/16 budget setting process and disseminated among Senior management.</p> <p>Lessons learned report completed for the initial stages of the New Ways of Working Change programme.</p> <p>Lessons learned report completed for the 2016/17 budget setting process and disseminated among Senior management.</p>	<p>Continue to roll out the Gateway Review process and post implementation review process across all initiatives within the Change Programme.</p> <p>Ensure adherence to the Gateway Review process and post implementation review process by embedding within the governance process for the Change programme.</p> <p>Review options for disseminating and apply learning on a corporate basis</p>	Ongoing	Head of People and Business Change

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
54 (old DQR)	No further action required				
58	Test the information technology business continuity plan to ensure it operates as anticipated. In particular the Council should test a scenario where both server rooms at the Civic Centre are not available to determine how long it will take to set up an offsite server room and what affect this has on its timetable for restoring its critical systems.	<p>Planned simulation exercise took place in Dec 15 and examined The potential outcomes if the Civic Centre machine rooms were lost.</p> <p>The exercise concentrated on the highest priority systems, and we have an action plan to make improvements in the short, medium and long term periods.</p> <p>Shared Resource Service (SRS) management resource engaged to increase IT capacity focussed on disaster recovery improvements</p>	<p>Working with SRS resources to report and implement on actions identified for improvement within budget constraints.</p> <p>Continue to consider the effect of a disaster on other systems and review priorities.</p>	Apr 16	Head of People and Business Change
59 (NEW)	No further action required				
60	Strengthen the Local Service Board's Communications Plan and One Newport Engagement and Participation Strategy by introducing a delivery plan that includes: <ul style="list-style-type: none"> • an explicit statement on intended outcomes and impact; • a timeframe for delivery with an 	The updated Communications Plan was discussed at the SIP Board in August 2015 and then signed off by the LSB in September 2015. Progress against this plan has been monitored on a quarterly basis by the SIP Board in Dec 2015 and	Engagement and Participation Delivery Plan and revised Strategy will be presented to the SIP Board 25 th November 2015	March 2016	Head of People and Business Change

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
	<p>assessment of progress;</p> <ul style="list-style-type: none"> • And robust performance measures. 	<p>Mar 2016.</p> <p>The Communication Plan has been revised to ensure the One Newport Partnership keeps all partners informed of plans and progress locally relating to the Wellbeing of Future Generations Act</p> <p>The Consultation and Engagement Group has been tasked with developing a delivery plan for the Engagement and Participation Strategy. This was reviewed by the SIP Board in September 2015 and further work was requested. An updated version is being worked upon</p>			
61 (NEW)	<p>The Council must ensure that it has robust data collection arrangements for its own self-defined performance indicators that include ensuring that:</p> <ul style="list-style-type: none"> • (P1.1) the Council's corporate arrangements for performance management are being rigorously implemented by 	<p>Self-assessments completed by service areas</p> <p>Audit of Views users finalised.</p> <p>Winter meeting of the Operational Performance Network (OPN) to discuss data quality issues, data monitoring and keeping audit trails and self-assessment.</p> <p>Building and developing new</p>	<p>Analysis of year end data</p> <p>Preparation for submission of year end data, commentary gathered for variances in national data of over 10% compared to last year's actuals. Internal audit of PI's is underway.</p> <p>We will continue to strive to eliminate inconsistencies between data held in service systems and</p>	Ongoing	Head of People and Business Change

Ref	Proposal	Progress update to the end of January 2016	Actions planned next quarter	Expected close down date	Responsible Officer
	<p>service departments;</p> <ul style="list-style-type: none"> • (P1.2) the Council's own internal information systems (VIEWS) reconcile with the final validated data; and • (P1.3) a complete audit trail of the Council's own internal processes for validating performance indicator data is retained. 	<p>system to replace current performance management software.</p>	<p>Views and that correct protocols for amending figures in Views are applied.</p> <p>Working towards introducing new software to replace the current system. Training and overview sessions to be provided to relevant staff.</p>		

Updated Action Plans in Response to Corporate Assessment Recommendations

Action plan to address WAO Recommendations

Recommendation 1

The Council should ensure that members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently.

Responsible Officers: Head of Finance, Head of People and Business Change

Responsible Cabinet Member: Leader of the Council, Cabinet Member for Finance and Resources

Additional actions as identified on 8th October by Cabinet and SLT:

- Heads of Service will be reminded to use the briefing template previously issued to ensure there is consistency and the appropriate information (such as sickness data) is routinely provided
- The decision making tracker will record and ensure the right trigger mechanisms are in place for properly governed decision making

CA Recommendation	Actions	Timescales	Evidence
The consideration of Options appraisals	To set up a process to ensure that the template for all reports is amended to ensure that all reports to the Council meeting; the Cabinet and Cabinet Members that are seeking a decision, include reference to all options considered ; options appraisals and implications of options, as well as the preferred option. The SLT will view all Decision making reports and will conclude on whether the options appraisals are of sufficient quality and the case for the preferred option is well made. This will take place alongside improvements on the identification of risk in any decision- making reports. The section on risk in the report will consider the risk of taking the proposed decision as well as any risks that could impact on the proposals The SLT will view all Decision making reports and will conclude on whether the risk appraisals are of sufficient quality.	March 2016	The template is prepared in draft form for consideration by the Senior management team and Deputy Leader in March 2016
The implications of the options, recommendations and decisions			
Fully costed business cases prior to initiating major programmes to support change. The financial	Complete	February 2016 (timescales)	Revised business case template

CA Recommendation	Actions	Timescales	Evidence
<p>impact of any significant proposed service changes should be reflected in medium-term financial plans directly where the change is certain to proceed or as a sensitivity if the change is not certain</p>		<p>in line with the budget setting process)</p>	<p>The Business Case template used in compiling the Medium Term Financial Plan has been revised and now includes options appraisals and all business cases are fully costed, including the identification of implementation costs, prior to the implementation of projects. All proposed service changes are reflected in the Medium Term revenue plan.</p>

Italics = completed

Recommendation 2

The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement.

Responsible Officers: Head of Law & Regulation

Responsible Cabinet Member: Leader of the Council

Additional actions as identified on 8th October by Cabinet and SLT:

- The attendance rota for Cabinet Member attendance will be set out well in advance to allow for availability to be organised and an appropriate briefing to be provided by the Head of Service
- All Heads of Service and lead officers will be reminded of the need to attend scrutiny and help with ensuring that the right things are on the agenda. Thereby ensuring scrutiny are focusing on the big strategic plans and financial challenge options
- A review of the constitution is already underway and will be overseen by the Democratic Services Committee. This will set out roles and responsibilities and give clarity around these matters
- Regular meetings between the Cabinet Members and the senior officer team will continue to be diarised and notes of these meetings taken for future reference

CA Recommendation	Actions	Timescales	Evidence
Strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up	Undertake the annual review of the Committees' work programmes and assist members in ensuring that scrutiny work is focused on key risks and priorities, and can make a positive impact on service improvement and policy development (Scrutiny AR Action 1)	<i>Initial work by end October 2015</i> March 2016 to introduce composite WP	Work programmes are presented to cabinet and Scrutiny Committees at each meeting. There is evidence of this in all agenda / minutes of each meeting of the Cabinet and Scrutiny Committees
	Develop the links between Scrutiny and Auditors / Inspectors / Regulators, in particular to support work programming and training (Scrutiny AR Action 4)	Ongoing throughout the year	A composite version of the work programme will be ready and available to view by end of March 2016
	Update Scrutiny Team procedures and processes to ensure a	Ongoing	

CA Recommendation	Actions	Timescales	Evidence
	consistent and thorough approach (Scrutiny AR Action 10)	throughout the year	The Scrutiny Team met informally with CSSIW in July 2015 and more recently with Estyn in January 2016 to discuss what processes could be improved to ensure a more consistent approach. New working practices are being introduced into the Scrutiny Committees such as pre-meetings
Reviewing and updating the Council's constitution ensuring that roles, responsibilities and accountabilities are clear, and that all members understand and apply their respective roles in relation to each other without compromising independence	Clarify Scrutiny's role within the overall Governance arrangements of the Council, including the links between the scrutiny function and Performance Board. (Scrutiny AR Action 7)	By end April 2016	The Democratic Services Committee has considered two reports to date and has agreed a proposal for consideration by Council. This is currently being considered by the political groups and the Chairs of the Scrutiny Committees prior to final consideration by Council later in 2016
Empowering members to be more proactive and accountable for their roles and responsibilities	Complete the Gwent Scrutiny Challenge project and use the resulting toolkit to critically evaluate the performance of the Overview and Scrutiny function in Newport (Scrutiny AR Action 3)	Ongoing throughout the year	Agreement of toolkit; Training and evaluation activities undertaken as a result
Strengthening decision-making arrangements to ensure transparency and appropriate safeguards are in place			
Strengthening scrutiny arrangements to more	Work with the Scrutiny Improvement Group to consider new ways of working and examine the range of methods available in	Ongoing throughout	Reports and Minutes of SIG New processes and

CA Recommendation	Actions	Timescales	Evidence
effectively inform and challenge policies, options, decisions and actions, and hold Cabinet members, officers, partners and others to account more robustly to drive an increased pace of progress and improvement	<p>carrying out scrutiny work, including the use of technology to support alternative ways of working and information sharing between Members (Scrutiny AR Action 2)</p> <p>Develop a public engagement strategy for scrutiny, to improve public access to the scrutiny process, ensuring that processes are consistent and duplication is avoided with other processes within the Council (Scrutiny AR Action 5)</p> <p>Continue regular meetings between Scrutiny and the Executive to develop protocols for interaction between Scrutiny and the Executive and to discuss opportunities to widen the scope for monitoring the outcomes of decisions where considered necessary (Scrutiny AR Action 6)</p> <p>Enhance links with colleagues within the Council and beyond and to look at a range of methods to promote and support the scrutiny function (Scrutiny AR Action 9)</p>	<p>the year</p> <p><i>By end October 2015</i></p> <p>Ongoing throughout the year</p> <p>Ongoing throughout the year</p>	<p>practices agreed</p> <p>Completed strategy (approved June 15) Agreed action plan and monitoring reports</p> <p>Reports and Minutes of meetings Agreed protocols</p> <p>In the process of arranging training with neighbouring colleagues</p>
strengthening and mandating member and officer development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively	To discuss Members requirements for training with the Scrutiny Improvement Group and to complete the review of training and development for Scrutiny Members and Officers, and ensure any gaps in training identified are addressed (Scrutiny AR Action 8)	By end May 2016	SIG reports and minutes Scrutiny seminar and training programme
addressing information security and business continuity arrangements	<p>WAO detailed report on Information Governance received by Scrutiny and Cabinet Member.</p> <p>Information Governance Group continues to meet quarterly. Terms of reference on the Council's intranet. The review had</p>		<p>Scrutiny and Cabinet Member reports.</p> <p>Annual information risk report and action plan,</p>

CA Recommendation	Actions	Timescales	Evidence
	<p>also recommended that the chair of the group was not the SIRO (senior information risk owner) and the chair has now been changed to Strategic Director (Place).</p> <p>The third annual information risk report outlines the Councils plans to address risk issues for the year, and reviews the performance of the previous year. Formal report to Scrutiny and Cabinet Member refers.</p> <p>Next steps</p> <p>Review the role of Senior Information Risk Owner (SIRO) following the senior management restructure. Continue with other activities as outlined in the annual information risk report.</p> <p>Business continuity - priority systems determined and agreed by strategic leadership team. Planning for test of disaster recovery arrangements in support of business continuity planning underway. The Council is also working with the Shared Resource Service (Blaenavon) to support disaster recovery due to capacity and staff retention issues within IT.</p>	<p>immediate</p> <p>ongoing</p>	<p>service plan.</p> <p>System priority list, discussions at business continuity group.</p>

Italics = completed

Recommendation 3

The Council needs to ensure that its arrangements for strategic financial planning and management continue to develop to meet the significant challenges that are being faced.

Responsible Officer: Head of Finance

Responsible Cabinet Member: Leader of the Council

CA Recommendation	Actions	Timescales	Evidence
Robust savings plans are developed in more detail to meet the projected budget shortfall for 2015-16 and to support the delivery of a meaningful medium term financial plan	- All saving proposals have appropriate and detailed individual business cases to support them, which includes risks and impacts and cost to deliver	In place	Business Cases
	- Peer Review sessions on all business Cases and all business cases completed with help/guidance/preliminary challenge from BIP/Finance business partners – September each year.	In place	Evidence of meetings
	- Further review by Cabinet members individually and with Cabinet colleagues	In place	Evidence of meetings
	- 4year MTFP in place which identifies key budget pressure items, including demography issues and RSG predictions over the period.	In place	MTFP reported to Cabinet
	- To 2016/17, strategic framework of ‘Prospectus for Change’ guides service plans and associated budget proposals. Currently finalising a new vision document of ‘Newport 2020’ to supersede this. Provides an overview of strategic direction of services over the period.	‘Newport 2020’ agreed by Cabinet – Feb 16	Cabinet report
	- Longer term budget proposals linked to service vision and action plan delivers a balanced medium term MTFP	Balanced MTFP reported to Cabinet Feb each year	Cabinet report
Sufficient challenge is applied to ensure that savings/investment plans are delivered and any budget overspends are highlighted and addressed by early intervention	- People/Place boards consider delivery of saving proposals and financial position in detail and agree appropriate actions	In place	Meeting papers/reports
	- Council Change/Efficiency Board considers overall position on delivery of saving proposals and overall financial position of Council and provides appropriate challenge to understand action being taken.	In place	Meeting/Reports
	- Delivery of savings reported to SLT/Cabinet and service area	In place	Reports

	<ul style="list-style-type: none"> - action to deal with overspending - Scrutiny reviews of financial position and performance in each Autumn - SLT review of financial/performance 'hotspots' each Autumn 	<p>June 2016 as part of joined up service planning and financial reviews</p> <p>In place – due Autumn 2015</p>	<p>Reports</p> <p>Evidence of meeting</p>
Financial plans provide clear links to improvement objectives and service plans	<ul style="list-style-type: none"> - MTFP reports to include explicit sections on risk and performance and how they link to budget proposals - Individual 'Improvement Plans' and agreement by Cabinet to provide an analysis of resources required to deliver and confirmation that these are in place - Review Service Plans format to consider current level of financial detail in there. Areas to consider include – (i) savings to be delivered (ii) identifying resources required to deliver on PI's / Improvement objectives 	<p>In place</p> <p>2016/17 service plans</p>	<p>Cabinet papers on MTFP – including 'scene setting', 'December and Feb Cabinets'</p> <p>Cabinet Report</p> <p>Service plans</p>
Sufficient finance staff (both centrally and within individual departments) with appropriate skills and experience are in post to support the development and delivery of future plans	<ul style="list-style-type: none"> - Appointment of experienced Assistant Head of Finance / S151 - Appointment to current gaps in new accountancy structure - Develop new accountancy structure by clarifying roles and responsibilities of new posts and performance standards - Put in place an updated log of staff undertaking professional training and ensure linked to manpower and succession planning as far as the service can. 	<p>In place Dec 2015</p> <p>Completed December 2015</p> <p>In place</p>	<p>Post-holder identified Posts filled</p> <p>Evidence of meetings to do this. Statement of key roles/responsibilities for each level of hierarchy stemming from those meetings</p> <p>Log</p>

Italics = completed

Recommendation 4

The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve.

Responsible Officers: Head of People and Business Change

Responsible Cabinet Member: Cabinet Member for Finance and Resources

CA Recommendation	Actions	Timescales	Evidence
Continue to develop its draft Workforce Plan and associated action plans by, for each action: allocate responsibility to an officer and set a deadline for completion	<ul style="list-style-type: none"> • Strategy for delivering workforce plan designed • Actions created and allocated • Cabinet Member and SLT sign off • Workforce plan template agreed by Head of People and Business Change • Monthly meeting of SHRBP and HRBP to assess progress against workforce plan timescales • Workforce canvas undertaken • Creation of a workforce plan review group • Publication of workforce plan • Second version of workforce plan in place for 2016/17 • HR Business Partners to meet with Hoss to discuss workforce objectives for 2016/17 • 2016/17 objective for workforce planning set in both service planning and individual objectives 	<p>August 2015 August 2015 August 2015 August 2015 September 2015 onwards</p> <p>January 2016 January 2016 February 2016</p> <p>June 2016</p> <p>June 2016 onwards</p> <p>May 2016</p>	<p>Brochure produced Actions printed in brochure Minutes from SLT meeting 24.08.15 Email confirmation Monthly minutes produced Minutes from scrutiny group</p> <p>Documented responses Quarterly meetings have taken place and reports referred back to scrutiny Intranet confirmation Published to intranet and ebulletin</p> <p>2016/17 template produced by each service area Service planning document shows objective and measures of success Individual My Review for co-ordinator of workforce planning shows objective set and measures of success</p>
In the absence of a formal approach to 360 degree feedback for all staff, address manager inconsistency in carrying out appraisal and ensure all staff receive a	<ul style="list-style-type: none"> • Construct a new OD strategy for the organisation with focus on performance management arrangements • Review the data on appraisal submissions to assess current levels of annual appraisal • Review of the quality of appraisal submissions to 	<p>November 2015</p> <p>November 2015 and May 2016</p> <p>December 2015</p>	<p>Publication of strategy</p> <p>Appraisal data as held by OD</p> <p>Appraisal data as held by OD</p>

CA Recommendation	Actions	Timescales	Evidence
constructive and developmental appraisal to support job performance	<ul style="list-style-type: none"> assess manager inconsistency Review and prioritise training to managers on performance management appraisal systems and handling cases of poor performance Review of performance management framework OD Business Partner to meet with HoS to discuss managerial skills gaps to identify further development on performance management Options to review current processes are investigated to bring about technology in the PM cycle and modernise the system Review of Coaching for Performance course and recommendations made on future procurement 	<p>March 2016 August 2016 August 2016 onwards</p> <p>August 2016</p> <p>August 2016</p>	<p>Training directory lists courses available</p> <p>Documentation showing needs analysis is produced</p> <p>Report on options for future modernisation of PM process to CX</p> <p>Review undertaken and options for alternatives are explored</p>
Put in place a key performance indicator and a challenging target for sickness absence that adheres to the target setting principles agreed by the Council's Senior Leadership Team on 17 March 2015	<ul style="list-style-type: none"> Provisional targets submitted to Performance Board on 23rd June 2015 Targets reviewed and amendments made following final outcome of sickness data – applying principles established in the report to Performance Board and uploaded to Views Annual absence review letters issued to all staff, setting out levels of absence and Council targets Monthly meeting of SHRBP and HRBP to assess progress against targets Targets for 2016/17 to be agreed following confirmation of out-turn for 2015/16 	<p><i>June 2015</i></p> <p><i>July 2015</i></p> <p>November 2015</p> <p>September 2015 and onwards May/June 2016</p>	<p>Performance Board report and minutes of meeting of 23 June 2015 Final absence data available from iTrent</p> <p>Letters issued</p> <p>Monthly minutes produced</p> <p>Targets established and to be submitted to Performance Board for approval</p>

Italics = completed

Recommendation 5

To strengthen the arrangements that enable the Council to, scrutinise, its Improvement Objectives.

Responsible Officers: Head of People and Business Change

Responsible Cabinet Member: Leader of the Council

Additional actions as identified on 8th October by Cabinet and SLT:

- WLGA will be invited to talk to group, council and scrutiny chairs. Further training will be provided
- Consider inviting the Data Unit to present to the team on the council's overall performance

CA Recommendation	Actions	Timescales	Evidence
<p>Enable members to effectively challenge and scrutinise service performance: – clarify the respective roles of the performance board and scrutiny;</p>	<p>The Scrutiny Annual Report was endorsed by full Council on 29 September 2015. A key priority for next year will be to develop the relationship with Cabinet further, and work is currently being undertaken on developing a protocol between the Executive and Scrutiny that will help clarify the respective roles of both parties, including responsibilities for monitoring and accounting for performance.</p> <p>Regular meetings continue to be held between Cabinet and Scrutiny Improvement Group - at the most recent, on 6 October, A draft procedure for Cabinet Member involvement with Scrutiny has been drafted and will be discussed at the next meeting on SIG and Cabinet scheduled for 2 February 2016. This procedure includes guidance on what was agreed at the last meeting in terms of when Cabinet Members will be invited to attend Scrutiny and for what purpose.</p>	<p>By the end of the financial year 2015/16</p>	<p>Minutes of Scrutiny Improvement Group – 6th October Scrutiny Improvement Group agenda and minutes – 2 February</p>
<p>Ensure that meeting agendas allow for sufficient time for members to focus on (broad) underperformance in both; (Performance Board and Scrutiny)</p>	<p>We have recently reviewed the Committees' work programmes to focus more on key risks and priorities, with a new information reporting procedure to enable us to routinely provide performance and other relevant information to Members. The intention is to improve Members' background knowledge on service issues and provide a mechanism to pick up on any potential issues as they arise.</p> <p>Last year we also revised the service plan process for scrutiny - the half year reviews took place in November. The Committees received exception reports only highlighting the red and high risk</p>	<p>Completed</p>	<p>Committee work programmes Scrutiny Agenda's and minutes for the November meetings (half year reviews)</p>

CA Recommendation	Actions	Timescales	Evidence
	<p>areas of performance within the service area, with the full report being emailed for information. This process was successful in focusing the time available at the Committee meetings on the areas of underperformance.</p> <p>The Committees are also in the process of introducing pre meetings before the Committee meetings to allow time to be briefed by the Scrutiny Officer on the agenda, to focus attention on the role of the Committee for each item and focus questioning/ lines of enquiry.</p>		
Provide training on effective challenge and scrutiny for members	Alongside the new work programmes, we are also putting together a programme of seminars and training events for Members, to develop skills and provide background information to support Members in scrutinising and challenging services more effectively. This currently includes briefings on key policy changes; for example in social services legislation, as well as training from the Fairness Commission on assessing fairness in policy development. We are also providing training on Fairness and Equality Impact Assessments, to improve challenge within the budget setting process.	By the end of the financial year 2015/16	Training Materials for Members Member training calendar
Improve target setting to better reflect the service/performance standards the Council Wants to achieve.	Target setting guidance has been in place since February 2015. The guidance sets out three key principles which Heads of Service must meet when establishing measure targets for the year ahead. The three principles include targets: exceeding previous year performance, not being in quartile 4 and exceeding Welsh Average. All targets are reviewed by SLT and if they do not meet these criteria, the relevant Head of Service must provide satisfactory reasoning behind retaining the target.	Completed	SLT minutes and reports Target setting guidance document

Italics = completed

Recommendation 6

We recommend that the Council improves the collective leadership by both Members and officers of the delivery of its response to the Auditor General's 2013 Corporate Assessment by agreeing clear accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement.

Additional actions as identified on 8th October by Cabinet and SLT:

- Cabinet Members and Heads of Service will attend scrutiny twice a year. They will jointly present the looking back/looking forward service plan and the 6 monthly reviews. This will include the full range of performance measures, to include financial performance, national and local performance indicators and priorities outlined in the service plan. Officers will design an appropriate template to capture all of the key data and allow for consistent reporting
- Consider opportunities in the future to present as a collective leadership group to staff groups

Completed Actions:

- Cabinet Members and Heads of Service have had a series of informal cabinet meetings to discuss the budget
- The meeting with the WAO on the 20th October was a joint presentation. It will also include the action plans sitting below the statutory recommendations which were presented by the relevant Cabinet Member/Lead Officer
- CMs and Heads of Service attended scrutiny in Oct/Nov to present the half year service plan reviews, which were reported as was set out in the agreed action. Year End reports will be presented in July following the same process.

Recommendation 7

The Council must ensure that all National Strategic Indicator data is collected and published in accordance with the Welsh Government definitions; particularly NSI. EDU/015a - Final Special Educational Needs statements issued in 26 weeks.

- The 2015/16 Data Quality Review has been completed by the Wales Audit Office; the report was received in January and confirms that this recommendation has been addressed.

Report

Cabinet

Part 1

Date: 5th September 2016

Item No:

Subject Improvement Plan 16-18 Update for Quarter 1 (April- June 2016)

Purpose To Update the Cabinet on the Council's progress regarding management and monitoring of the Improvement Objectives set out in the Improvement Plan 2016-18

Author Head of People and Business Change

Ward All

Summary In April 2016 full Council approved the eight Improvement Objectives in the Improvement Plan for 2016-18. This report summarises progress towards delivering the actions set out in the plan and the performance measures that support those actions in 16/17.

The overall assessment of progress towards achieving the Improvement Objectives set out in the plan is classed as 'Green – Good.' Good progress is being made overall and 'ensuring the best educational outcomes for children' has been assessed as excellent.

Proposal **Cabinet is asked to:**

- Note the progress made during the first quarter of 16/17 regarding key actions and measures
- To agree that corrective action be taken to address areas of underperformance

Action by Chief Executive, Strategic Directors and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors
- Heads of Service
- Chair of Cabinet

Signed

Background

The eight Improvement Objectives 2016-18 are linked according to theme below:

A Caring City

1. Improving independent living for older people

Working with Aneurin Bevan University Health Board and partner agencies Neighbourhood Care Networks (NCN's) have been developed comprising all Primary Care, health and social care community providers operating across the West, East and North of the city with boundaries which broadly coincide with the Team around the Cluster boundaries, and they have a adopted range of priorities to improve the health and wellbeing of the population, many of which are contributors to the Health and Wellbeing theme work to deliver the Newport Single Integrated Plan.

2. Ensuring people have the right social services to meet their needs

We will help people identify and fulfil the outcomes they want to achieve, where possible utilising their ideas and preferences with an emphasis on co-production and use their own ideas and resources. We will help people with care and support needs to stay safe whilst promoting their independence and control whilst supporting positive risk taking through the provision of high quality care and support services.

A Fairer City

3. Ensuring people have access to suitable accommodation

The objective is to ensure that people have access to suitable accommodation. For most people, their homes are the foundation for everyday life and are critical to their quality of life. Most households are able to find homes through owner-occupation, the social rented sector or, increasingly, the private rental market but we need to make sure that the supply of housing is aligned to local housing needs and that there is help available for individual households who cannot find homes or whose housing is unsuitable, in poor condition or at risk

A Learning & Working City

4. City Regeneration and Development

The objective goes hand-in-hand with the delivery of the Council's ten-year Economic Growth Strategy 'People, Places, Prosperity', which will continue to drive Newport forward as 'an area of visible change, with high aspirations, high achievement and shared prosperity'

5. Supporting young people into education, employment or training

Evidence from work undertaken by Professor David Egan (on behalf of the Joseph Rowntree Foundation) suggests that efforts to prevent young people from becoming NEET have a more profound long term impact than work undertaken to support young people who are NEET back into provision. The Improvement Objective of Supporting Young people to remain within education, employment or training focuses on early identification, information sharing and additional, specific provision to meet the needs of young people.

6. Ensuring the best educational outcomes for children

To ensure all our pupils are effectively engaged in education so that they can attain the best possible educational outcomes. This includes vulnerable learners that may be at risk of not reaching their expected level of attainment.

A Greener and Healthier City

7. Increasing recycling

To ensure Newport delivers the Welsh Government objectives for the increasing of recycling and the European targets for diversion of waste from landfill, every recycling and diversion opportunity available to the city must be explored and where applicable, implemented.

The diversion of residual municipal waste from landfill will largely be covered by the operation of Prosiect Gwyrdd. Therefore, this objective will largely focus on encouraging businesses and residents within the city to recycle more which will maximise the potential currently being classified and treated as residual waste.

A Safer City

8. Improving outcomes for youth justice

The principle aim of the youth justice system, established by section 37 of the Crime and Disorder Act 1998, is to prevent offending by children and young people. This relates to prevention of anti-social behaviour and offending; appropriate use of Out of Court Disposals to divert young people from the criminal justice system; reducing the rate of proven re-offending and reducing the proportion of young people sentenced to custody. In line with Welsh Government and Youth Justice Board policy, we believe that prevention is better than cure and that children are young people first and offenders second.

Monitoring and Evaluating Progress





1. Summary of Performance




Appendix one presents an evaluation of performance summary of progress.

2 Progress towards Improvement Objectives

In order to provide a more meaningful assessment of the progress of the Improvement Plan and enable more informed judgement to be undertaken, the following assessments have been made about the Improvement Objectives. Those Improvement Objectives assessed as Excellent or Good are not cause for concern. Areas assessed as 'Acceptable' will require attention to address underperformance.

Appendix two details progress towards each of the ten Improvement Objectives. An overall evaluation of progress is made using the following criteria.

Status	Evaluated as	Explanation
Green Star 	Excellent	All actions and measures are on track
Green 	Good	Actions and measures are on mostly on track, one or two falling marginally short of planned targets
Amber 	Acceptable	Some actions and measures have deviated from plan and are some are falling short of planned targets
Red 	Improvement Required	Actions and measures are of concern and are mostly falling short of planned targets

Report produced in...	September		December	March	June
To show status for....	Q1 Apr-Jun		Q2 Jul-Sept	Q3 Oct-Dec	Q4 Jan-Mar
1. Improving Independent Living for Older People	Green - Good				
2. Ensuring people have the right social services to meet their needs	Amber - Acceptable				
3. Ensuring people have access to suitable accommodation	Green - Good				
4. City Regeneration and Development	Amber - Acceptable				
5. Supporting young people into education, employment or training	Green - Good				
6. Ensuring the best educational outcomes for children	Green Star - Excellent				
7. Increasing recycling	Amber - Acceptable				
8. Improving outcomes for youth justice	Good - Green				
OVERALL	Green - Good				

The overall assessment of progress towards achieving the Improvement Objectives set out in the plan is classed as 'Green – Good.' Good progress is being made overall and 'ensuring the best educational outcomes for children' has been assessed as excellent.

Risks

Each individual action in this report is subject to financial and risk assessment in its own right in accordance with council procedures

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
That the council's plans and projects do not have the desired impact on the city	H	M	The council will assess the impact of its actions on an on-going basis and enable adjustments to actions and policies to be brought forward as the need arises	Project managers for individual action plans
That major impacts are not properly monitored due to faulty assessment of risk and/or impact	H	L	Quarterly reporting to cabinet, together with opportunity for scrutiny reviews will enable adjustments to monitoring regime to be implemented as the need arises	Project managers
That on-going monitoring impedes progress on project delivery	H	L	The assessment criteria for monitoring progress are designed to ensure monitoring is proportionate to impact and purpose. This will be reassessed as part of the on-going reporting process	Cabinet / Corporate Directors

Links to Council Policies and Priorities

The Improvement Plan is the annual delivery mechanism for ensuring that the commitments set out in the Corporate Plan are progressed. The report draws together the implementation and monitoring of key Council policies and has as its main purpose the establishment of a framework for ensuring that those key policies are moved forward and monitored in an appropriate way.

Comments of Chief Financial Officer

The financial implication of individual projects relating to the Improvement Plan are reported as part of the on-going medium term financial planning and budget monitoring processes and in that respect, having clear responsibility and accountability for delivering the projects and managing resources is key.

Comments of Monitoring Officer

The details set out in this report reflect the requirements of the Local Government Measure. The approach for monitoring progress against corporate priorities and strategies is consistent with the Council's performance management framework and risk management principles.

Staffing Implications: Comments of Head of People and Business Change

There are no direct staffing implications as a result of this report. The Improvement Plan 2016-18, gives clarity of vision which should help employees, managers and stakeholders understand our corporate priorities, how they are being assessed and what this means for individuals.

Comments of Cabinet Member

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Cabinet for consideration.

Background Papers

Council Report "Corporate Plan 2012-2017" (25/09/12)

Cabinet Report: Improvement Plan Priorities 2015/16

Street Scene, Regeneration and Safety Scrutiny Committee, Draft Improvement Plan 2016-18

Community Planning and Development Scrutiny, Draft Improvement Plan 2016-18

Learning, Caring and Leisure Scrutiny Committee, Draft Improvement Plan 2016-18

Performance Board, Draft Improvement Plan 2016-18

Cabinet Report: Improvement Plan 2015/16

Dated: September 2016

Appendix 1.
Summary of Performance Q1 April- June 2016

1. Improving independent living for older people

Overall Assessment this quarter: Green – Good.

All actions are on track at the end of quarter one, one measure is falling short of target

2. Ensuring people have the right social services to meet their needs

Overall Assessment this quarter: Amber – Acceptable.

All actions are on track at the end of quarter one; however, there are some measures which are falling short of target.

3. Ensuring people have access to suitable accommodation

Overall Assessment this quarter: Green - Good.

All measures are on track with just one action falling marginally short of planned outcomes.

4. City Regeneration and Development

Overall Assessment this quarter: Amber - Acceptable.

Some measures and actions are falling short of targets.

5. Supporting young people into education, employment or training

Overall Assessment this quarter: Green – Good.

Measures and actions are on track with only a slight deviation from planned target.

6. Ensuring the best educational outcomes for children

Overall Assessment this quarter: Green Star - Excellent.

All actions are on track to meet planned outcomes.

7. Increasing recycling

Overall Assessment this quarter: Amber - Acceptable

Although good progress is being made against planned actions and targets, the overall judgement for this objective is Amber- Acceptable previous years' national data has shown that other authorities are achieving higher rates of recycling.

All planned activities are progressing according to plan, with an excellent result in terms of diverting waste from landfill and a good result in terms of recycling as well, as Q1 results for all PIs but HWRC recycling rate show as green. HWRC performance has been dragged down due to a much higher than expected increase in the amount of residual waste collected at the site, there are suspicions of abuse from small businesses (as trade waste is not allowed on site) so there are plans to implement a permit scheme to tackle the misuse of the site.

8. Preventing Offending and Re-offending of young people





Overall Assessment this quarter: Green - Good.

Good progress is being made with only slight deviations from planned actions and targets

Appendix 2

2 Progress towards Improvement Objectives

In order to provide a more meaningful assessment of the progress of the Improvement Plan and enable more informed judgement to be undertaken, an overall evaluation of progress is made using the following criteria.

Status		Evaluated as	Explanation
Green Star		Excellent	All actions and measures are on track
Green		Good	Actions and measures are on mostly on track, one or two falling marginally short of planned targets
Amber		Acceptable	Some actions and measures have deviated from plan and are some are falling short of planned targets
Red		Improvement Required	Actions and measures are of concern and are mostly falling short of planned targets

IP1 Improving independent living for older people

Lead Cabinet Member	■ Cabinet Member for Adult Social Services and Housing
Lead Officer	■ Head of Adult and Community Services

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Green - Good	★	All Actions are on track at the end of Quarter one, one measure is falling short of target

Measures

- Key for Measures**
- ★ Green - on target
 - Amber - slightly short of target
 - ▲ Red - off target

	to Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
ACS/20b reablement no package of care and support (IP1d) (M)	?		40.0%	This is a new measure which forms part of the data set for the Social Services and Wellbeing (Wales) Act 2014, due to the time periods stated in the definition the data for this measure will not be available until later in the year.
ACS/23b adults who have received advice and assistance repeat contact (IP1e) (Q)	?		38.0%	This is a new measure which forms part of the data set for the Social Services and Wellbeing (Wales) Act 2014, due to the time periods stated in the definition the data for this measure will not be available until later in the year.
CCAS/L/020 Number of people fully reabled (IP, SP) (M)	●	106.0	112.5	
CCAS/L/026 OT Assessments & Reviews (IP) % (M)	★	86.6%	85.0%	
SSL/015 telecare package # (IP1a) (M)	★	980	850	

Actions

- Key for Actions*
- ★ Green - on track
 - Amber - Deviation from Plan
 - ▲ Red - Action is of concern

	Jun 2016		
	Performance	IP Progress Update	IP Activity Planned
<input checked="" type="checkbox"/> IP 1.1 To deliver an integrated assessment process for older people	★	The Integrated Assessment is now embedded into the Adult Teams and direct input into the database is now operational.	Workforce Development strategy looking at training for staff to consider 'strengths based assessing' and 'outcome focussed' to enhance the IA.
<input checked="" type="checkbox"/> IP 1.2 To roll out the integrated pathway for older people	★	Continued roll out of Stay Well Plan (SWP) to GP Practices on EMIS system Recruitment of a 3rd Care Facilitator Stakeholder workshops which have resulted in the establishment of a reference group which includes people who have benefited from the programme to date Development and roll out of the access database to support the programme and production of the SWPs Establishment of the performance framework and evaluation criteria	Finalise the data sharing agreement between the organisations involved Recruit 4th Care Facilitator Roll out of the SWP to Practices which are on Vision Wider roll out of the SWP to support sustainability of outcomes post an episode of Frailty Develop and roll out a motivational training programme for Care Facilitators and support workers
<input checked="" type="checkbox"/> IP 1.3 Restructure the operational adult social services teams on the NCN footprints.	★	The initial restructure has been completed and came into operation from 1st April.	Ongoing work to look at workload/capacity/budget allocation of areas to meet demand.

IP2 Ensuring people have the right social services to meet their needs

Lead Cabinet Member

- Cabinet Member for Adult Social Services and Housing

Lead Officer

- Head of Adult and Community Services

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Amber - Acceptable	●	All actions are on track at the end of quarter one, there are some measures which are falling short of planned targets

Measures

- Key for Measures*
- ★ Green - on target
 - Amber - slightly short of target
 - ▲ Red - off target

	Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
CCAS/L/027 Number of integrated assessments completed per month (IP2a) (M)	★	357	120	
SCA/001 (N) LA Residents Experiencing DTOC # (M)	▲	15.0	12.0	
SCA/002b) Suppt for Older People in Care Homes (NSI, SP) # (M)	★	14.88	15.00	
SCA/018a) Carers offered assmt or review (PAM, SP) % (M)	▲	64.7%	85.0%	
SCA/019 Adult Protection risk managed (NSI, PAM, SP) (Q)	★	100.00%	99.00%	

Actions

Key for Actions
 ☆ Green - on track
 ● Amber - Deviation from Plan
 ▲ Red - Action is of concern

	Jun 2016		
	Performance	IP Progress Update	IP Activity Planned
✓ IP 2.1 Establish the pathway for adult social services across health and social care	☆	Initial Pathway was established across adult services in line with the restructure under the NCN footprint.	Meeting arranged for 18th August to revisit current pathway to ensure workflow is appropriate and consideration given to capacity across teams to deliver.
✓ IP 2.2 Restructure the operational adult social services teams.	☆	The initial restructure has been completed and came into operation from 1st April.	Ongoing work to look at workload/capacity of areas to meet demand.
✓ IP 2.3 Develop and implement the integrated assessment tools	☆	The IA is now available within the Swift System. Workshops have been undertaken to develop the Care & Support Plan that will be able to be completed direct in swift	Draft Care & Support Plan developed. Ongoing testing in August to finalise document which will be available for direct input by September 2016.
✓ IP 2.4 Review and re-commission services as necessary	☆	Third Sector re-commissioning process completed - consortium awarded contract Domiciliary Care tender completed - new providers in place with agreed hours and new rates	Implementation phase - transition underway from existing providers to consortium model To monitor and oversee compliance and continue to broker packages of care
✓ IP 2.5 Review and develop our systems and processes	☆	Act compliant Assessment document in place and uploaded onto SWIFT New reporting mechanisms established - 1st quarter report submitted to Welsh Government.	The distance travelled tool is integrated within the care & support plan as a baseline measure. Care & Support plan currently being tested by Practitioners. Due for upload onto SWIFT by 31st August Review document to be agreed, tested and finalised. The distance travelled final score is measured within this document. Training & support for staff to be planned and implemented during September to support data compliance and reporting commitments.
✓ IP 2.6 Undertake a Questionnaire of people who have a care and support plan	☆	Work Scheduled to be completed in September 2016 as per requirement	To identify those who need to receive a questionnaire in September 2016

IP3 Ensuring people have access to suitable accommodation

Lead Cabinet Member	■ Cabinet Member for Regeneration and Investment
Lead Officer	■ Head of Regeneration, Investment and Housing

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Green - Good	★	All measures are on track with just one action falling marginally short of planned outcomes.

Measures

- Key for Measures*
- ★ Green - on target
 - Amber - slightly short of target
 - ▲ Red - off target

	Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
PLA/006 (N) Planning affordable housing units #	~	~	~	~
PSR/002 Adapt'ns DFG days delivery avg. (HY) (NSI, PAM, IP, SP)	~	~	~	~
PSR/006 Ave days non-DFG adapt'ns (HY) (IA Theme 1)	~	~	~	~
RIH/L/043 No. people approaching authority for housing advice and assistance (Q) (IP3b)	★	616	650	
RIH/L/044 The percentage of households for whom homelessness was prevented (Q) (IP3e)	★	51%	50%	

Actions

- Key for Actions*
- ★ Green - on track
 - Amber - Deviation from Plan
 - ▲ Red - Action is of concern

		Jun 2016	
	Performance	IP Progress Update	IP Activity Planned
<input checked="" type="checkbox"/> IP 3.1 To secure additional units of affordable housing and bring empty private homes back into use	●	All affordable housing schemes are on site, no issues so far; empty homes issues with resourcing do give rise to performance concerns	Outcome of mini staffing review awaited, budget issues have been highlighted
<input checked="" type="checkbox"/> IP 3.2 To minimise the waiting times for major and minor adaptations	★	Average DFG delivery times are currently within target, however, the 16/17 budget is currently almost 50% committed	Management review planned to address staffing resource issues
<input checked="" type="checkbox"/> IP 3.3 To prevent people becoming homeless whenever we can	★	Ongoing use of private rented sector Ongoing prevention activity at early intervention points	Review of prevention fund policy/procedure Continued work on preventing homelessness

IP4 City Regeneration and Development

Lead Cabinet Member	<ul style="list-style-type: none"> ■ Cabinet Member for Community Services, Skills and Work ■ Cabinet Member for Regeneration and Investment
Lead Officer	<ul style="list-style-type: none"> ■ Head of Regeneration, Investment and Housing

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Amber - Acceptable	●	Some measures and actions are falling short of planned targets

Measures

- Key for Measures*
- ★ Green - on target
 - Amber - slightly short of target
 - ▲ Red - off target

	Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
RIH/L/040 VVP- programme delivery (Q) (IP4a)	▲	25,704	1,091,220	
RIH/L/041 VVP- commercial floor space improved (Q) (IP4b)	▲	0	250	
RIH/L/042 Jobs created/enabled (VVP + Business Support) (Q) (IP4c)	★	200	105	
RRS/L/036 VVP - increase in city centre housing (A) (IP, SP)	~	~	~	~

Actions

- Key for Actions**
 ★ Green - on track
 ● Amber - Deviation from Plan
 ▲ Red - Action is of concern

		Jun 2016	
	Performance	IP Progress Update	IP Activity Planned
✓ IP 4.1 Deliver VVP Programme	●	The majority of the FY2016/17 VVP allocation is allocated to one project, the redevelopment of 123-129 Commercial Street. This project has encountered significant delays which have required the Council to approve use of powers of compulsory purchase in order to proceed. It is now unlikely that any of the £3.1m allocated to this project will be defrayed until early 2017. This has impacted on expected levels of spend. Note also that £1.2m remains to be paid on the development loan in respect of the King's Hotel, leaving a further proportion of the total budget unable to be spent until post-September. Finally, project viability issues on two schemes required re-profile of budgets and re-allocation of a further £525K.	In mitigation, large scale projects at Griffin Island and Cardiff Road are nearing completion, which will accelerate financial expenditure over quarters 2 and 3 and commit the majority of grant outside of the £3.1m allocated to 123-129 Commercial Street. A virement request was submitted in June 2016 to re-allocate £525K programme underspend to alternative viable projects which are intended to commence in September subject to Welsh Government approval.
✓ IP 4.2 Provision of coherent business support	●	Business Support Officers assisted in the move of Crown Commercial Services to a new premises, enabling these 200 jobs to remain in Newport. Again, VVP indicators on job creation are only collated at the close of a project, and no projects have completed as yet this financial year.	As schemes complete in quarters 2-4 jobs created both in construction and new business will be captured at point of project completion.
✓ IP 4.3 Commercial floor space developed	●	VVP Project Outputs are collated and reported at the practical completion of the project. No projects have achieved completion in Q1 2016/17, hence the indicator remains blank.	Nine refurbishments of business premises are underway at present on Cardiff Road which will improve performance against this indicator in Quarter 2 and 3 of this financial year.

IP5 Supporting young people into education, employment or training

Lead Cabinet Member	■ Cabinet Member for Community Services, Skills and Work
Lead Officer	■ Head of Regeneration, Investment and Housing

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Green - Good	★	Measures and actions are on track with only a slight deviation from planned target

Measures

- Key for Measures**
- ★ Green - on target
 - Amber - slightly short of target
 - ▲ Red - off target

	Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
**SIP Young people NEET Year 11 (%) (A)	~	~	~	~
**SIP Young people NEET Year 13 (%) (A)	~	~	~	~
NEET\01 Number of families accessing family skills project (Q) (IP/SP)	★	81	75	
NEET\03 Number of enrolments on basic skills courses (A)	~	~	~	~
NEET\05 Retention rate for enrolments on basic skills course (A)	~	~	~	~
NEET\06 Achievement rate for enrolments on basic skills course (A)	~	~	~	~
NEET\07 Retention rate for community learning courses (A)	~	~	~	~
NEET\08a Achievement rate for community learning courses (A)	~	~	~	~
NEET\09 % 16-18 yr olds not in education, employ or training (A)	~	~	~	~
RIH/L/045 Number of 16-17 year old entrants into Work Based Learning Academy (Q) (IP5c)	★	41	38	
RIH/L/046 Number of 18-24 year old entrants into Work Based Learning Academy (Q) (IP5d)	★	102	88	
RIH/L/047 Number of young people within Tier 2 progressing to Tier 3 and above (A) (IP5e)	~	~	~	~
RIH/L/048 % young people recorded as unknown following compulsory education (A) (IP5j)	~	~	~	~
RIH/L/049 Number of 16-17 year olds progressing from WBLA to further opportunity (Q) (IP5n)	★	21	18	
RIH/L/050 number of 18-24 yr olds progressing from WLBA to further opportunity (Q) (IP5o)	★	27	25	

Actions

- Key for Actions**
 ★ Green - on track
 ● Amber - Deviation from Plan
 ▲ Red - Action is of concern

		Jun 2016	
	Performance	IP Progress Update	IP Activity Planned
<input checked="" type="checkbox"/> IP 5.01 YEPF Co-ordinator providing support	★	<p>The YEPF Coordinator attended meetings with all Secondary Heads regarding the use of the EI toolkit and the start of the Inspire to Achieve (I2A) project. The Coordinator will coordinate and chair all 8 school allocation meetings with additional groups.</p> <p>School allocation visits were started for I2A with Engagement and Progression Coordinator (EPC), Youth Service and Careers Wales for Year 11 leaver's summer referrals.</p> <p>Summer planning visits regarding current Year 11 leavers were held using the EI toolkit and practitioner knowledge. A spreadsheet has been compiled with additional client needs highlighted.</p>	<p>Allocation meetings to continue using the EI for Key Stage 3 and 4.</p> <p>Additional groups to be worked with through the EI with the Pupil Referral Unit and the Youth Offending Service.</p> <p>Year 11 leaver's allocation meetings start with Communities First and the Youth Service for 'red' young people referred from Careers. These will continue until October.</p> <p>Closer working with Education in particular Inclusion to use the EI toolkit as a guide for a Risk Assessment Profile.</p>
<input checked="" type="checkbox"/> IP 5.02 Deliver the Families First Children and Young People's Skills Project	★	<p>During Q1 404 young people have been supported through both 1:1 support and group work.</p> <p>143 of those supported were referred for attendance, of those referred 77% showed an improvement in their attendance.</p>	<p>Workers will continue to support, young people who have been identified at risk of disengaging, during the summer months through both 1:1 support and group work.</p> <p>Staff will also be involved in Year 11 destination work over the coming months.</p>
<input checked="" type="checkbox"/> IP 5.03 Deliver the Inspire to Achieve and Inspire to Work ESF projects	★	<p>Staff have been appointed to the project with various meetings taking place including the EPC meeting key staff members within each of the 8 high schools, disseminating paperwork to all operational staff and completing SLA with beneficiary partners, Careers Wales.</p> <p>3 EI allocation meetings have taken place with 48 young people identified as being eligible for the project. Referral and eligibility forms have been completed by all invested partners. The Identified young people that are willing to engage with the project will be enrolled within the next quarter.</p> <p>We have also agreed and established a data sharing and recording processes with Careers Wales for I2A eligible participants</p>	<p>Young People will be enrolled onto the project, staff will continue to work with them during the summer period to ensure that they meet their destinations.</p> <p>EI allocation meetings are planned with all the schools to identify those young people who will be worked with over the coming academic year.</p>
<input checked="" type="checkbox"/> IP 5.04 Communities First NEET engagement project	★	<p>No targets set for quarter 1</p> <p>The Communities First (CF) delivery team developed their schemes of work with Work Based Learning providers training in preparation for delivery in quarter 2.</p>	<p>4 x 13 week programmes to start in July across the 4 clusters, targeting 48 NEET young people. Working with Careers Wales and training providers. Cross cluster delivery has been planned for the summer months with partners that include Newport Live. Taster sessions for various route ways have been arranged with training providers and the CF teams, piloting the WEST assessment within each of the clusters.</p>

<p>✓ IP 5.05 Deliver Communities 4 Work programme</p>	<p>●</p> <p>Good partnership links with Job Centre Plus (JCP) and Careers Wales have developed. A joint initiative between JCP, Careers Wales and Communities 4 Work (C4W) has been undertaken where all teams delivered a carousel of presentations to each of the partners. A diary and appointment system has been set up in Job Centre and Careers Wales and referral routes have been developed.</p> <p>Integration and partnership work has developed with Communities first within their job clubs and training courses. C4W teams have been working with other agencies such as Citizens Advice Bureau, MIND, Growing Spaces, Newport City Homes, Work Programme, Community Work Placement, People Plus, Families First, Looked After Children team, Information station and Social services.</p> <p>There are 3 staff vacancies within the team which is impacting against service delivery. There are some issues with the approved training provider which are being addressed with the company.</p>	<p>A number of promotional events have been developed with the Communities First team and wider partners. C4W Youth mentors will be involved in the door knocking exercise throughout Aug, Sept tackling the NEETs cohorts in partnership with Communities First.</p> <p>Planned activity</p> <ul style="list-style-type: none"> • 4 weekly session with work coaches in JCP Newport to identify new customers • Half day a week Newport central Library • Half day in Information station <p>Promoting the CFW project in the Newport City Council's Community Newsletter 'Newport Matters'</p>
<p>✓ IP 5.06 Direct work with Careers Wales</p>	<p>★</p> <p>Direct work is carried out with Careers Wales to ensure data and tracking systems are in place and working effectively to track all young people on transition. This has meant offering 16 - 17 year old people learning opportunities to enable them to re - engage into education and training opportunities.</p> <p>YEPF Officer in place for data analysis. Data analysis is carried out and reported on for all young people in the 5 tier model.</p>	<p>This work will continue and the funding is in place for the YEPF Officer.</p>
<p>✓ IP 5.07 Working with providers of education</p>	<p>★</p> <p>This is maintained through the Pre 16 NEET group, the 16-18 practitioner group and the Learning Provider Network.</p> <p>Work is also monitored through the Deputy Curriculum group.</p>	<p>This will be continued through the Pre 16 NEET group, the 16-18 practitioner group and the Learning Provider Network.</p> <p>Planning work is in the process with Regeneration, Investment and Housing to provide additional provision for those young people who are only seeking employment.</p>
<p>✓ IP 5.08 Develop and deliver specific employability programmes</p>	<p>★</p> <p>Quarter 1 has seen the WBLA concentrate on the development of Apprenticeship opportunities. During this quarter we have created 18 opportunities for young people, and are working with external partners through the Community Benefit tool kit to create further opportunities in qtr 2.</p> <p>The Community Benefit tool kit has also created opportunities for work placements and entry level employment.</p>	<p>Continue to utilise the CB toolkit to target the creation of apprenticeships and work placement opportunities.</p> <p>The WBLA will also deliver the 2nd annual jobs fair for Friars walk and Newport Centre with over 30 employers recruiting for the Christmas period. The team will be linking with various projects to make them aware of the opportunities available for their customers.</p>
<p>✓ IP 5.09 Map provision for young people</p>	<p>★</p> <p>The strategic Youth Support Services Board (previously the YPEET) agreed to revisit Youth Support Services. A commissioned piece of work will be carried out after a Youth Support Service specification is written.</p>	<p>A task and finish group has met and the final specification will be written. Services can then be realigned to 'fit' the gaps and resource can be shared.</p>

<p>IP 5.10 Meet regularly with Careers Wales, Schools, Work Based Learning Providers and Coleg Gwent</p>	<p>★</p> <p>Monthly meetings are carried out with the following groups:</p> <p>16-18 practitioner group Learning Provider Network Tier 1 allocation meeting Curriculum Deputies</p> <p>Additional meetings have been carried out with all secondary Schools, Careers Wales and Coleg Gwent regarding the young people not in education, employment and training.</p> <p>Reviews of the commissioned project Life Education have taken place. This project will continue in 3 of the remaining schools and start in 1 other.</p> <p>The Pre 16 NEET group meets once a term with Senior Management in attendance from all Schools These meetings ensure that young people at risk of becoming NEET in providers are identified early and support can be put in place.</p>	<p>Continuation of these meetings.</p> <p>Analysis of tier 1 and tier 2 young people. This analysis will result in joint home visits between the Youth Service and Training Providers.</p>
<p>IP 5.11 Ensure there is a focus on the statutory responsibilities</p>	<p>★</p> <p>The previously named YPEET group has now become the Youth Support Services Board and this has been agreed as a priority for the group.</p> <p>A commissioned piece of work will be carried out after a Youth support Service specification is written.</p>	<p>A task and finish group has met and the final specification will be written. Services can then be realigned to 'fit' the gaps and resource can be shared. This will be monitored through the group and any issues will be fed up to the Family Support Services.</p>

IP6 Ensuring the best educational outcomes for children

Lead Cabinet Member	■ Cabinet Member for Education and Young People
Lead Officer	■ Chief Education Officer

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Green Star - Excellent	★*	All actions on track to meet planned outcomes

Measures

Key for Measures
 ★ Green - on target
 ● Amber - slightly short of target
 ▲ Red - off target

	Unknown			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
EDU/004 Pupils KS3 CSI % (A)				Data is not yet due for these measures, the data is annual and will be reported in the period that it becomes available.
EDU/010b) (N) Pupils fixed excl'ns secondary days #				
EDU/016a) Attendance Primary Year-end % (A)				
EDU/016b) Attendance Secondary Year-end % (A) (IA Theme 3)				
EDU/017 Pupils achieving level 2 threshold inc English & Maths % (A)				
EDU/L/061 Percentage of FSM pupils achieving Level 2 Inclusive (A) (IP6e)				
EDU/L/062 Pupils achieving Level 2 Maths (A) (IP6g)				
EDU/L/063 Pupils achieving Level 2 English (A) (IP6h)				

Actions

Key for Actions
 ★ Green - on track
 ● Amber - Deviation from Plan
 ▲ Red - Action is of concern

	Jun 2016		
	Performance	IP Progress Update	IP Activity Planned
<p>✓ IP 6.1 Improve the number of pupils achieving the expected level in the Key Stage 3 Core Subject Ind</p>	<p>★</p>	<p>Secondary Education Improvement Boards continued to track the progress of 7/8 secondary schools.</p> <p>All secondary schools reported on their 'progress towards targets'. The necessary additional support was commissioned for those schools in need.</p> <p>All secondary schools attended cluster moderation meetings to verify pupil profiles relating to Teacher Assessment. Moderation reports have been issued to each cluster with areas of recommendation to be addressed.</p> <p>The EAS Business Plan was agreed by Newport Cabinet. The plan provided a planned approach to improving literacy, numeracy and reducing the impact of poverty and deprivation across the city.</p>	<p>The LA will consider validated Key Stage 3 outcomes across the local authority</p> <p>The LA will work with the EAS and each secondary schools to consider and analyse (unverified) Key Stage 4 data on between August 25th - September 30th 2016).</p> <p>The LA and EAS will consider impact reports and next steps linked to actions set out within the EAS Business Plan.</p>
<p>✓ IP 6.2 Improve Primary & Secondary Attendance</p>	<p>★</p>	<p>Hosted an Attendance Forum open to all Newport schools</p> <p>Developed regional attendance plan to share good practice and collaborate on practice.</p> <p>Provided attendance briefing to new Cabinet Member for Education and Young People</p> <p>Trained pilot schools to implement the Callio model of attendance management</p> <p>Analysed secondary school attendance data post submission to Welsh Government.</p> <p>Education Welfare Service provided support to schools linked to unauthorised attendance caseload and prosecution; fixed penalty notice; attendance code usage and elective home education data.</p> <p>Provided Fixed Penalty Notice information leaflets to all schools.</p>	<p>Review attendance action plan for the previous academic year</p> <p>Visit Bridgend and Swansea Local Authorities to explore alternative models of attendance promotion</p> <p>Construct a new action plan for the academic year 2016/17 and agree with partners</p> <p>Collate and analyse equality objectives set by all schools in order to reduce incidents of bullying related to Protected Characteristics.</p>

<p>✓ IP 6.3 Reduce pupil exclusions</p>	<p>★</p>	<p>Exclusion data collection has improved to enable the LA to act in a more timely fashion. Exclusion meetings have continued in all Secondary Schools to review data and challenge/support. Most schools are now analysing their own data.</p> <p>The Exclusion Action Plan has is regularly monitored via the newly formed Focus Group and Assistant Head of Education. Good practice, tried and tested interventions and behaviour for learning policies have been shared and adapted.</p> <p>School to school 'exclusions' and mini BAC placements have helped to reduce exclusions.</p> <p>Training programmes have been established for LRB staff in primaries to address the shortfall identified through audit.</p> <p>Meeting held with Resources and Planning Team to identify prospective new LRB's for consultation to begin in Autumn term</p>	<p>Continue to refine the data collection; ensuring contingency plans are in place to cover staff absence.</p> <p>Action Plan to be reviewed by the whole Inclusion Team and amended accordingly.</p> <p>Targets set to reduce No. of incidents of exclusions along with no. of days.</p> <p>Monitoring meetings set up for Primary Schools with the highest rate of exclusions.</p> <p>Explore the setting up of a Managed Move Panel for Primary Schools and 'school to school exclusions'</p> <p>Explore an 'Exclusion Hub' to further reduce Secondary exclusions</p>
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IP7 Increasing recycling

Lead Cabinet Member	Deputy Leader and Cabinet Member for Environment Sustainability and Transport
Lead Officer	Head of Streetscene and City Services

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Amber - Acceptable	●	<p>Although good progress is being made against planned actions and targets, the overall judgement for this objective is Amber- Acceptable previous years' national data has shown that other authorities are achieving higher rates of recycling.</p> <p>All planned activities are progressing according to plan, with an excellent results in terms of diverting waste from landfill and a good result in terms of recycling as well, as Q1 results for all PIs but HWRC recycling rate show as green. HWRC performance has been dragged down due to a much higher than expected increase in the amount of residual waste collected at the site, there are suspicions of abuse from small businesses (as trade waste is not allowed on site) so there are plans to implement a permit scheme to tackle the misuse of the site.</p>

Key for Measures

- ★ Green - on target
- Amber - slightly short of target
- ▲ Red - off target

Measures

	Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
STR/L/018 % of municipal waste recycled at the HWRC (Q)	●	61.68%	65.00%	There has been a spike in the amount of residual waste collected at the HWRC during Q1, part of that increase could be due to the roll out of smaller 180l residual bins to about 12,000 residents, but the rest is likely linked to abuse of the site from businesses/traders or residents of neighbouring authorities. This increase impacts the recycling rate, resulting in a lower performance even if the amount of waste collected for recycling is higher than during the same quarter last year. To tackle this problem the amount of residual waste will be limited from 5 down to 4 bags per resident from September on, and post code checks will be reinstated at the meet at greet point.
STR/L/020 increase in participation in areas with low performance (Q) (IP7d)	★	3	2	
STR/L/021 trial exercise to reduce residual waste (Q) (IP7e)	★	0	0	
WMT/004b Percentage of municipal wastes sent to landfill (Q)	★	11.68%	18.00%	
WMT/010 WMT/009b municipal waste reused, recycled and composted (Q)	★	59.34%	58.00%	

Actions

- Key for Actions*
 ★ Green - on track
 ● Amber - Deviation from Plan
 ▲ Red - Action is of concern

	Jun 2016		
	Performance	IP Progress Update	IP Activity Planned
<p>★ IP 7.1 To improve the recycling services</p>	<p>★</p>	<p>1. Improved recycling collections and roll out of smaller refuse bins: Roll out of smaller bins was successfully conducted during April and May so now residents across the city have 1801 bins except those that qualify for bigger bins. Roll out of weekly cardboard collections started on 27th June after an initial delay due to the new red bags arriving later than expected; new bags have been delivered to 20,000 households and one of the Council vehicles used for cardboard has already been removed. The new scheme is a success so far with residents taking on the changes very well with very low level of complaints; Wastesavers are also operating the new depot with the sorting line for cans and plastics according to plan and the new generation of kerbside-sort vehicles are already being used as well. There has been a delay in the delivery of some of the vehicles that has delayed the roll out for 2 weeks but target for completion is still mid to end of September 2016</p> <p>2. Trial in Bettws flats to reduce residual waste After an initial assessment of the existing recycling facilities, during Q1 new recycling and refuse bins were delivered to those areas that were found lacking and residents were informed of the changes in the frequency of their residual collection that would be implemented from June onwards. To help our residents adapt to the changes we have adopted a gradual approach, so the frequency of collection was changed initially to weekly, moving to fortnightly during Q2. Results from monitoring won't be ready until Q3 but so far trial is going reasonably well after some initial complaints and issues with excess waste left by the residents in the first weeks. NCC and NCH have been working jointly in this initiative and so far results are very good in this regard as coordination and communication with NCH has been very positive.</p>	<p>1. Improved recycling collections Roll out of weekly cardboard collections will continue during Q2 with a target date for completion of mid to end of September 2016; by then all the city will be included in the new scheme (red bag for cans and plastics and weekly collection of cardboard and tetra pak, and change of the whole fleet to the new romaquip vehicles). As a result we hope to see an increase in the amount of cardboard being collected, results will be monitored during Q3 and Q4</p> <p>2. Trial in Bettws flats to reduce residual waste The frequency in the collection of residual waste will change to fortnightly in July, once the new situation is consolidated the monitoring phase will start with results available in Q3</p> <p>3. Doorknocking campaign Our doorknocking team have been visiting houses to deliver the new red bags and inform residents of the changes in the recycling collections as part of the cardboard rollout from June 2016 and will continue to do so during Q2 until the roll out is completed. Due to this, the doorknocking campaign won't be resumed until Q3 once the new scheme is in place across the whole city; however, they will be visiting all residents in Newport to inform about the changes so even if participation can't be monitored at this stage we hope to see higher levels of cardboard being recycled as a result. The doorknocking campaign will be resumed in Q3 once the roll out is finished.</p> <p>4. HWRC improvements An assessment of the different options will be conducted during Q2 to decide how best to implement some changes to boost recycling. New signage has already been ordered and will be installed between August and September. Also a new tender will be prepared to procure a new cardboard compactor, target to award a new supplier will be early Q3</p>

	<p>3. Doorknocking campaign Starting by the end of 15/16 and until mid-June 2016 NCC's doorknocking team have monitored and visited an area of about 7,000 households that showed a low food waste participation. Results have been excellent with an increase in participation for food waste of 4% and overall of 3% including all the recycling materials collected weekly.</p> <p>4. HWRC improvements NCC had applied for capital funding to be able to implement a series of changes linked to the recycling activities, and in June WG confirmed the award of the funding. £83,000 will be destined to improve our HWRC, including the purchase of a new cardboard compactor, the extension of the reuse shop and some changes in the skip area such as installing a webcam to allow our residents to check how busy the site is at any given time or renewing the current signage. Activities will be carried out along the remainder of the financial years, with jobs completed by the end of March 2017</p>	
<p>✓ IP 7.2 To divert all household and trade refuse waste collected by the council</p>	<p>★ On 1st April 2016 the full Project Gwyrdd contract started, from then on recycling of the incineration bottom ash recovered as an end of process material is included in the gate fee NCC pays for the incineration of the residual waste; about 20% of the material can then be recycled and included in our recycling rate. There is a limit to the amount of waste that can be sent to the incineration facility but this year the forecast is to send up to 26,500 tonnes of residual waste that will be diverted from landfill.</p> <p>During Q1 6,645 tonnes of residual waste were sent to the Energy from Waste plant, which matches the forecasted amount providing a very good result in terms of performance and diverting waste from landfill</p>	<p>During Q2 residual waste will continue being sent to the EfW facility, plans are to send approximately the same amount of waste as in Q1 with similar results in terms of performance.</p>

IP8 Improving outcomes for youth justice

Lead Cabinet Member	■ Cabinet Member for Education and Young People
Lead Officer	■ Head of Children and Family Services

Overall Judgement

Jun 2016		
Actual	Performance	Comments
Green - Good	★	Good progress is being made with only slight deviations from planned actions and targets.

Measures

- Key for Measures**
- ★ Green - on target
 - Amber - slightly short of target
 - ▲ Red - off target

	Jun 2016			Period Performance
	Performance (YTD)	Actual (YTD)	Target (YTD)	
YJ/L11 Percentage of young people referred for community resolution (M) (IP8a)	★	54.2%	30.0%	Performance exceeds target.
YJ/L12 Percentage of young people referred to Newport Bureau for Out of Court Disposals (M) (IP8b)	★	26.4%	10.0%	Performance Exceeds Target
YJ/L15 Access to suitable accomm (M) (IP8e)	★	92.0%	80.0%	Performance Exceeds Target
YJ/L16 Young people with substance misuse needs access services (M) (IP8f)	●	71.4%	80.0%	
YJ/L17 Young people with mental health needs access services (M) (IP8g)	★	100%	80%	Performance exceeds target.
YJ/L18 % Young People Out of Court Disposals Re-offend within 12 mnths	★	25%	30%	
YJ/L19 % Young people statutory orders who re-offend within 12 mnths	★	41.7%	45.0%	
YJ/L20 Av hours education, training or employment (M) (IP8j)	★	20.3	17.5	Average hours on School Age young people exceed target
YJ/L13 Number of first time entrants into youth justice system (M) (IP8c)	★	8	13	The number of First Time Entrants who are not becoming a first time entrant to the youth justice system exceed target.
YJ/L14 Proportion of young people sentenced to custody (M) (IP8d)	★	1	4	In Quarter 1 of 2016/17 - we had only lost one young person to custody.

Actions

Key for Actions
 ☆ Green - on track
 ● Amber - Deviation from Plan
 ▲ Red - Action is of concern

		Jun 2016		
		Performance	IP Progress Update	IP Activity Planned
✓	IP 8.1 Reduction in first time entrants	☆	We are performing better than Gwent and Wales in this area, we will continue to ensure every young person has the opportunity to be diverted from the Criminal Justice System where appropriate and possible.	We will continue to ensure every young person has the opportunity to be diverted from the Criminal Justice System where appropriate and possible.
✓	IP 8.2 Reduction in the use of youth custody	☆	We are performing better than our target currently.	We will continue to scrutinise every report to ensure Custody can be avoided wherever possible and we will continue to scrutinise every case that results in custody to establish any gaps or lessons to be learnt.
✓	IP 8.3 Access to Education, Training and Employment	●	This continues to be an area of challenge, which we are working on.	A Comprehensive ETE post Inspection improvement plan is in place which is monitored on a bi-monthly basis by the Management Board. Monthly performance reporting ensures that we keep a close eye on any young people not hitting the target and establish why and seek to put in remedial action wherever we can.
✓	IP 8.4 Access to timely mental health assessment and treatment	☆	We are performing better than the target.	Continue current practice.
✓	IP 8.5 access to timely assessment and treatment in relation to substance misuse.	●	Performance has dipped and has been a challenge in recent times.	The YOS has and is in the process of completing an Audit in this area to establish where the problems are, part of this exercise will include developing an action plan. This audit and plan will be presented to the YOS Management Board in September 2016 and will be monitored thereafter.
✓	IP 8.6 Access to appropriate/suitable accommodation	☆	Again, YOS is performing better than target.	Monthly performance reporting monitors any changes in this. We continue to work with partners (Resettlement and Reintegration Panel) to address deficits collaboratively.

Report

Cabinet

Part 1

Date: September 2016

Item No:

Subject Corporate Risk Register Update

Purpose To present an updated Corporate Risk Register

Author Rhys Cornwall, Head of People and Business Change
Hannah Brayford, Project Manager, Business Improvement and Performance
Mike Dickie, Business Service Development Manager

Ward All

Summary This report contains the latest update of the Corporate Risk Register. There are eight risks identified in the register, and all are medium risks. Since the last update five risks remain unchanged, one has increased, one has reduced and one is a new risk.

Proposal Cabinet is asked to
Note the contents of the Corporate Risk Register and request a further update at the December 2016 meeting

Action by Chief Executive, Strategic Directors and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Cabinet
- Deputy Leader
- Audit Committee
- Corporate Management Team
- Head of Law and Standards
- Head of People and Transformation
- Head of Finance

Signed

Background

1. Corporate Assessment

As part of its governance arrangements the Council has a risk management strategy and a corporate risk register is monitored quarterly. Through the Corporate Assessment Review 2014 the WAO noted that *“The Council has improved its approach to and presentation of its corporate risk register. The risk register now includes a before and after mitigation risk score at an assessed date and a breakdown of the probability and impact of that risk. The register includes current actions to address each risk and assigns responsibility to senior officers, cabinet member and scrutiny committee”*.

2. Risk Management Strategy

The Risk Management Strategy was agreed by Cabinet in September 2014. It was updated to reflect a revised approach to risk management and improved processes for identifying and escalating risk. Potential benefits of an improved risk management approach are improved decision making, avoidance of shocks and the ability to mitigate threats and take advantage of opportunities.

The strategy includes six key areas where risks are identified and managed:

- Decision Making Process
- Revenue and Capital Monitoring
- Change and Efficiency Programme
- Service and Improvement Planning
- Horizon Scanning Activities
- Information Risk Management

3. Role of Audit Committee

Since the introduction of the Local Government Measure 2011 the local authority’s Audit Committee have a role in reviewing and assessing the risk management, internal control and corporate governance arrangements of the authority. Processes and Strategies about risk management should be reviewed by the Committee however the content of the risk register including setting and changing risks included in the register is *not* the role of the Audit Committee.

4. Risks updated in this report

A full review of the Corporate Risk Register has been undertaken during August 2016 and is included in the register below. As a result all of the risks have been updated and there are some new risks included in the register.

5. New Risks

The following risk is new in this revision of the Corporate Risk Register

- RISK 8: Brexit

6. Links to Future Generations Act

The guidance on the Act is clear – it requires public bodies to maximise their contribution to improving the wellbeing of Wales. The Act provides a framework for better decision making by ensuring public bodies take account of the **long term**, focus on **prevention**, take an **integrated** and **collaborative** approach, and **involve** people in policy making and planning and delivery of services.

The Act places a duty on the public sector to:

- Adopt the Sustainable Development Principle
- Work towards 7 national wellbeing goals
- Focus work on future generations
- Take a central role in the establishment and scrutiny of a Public Services Board (PSB)
- Take a central role in the development of a Wellbeing Plan based on a long term needs assessment
- Respond to a new accountability framework including reporting and review by the Auditor General Wales

The Act has implications for how the local authority will work in future and Part 2 of the Act places an individual wellbeing duty on public bodies. Key areas where change needs to happen include:

- Corporate Planning
- Risk Management
- Workforce Planning
- Performance Management
- Financial Planning
- Procurement
- Assets

7. Closed Risks

The table below details the following closed risks from the Corporate Risk Register

Date	Risk	Closure Details
September 2014 - April 2015	<p><i>Risk Title: Delivering a Balanced Budget</i> <i>Risk Description: That the savings required to deliver a balanced budget in the following year cannot be achieved</i></p>	<p>In November 2014 this risk was scored as probability 1 and impact 1. This was because a balanced budget was drafted and being progressed through the council's decision making hierarchy. A balanced budget was approved by Cabinet and Council in February 2015 and this risk is now considered to be closed.</p>
September 2014 - June 2015	<p><i>Risk Title: Total Reward</i> <i>Risk Description: That the complex and contentious tensions inherent to the Single Status pay and grading review delays the project implementation.</i></p>	<p>The Total Reward project has now been implemented and any remaining issues and risks can now be managed at a service area level</p>
September 2014 - June 2015	<p><i>Risk Title: Information Governance</i> <i>Risk Description: That the council does not have adequate arrangements in place to protect the data in holds and that this results in significant fines and reputational damage</i></p>	<p>This risk can now be managed at a service area level.</p>
September 2015 – June 2016	<p><i>Risk Title: Legislative Requirements (Social Services)</i> <i>That new legislative requirements of the Social Services act potentially place significant duties on the Authority that it cannot fulfil</i></p>	<p>Specific details and guidance for the Act now produced. Work across region to develop solutions to the challenges and locally we have a project team working on implementation of all regulations Big emphasis on prevention and early intervention – reshaping front door services in Adult Social Care – close working with Health Board – redistributed teams to be coterminous with Health Board Neighbourhood Care Networks</p>

Financial Summary

- There are no direct costs associated with this report

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?
That the strategy and process are not robust enough to capture all high risks	M	L	Reviewing, testing and embedding processes to ensure that they are fit for purpose	Heads of Service and Performance Team

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Robust risk management practices increase the chances that all of the council's priorities and plans will be implemented successfully

Comments of Chief Financial Officer

There are no direct financial implications arising from this report. The corporate risk register forms an important part of the governance and budget setting arrangements for the council and the risk register is used to guide the internal audit plan

Comments of Monitoring Officer

The Council's corporate governance arrangements are an integral part of the risk management strategy, in ensuring that all decisions are made lawfully and constitutionally and that all risks are identified, assessed and mitigated. The absence of successful call-in and legal challenges demonstrates that these arrangements are robust. However, as part of the review of the Constitution, improvements in the Report templates will be considered to further embed risk management principles within the decision-making processes. The Local Government (Wales) Measure 2011 required the Council to establish a stand-alone Audit Committee with statutory responsibility for reviewing and assessing the risk management, internal control and corporate governance arrangements of the authority. However, the identification of corporate risks, for inclusion within the risk register, is an executive decision for Cabinet.

Staffing Implications: Comments of Head of People and Business Change

There are no direct staffing implications arising from this report.

Risk management is a key element of the Council's improvement programme and the Administration's commitment to ensuring strong corporate governance and robust performance management.

Comments of Cabinet Member

Report author to confirm that the Cabinet Member has approved the report for consideration by cabinet.

Local issues

none

Scrutiny Committees

The Risk register is also considered by Audit Committee. Meetings with the committee have resulted in some changes in format and layout of the register.

Equalities Impact Assessment

Not applicable.

Children and Families (Wales) Measure

Not applicable.

Consultation

As above, the Risk Register is also considered by Audit Committee

Background Papers

Corporate Assessment, Cabinet 21st October 2013

Corporate Risk Register, Cabinet 13th January 2014, Audit Committee 30th January 2014.

Draft Corporate Risk Management Strategy, Cabinet, 12th May 2014

Draft Corporate Risk Management Strategy Audit Committee 29th May 2014

Corporate Risk Management Strategy and Register, Cabinet, 8th September 2014

Corporate Risk Management Strategy and Register, Audit Committee, 18th September 2014

Corporate Risk Register, Cabinet, 8th December 2014

Corporate Risk Register, Audit Committee, 22nd January 2015

Corporate Risk Register, Cabinet, 13th April 2015

Corporate Risk Register, Audit Committee, 28th May 2015

Corporate Risk Register, Cabinet 8th June 2015

Corporate Risk Register, Audit Committee, 16th July 2015

Corporate Risk Register, Cabinet, 8th September 2015

Corporate Risk Register, Audit Committee, 24th September 2015

Corporate Risk Register, Cabinet, 18th December 2015

Corporate Risk Register, Audit Committee, 28th January 2016

Corporate Risk Register, Cabinet, 14th March 2016

Corporate Risk Register, Audit Committee, 24th March 2016

Corporate Risk Register, Cabinet, 6th June 2016

Corporate Risk Register, Audit Committee, 23rd June 2016

Dated: 23rd August 2016

Risk Management Roles and Responsibilities

The roles and responsibilities of individuals and groups are set out below:

Role	Responsibility
Cabinet and Cabinet Members	To work with Strategic Directors and Heads of Service to define, assess and manage corporate risks. To work with Heads of Service to manage risks within their service delivery portfolios To consider corporate risks as part of the decision making process
Members	To be aware of the corporate risks and to consider risk management in scrutiny meetings and regulatory committees
Audit Committee	To take an overview of the processes involved in managing risk in the council To receive regular reports on the corporate risk register and risk management processes
Strategic Leadership Team	To work with Cabinet Members and Heads of Service to define, assess and manage corporate risks To monitor risks in the risk register To recommend additions and revisions to the risk register To initiate mitigating action for escalating risks To ensure risks are assessed accurately
Heads of Service	To work with Cabinet Members and Strategic Directors to define, assess and manage corporate risks To work with the Cabinet Member to manage risks To implement mitigating action for escalating risks To recommend mitigating action for corporate risks to the appropriate decision making body To ensure risks are assessed accurately
Senior Information Risk Owner (SIRO)	To leading and foster a culture that values, protects and uses information for the success of the organisation and benefit of its customers To own the organisation's overall information risk policy and risk assessment processes and ensuring they are implemented consistently by Information Asset Owners (IAO's) To advise the Chief Executive or relevant accounting officer on the information risk aspects of the Council's annual governance statement To own the organisation's information incident management framework
Report Authors / Project Managers / Officers	To be aware of corporate risks and the service area risks the impact on their areas of work To consider the risk register when preparing project documentation and recommending action through decision making processes To recommend mitigating action for escalating risks To implement mitigating action for risks arising through the course of normal service delivery To ensure risks are assessed accurately

Corporate Risk Management Strategy September 2014

Assessing Risk

An assessment of the likelihood and impact of risk is important to measure, compare and monitor risks to ensure efficient use of resources and effective decision making. This assessment is carried out using the risk matrix as described below.

Risk Assessment Matrix

A Corporate Risk Register will contain the high level risks for the whole authority. In order to differentiate between these high level risks a 5x5 risk assessment matrix will be applied. The matrix is shown below and further detail is included in appendix one.

Risks are scored using the scoring system for probability and impact and assigned a rating based on the tolerances set out in the matrix below

Risk Scoring

Probability description	Score
Very Low probability	1
Low probability	2
Medium probability	3
High probability	4
Very high probability	5
Impact description	Score
Negligible	1
Low	2
Medium	3
High	4
Very High	5

Risk Matrix

Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Impact				

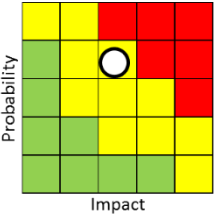

Impact Matrix

RATING	SEVERITY OF IMPACT	GENERAL DESCRIPTION	IMPACT FACTORS						
			Strategic	Operational	Financial Management	Resources	Governance	Health & Safety	Reputation
1	Negligible	Low impact. Localised effect		Minor disturbance of non-key area of operations	Unplanned budgetary disturbance <£100k	Loss of asset/money with value >£2k		Reportable (non-serious) accident affecting one employee/member of public/service user	Isolated complaint(s)
2	Low	Low impact for organisation as a whole. Medium localised impact		Minor disruption of a key area of operations or more significant disruption to a non-key area of operations	Unplanned budgetary disturbance £100-£500k	Loss of asset/money with value £2-10k	Mild WAO criticism in report. Mild criticism from a legal/regulatory authority. Isolated fraud	Reportable (non-serious) accident affecting small number of employees/members of public/service users	Formal complaints from a section of stakeholders or an institution
3	Medium	Medium impact for organisation as a whole	Noticeable constraint on achievement of a key strategic objective	Major disruption of a service area for a short period or more minor disruption of a service area for a prolonged period	Unplanned budgetary disturbance £500k-£2M	Loss of asset/money with value £10-50k	Adverse WAO report. Significant criticism from a legal/regulatory authority requiring a change of policy/procedures. Small-scale fraud relating to a number of people or more significant fraud relating to one person	Reportable (non-serious) accident(s) affecting a significant number of employees/members of public/service users or a serious injury to a single employee/member of public/service user	Formal complaints from a wide range of stakeholders (e.g. several institutions), adverse local press, complaint/s upheld by Ombudsman
4	High	High impact for organisation as a whole	Severe constraint on achievement of a key strategic objective	Major disruption of a service area for a prolonged period or major disruption of several service areas for a shorter period	Unplanned budgetary disturbance £2-5M	Loss of asset/money with value £50-100k	Qualified account. Severe criticism from WAO/legal/regulatory authority requiring major overhaul of policy/procedures, Significant fraud relating to several employees	Serious injury of several employees/members of public/service users	Significant loss of confidence amongst a key stakeholder group. Adverse national press
5	Very High	Catastrophic	Failure of a key strategic objective	Major disruption of several key areas of operations for a prolonged period	Unplanned budgetary disturbance >£5M	Loss of asset/money with value >£100k	Severe service failure resulting in WAG intervention/special measures Widespread significant fraud	Death of employee(s)	Severe loss of confidence amongst several key stakeholder groups. Damning national press

Probability

Score	General Description	Definition
1	Very Low probability	2% chance of occurrence
2	Low probability	5% chance of occurrence
3	Medium probability	10% chance of occurrence
4	High probability	20% chance of occurrence
5	Very high probability	50% chance of occurrence

RISK 1: Legislative Requirements						
That new legislative requirements potentially place significant duties on the Authority that it cannot fulfil (resulting in adverse judgements from regulators, significant fines and potential court proceedings and/or existing services are compromised)						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	August 2016	12	3	4	Reduced There is continued pressure on the council to implement the new duties detailed by new legislation. Whilst significant work is underway, there remain major risk factors.	December 2016
	May 2016	16	Medium probability	High Governance impact		
	February 2016	16				
	December 2015	16				
	August 2015	16				
Current Action Status / Control Strategy	Welsh Language Act	Strategic equalities group monitors implementation supported by Welsh Language group. Action plans in place and being monitored. This has shown significant progress. This includes increasing awareness of the Welsh Language Standards across the authority. Leaflets, posters, desk prompts and video available. Partnership arrangements with another Council now in place and £280k budget allocated to 2016/17 budget, project management resources also identified and recruitment underway.				
	Future Generations Act	Although significant work is ongoing, gaps in service provision remain, and this remains a reputational risk for the Council.				
		Cabinet report March 16 and September 16 updating on progress. Sessions with Service Areas, and managers ongoing to raise awareness. Member training being arranged for October 2016. Currently developing an impact assessment template that incorporates the sustainability principles. Formal report templates are being updated to ensure the principles of the Act are reflected in all decision making. Public Services Board established with agreed Terms of Reference, formal meetings held quarterly from May 2016. Project Plan in place for the Wellbeing Assessment and this is being taken forward in conjunction with the assessment required for the Social Services and Wellbeing Act. Work being undertaken on a Gwent basis to inform the Wellbeing Assessment - £45k secured from Welsh Government to support this work. Development of wellbeing objectives underway.				
Responsible Officer: Chief Executive						
Responsible Cabinet Member(s): Leader of the Council, Deputy Leader, Cabinet Member for Community Work and Skills, Cabinet Member Finance and Resources						
Scrutiny Committee(s): (1) Community Planning and Development and (2) Street Scene, Regeneration and Safety						

RISK 2:Increasing Ageing Population						
That an increasing percentage of the population are over 65 are this puts an increasing strain on demand led services, particularly those that are statutory in nature and significant budgetary overspends						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
 <p>Probability</p> <p>Impact</p>	August 2016	12	4	3	Unchanged  Demographic Pressures indicate a 14% rise in the number of adults over 70yrs of age by 2020. There are also increasing numbers of older people with complex health conditions and national research indicates that local authority adult services budgets need a % year on year real terms increase in budgets to manage this challenge. The economic climate makes this rate of budget increase extremely unlikely, thereby indicating increasing unmet need.	December 2016
	May 2016	12				
	February 2016	12				
	December 2015	12				
	August 2015	12	High probability	Medium Financial Management Impact		
	May 2015	12				
	March 2015	12				
	August 2014	8				
Current Action Status / Control Strategy	<ul style="list-style-type: none"> • Focussing on preventative measures and developing resources for prevention and early intervention with colleague agencies to reduce pressure on more acute statutory services – community and carers connectors • Recommissioning voluntary sector services to align to principles of the Social Services and Wellbeing Act 2014. • Transforming existing services to provide an optimal care pathway for older people focussing on independence and re-ablement • Pioneering and, 'In-Reach multi-agency team to visit wards in Royal Gwent on a daily basis to streamline decision making on discharge from hospital • Implementing transformation through project management approach with strong management and performance monitoring • Development of a long term dialogue with communities aiming to strengthen community resilience and capability • Development of a whole council approach to building community resilience 					
Responsible Officer: Strategic Director People						
Responsible Cabinet Member: Cabinet Member for Adult Social Services and Housing						
Scrutiny Committee: Community Planning and Development						

RISK 3: Capacity and capability to meet the councils objectives

That there are not skills and or capacity within the workforce to deliver both operational services and also the pace of change needed to modernise services and balance the budget.

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	August 2016	12	4	3	Unchanged Work continues in this area	December 2016
	May 2016	12				
	February 2016	12	High Probability	Medium Operational Impact		
	December 2015	12				
	August 2015	12				

Current Action Status / Control Strategy

- The 2015/16 Workforce Plan was designed and published. The 2016/17 Workforce Plan is to be published in August and all Service Areas have identified their objectives for future planning.
- People and Business Change will pilot career pathway planning in Autumn 2017 to role model to other service areas
- Creation of an apprenticeship scheme was approved in June 2016 and recruitment is underway to the first cohort of apprentices due to start in September 2016, with a possible second intake due to start in January 2017.
- Pilot taking place in Education Services for the roll out of greater NVQ/ILM opportunities for those in the workplace wanting to enhance current skill level. Intention to offer to wider workforce in 2017 linked to workforce planning for each service area
- Mandatory training will be identified for each post and linked to job descriptions to set out the expectation of ability, skill and experience at the point of recruitment and to form a development path throughout induction, probation and longer term
- Additional Investment in Project Management and business change resources
- Coaching, shadowing and mentoring opportunities delivered as part of the change programme
- Specific business support and training provided for business case development and project management.
- More effective use of central support resource
- Training Master classes developed and number of managers attending measured green for 2015 with over 80% attending training to upskill
- ILM opportunities in coaching have been sourced and will be promoted to managers from September 2016 onwards
- Action Learning Sets have been practised at Senior Management Forum and OD are collating requests from managers to create networks of peer coaching through the use of ALS. HR and Finance partners will be trained as facilitators to enable greater support to managers in identifying problems and creating their own solutions.
- Use of external resource / experts
- Performance management process is currently being reviewed with a key objective for 2016/17 to be the roll out of a revised scheme
- Sampling of My Review has taken place in August 2016 by the HR/OD team and feedback will be provided to managers in September with a refreshed roll out of training on how to conduct appropriate appraisals between October and March

	<p>2017 in time for the next annual appraisal</p> <ul style="list-style-type: none"> • OD strategy devised to enable the organisation to achieve faster cultural change and improved performance – due to be signed off July 2016 for implementation on new OD practices • People service plan to heavily focus on workforce planning and OD for next 12 months
<p>Responsible Officer: Chief Executive</p>	
<p>Responsible Cabinet Member: Cabinet Member for Finance and Resources</p>	
<p>Scrutiny Committee: Community Planning and Development</p>	

RISK 4: Budget Challenge						
That the continuing need for significant annual savings is increasingly difficult to achieve and that could compromise organisational capacity and service delivery including statutory services						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	August 2016	12	4	3	Unchanged ↔	December 2016
	May 2016	12	Medium probability	High Financial Management impact	Whilst assumptions on WG revenue grant support has improved and therefore reduced medium term budget gap over medium term, the planning parameters still assume an annual cash reduction in grant and therefore savings required which are increasingly difficult to achieve, without cuts to service provision. Impact on organisational capacity and delivery of services therefore still significant.	
	February 2016	12				
	December 2015	12				
	August 2015	16				
Current Action Status / Control Strategy	<ul style="list-style-type: none"> • Business planning process identifies impact of all savings including impact on statutory services • Agreed financial strategy • Robust and early work on the financial strategy and budget • Medium term outlook within the financial strategy • Aligning with the 2020 strategy and plans for service areas • Business cases 2017/18 and MTFP developed and reviewed • MTFP still required balancing over the medium term 					
Responsible Officer: Chief Executive						
Responsible Cabinet Member: Leader of the Council, Cabinet Member for Finance and Resources						
Scrutiny Committee: Community Planning and Development						

RISK 5: Safeguarding

That the arrangements and the implementation of policies and procedures by the council (and its partners) are not adequate to protect vulnerable adults and children who may be at risk of significant harm

Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
<p>Probability</p> <p>Impact</p>	August 2016	8	2	4	Unchanged ↔	March 2017
	February 2016	8	Low Probability	High Governance Impact	The level of risk is manageable because this is an area of absolute priority for the local authority. We have created new safeguarding manager roles across the council and we have strong links with national and regional safeguarding boards	
	August 2015	8				
	March 2015	8				
	August 2014	8				
Current Action Status / Control Strategy	<ul style="list-style-type: none"> • Safeguarding Action Plan agreed and implementation underway • Continuous review of policies and procedures • Partnership working • Raising awareness of policies and procedures with staff • Service Manager for Safeguarding is in place • New Safeguarding role in Education 					
Responsible Officer: Strategic Director - People						
Responsible Cabinet Member: Cabinet Member for Adult Social Services and Housing, Cabinet Member for Education and Young People						
Scrutiny Committee: Learning, Caring and Leisure						

RISK 6: Investment in Friars Walk Development						
That the development does not realise its target value and the developer is unable to sell or re-finance the scheme to repay the loan						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	August 2016	12	4	3	Increased	August 2016
	May 2016	9	Medium Probability	Medium Strategic Impact	The Developer and the Council are currently progressing options for the sale or re-finance of the Scheme and are in discussions with a potential buyer. The Scheme is c85% let by income and developers working to increase that. At this level of letting, the scheme has secured a sufficient rental income to generate a sale or reinvestment value and this significantly reduces any impact. Deadline for repayment of the Council loan is 8th December 2016, but if current sale does not conclude, it may not be possible to bring forward another buyer to meet that deadline and, therefore, the probability risk factor has increased slightly.	
	February 2016	2				
	December 2015	2				
	August 2015	4				
	May 2015	6				
	March 2015	8				
	November 2014	12				
	August 2014	12				
Current Action Status / Control Strategy	<ul style="list-style-type: none"> • Financial Appraisals independently verified by Deloitte • Financial modelling undertaken based on different yields, voids rates and rental levels • Retail and Leisure anchor stores secured (Debenhams and Cineworld) and other major store units now leased. • Robust and tested Funding Agreement, Development Agreement and Lease • Safeguards built in to mitigate financial risks • Council able to exercise step-in rights • Monthly meetings with Developers to monitor progress • (See Council Report 26th November 2013) 					
Responsible Officer: Strategic Director – Place						
Responsible Cabinet Member: Cabinet Member for Regeneration and Investment						
Scrutiny Committee: Streetscene, Regeneration and Safety						

RISK 7: City Deal						
That the SE Wales region, which includes Newport CC, cannot conclude a city deal within the timescales and as a result misses the opportunity to secure investment to improve economic outcomes for the communities of the city						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	August 2016	9	3	3	Unchanged	December 2016
	May 2016	9	Medium Probability	Medium Strategic Impact	<i>The initial stage of the city deal process has been completed.</i> <i>We are now entering into detailed negotiations with UK and Welsh Govts. This will take the rest of 2016 to conclude so the risk assessment score remains unchanged.</i>	
	February 2016	9				
	December 2015	9				
	August 2015	9				
Current Action Status / Control Strategy	<ul style="list-style-type: none"> The Heads of Terms document for the Cardiff Capital Region City Deal was signed on 15th March 2016. This is an agreement between the 10 local authorities of the SE Wales region, Welsh Govt and UK Govt. This is the first critical milestone for the completion of the city deal. The next stage is to conclude the detailed negotiations to enable the council to consider a further report by the end of 2016. This will be point at which the council will have to decide whether to formally commit to the city deal process, including ongoing financial commitments and this is progressing well. Formal governance structures are now being put in place, including the establishment of a Shadow Joint Cabinet of all Leaders to exercise appropriate oversight of the city deal process. We also now have a Programme Director in place to provide additional resource to complete the next phase of activity. 					
Responsible Officer: Chief Executive						
Responsible Cabinet Member: Leader of the Council						
Scrutiny Committee: Community Planning and Development						

RISK 8: Brexit						
That the financial implications of leaving the European Union have a negative impact on the councils financial position						
Present Matrix	Assessment Date	Present Risk Score	Present Score Breakdown		Direction of Risk	Review Date
			Probability	Impact		
	August 2016	9	3	3	New risk	December 2016
Current Action Status / Control Strategy			<p>This is a new risk which will need to be monitored carefully. The result of the referendum in June 2016 has resulted in further uncertainty for the overall financial outlook for the UK. This may have an impact on future funding for the council.</p> <p>A good deal of our activity is also guided by EU regulation. It is unclear at this time both when the EU will formally exit the EU and how these regulations may change</p>			
Responsible Officer: Chief Executive						
Responsible Cabinet Member: Leader of the Council						
Scrutiny Committee: Community Planning and Development						

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Report

Cabinet

Part 1

Date: 5th September 2016

Item No:

Subject Performance Management Reporting Framework

Purpose To present Cabinet with an updated Performance Management Reporting Framework

Author Rhys Cornwall, Head of People and Business Change
Mike Dickie, Business Improvement Manager
Rachel Kalahar, Senior Performance Management Officer

Ward All

Summary The role of the Performance Board has been reviewed and it has been determined that Performance Board will come to an end. Therefore, the monitoring undertaken by Performance Board must be reallocated and monitored in alternative settings to ensure that the council is meeting its statutory duty to demonstrate continuous improvement.

Proposal Cabinet are requested to endorse the updated Performance Management Reporting Framework

Action by Business Improvement and Performance Team

Timetable Immediate

This report was prepared after consultation with:

- Councillor Wilcox, Leader of the Council

Signed

Background

Performance information allows the Council to assess how well we are doing against our objectives and whether we are meeting our duty to demonstrate continuous improvement as laid out in the Local Government Measure 2009. Information showing how we are doing is published for the public to view and allows the public compare the Councils performance to other Local Authorities.

As part of the performance management framework the Performance Board played a role in the overall monitoring of performance, provided in-depth scrutiny of the improvement plan objectives and oversight of data quality. The role of Performance board has been questioned by the Wales Audit Office in their Corporate Assessment report 2013, paragraph 147 notes:

“The respective roles and responsibilities of Performance Board and scrutiny are not clear and could be seen to be undermining rather than supporting each other in challenging and driving improvement. Neither is it clear whether Cabinet members challenge each other, and Cabinet members are not always holding heads of service to account. As a result, the Council’s performance is not being challenged and managed effectively.”

Although the Council has collectively improved the level of challenge and accountability since this Corporate Assessment Report, a new performance management reporting framework will demonstrate more clearly how performance is challenged and how current information is shared across the council.

Monitoring Framework

Below is a list of the reports that used to be submitted to the Performance Board for consideration and the suggested alternative monitoring;

Current reporting to Performance Board and summary of proposed reporting forum

Performance Board Current Reporting	Frequency	Proposed Reporting Forum			
Improvement Plan objectives	2 per quarter	Scrutiny	to be included in the Mid-Year Review and Year End Review	Heads of Service to provide progress updates to Cabinet Members on performance, finance and change programme	All Performance reports to go to scrutiny for information
Performance Analysis Reports (Mid-Year, Early Year End and Final Year End)	3 per year	Cabinet	These reports contain Wales Average Data which is published in the media, previously cabinet had the minutes from the Performance Board meetings		
WAO Data Quality Review	received from WAO annually	Cabinet	This forms part of the WAO Corporate Assessment and Annual Improvement Report		

Breakdown of current and proposed reallocated reporting by Committee

Cabinet Current Reporting	Frequency	Proposed Additional Reports	Proposed Meeting Date
Quarterly Update report which includes Improvement Plan and Corporate Assessment Action Plan	Quarterly	Early Year End Performance Analysis	June
		Final Year End Performance Analysis	September
		Mid-Year Performance analysis	December
WAO Certificates of Compliance	2 certificates annually (July & November(or when received from WAO))	WAO Data Quality Review	March (or when final report is received from WAO)
		Change Programme Report	Biannually

Scrutiny Current Reporting		Proposed Additional Information
Service Plans	Annually	No changes
Mid-Year Service Plan Review	Annually	Improvement Plan Objective Updates to be included in mid-year reviews were applicable
Year End Service Plan Review	Annually	Improvement Plan Objective Updates to be included in year-end reviews were applicable
Scrutiny Members to receive all performance reports for information		

Leader of the Council
Regular one to one's with Cabinet members who will provide briefings on performance, finance and change programme within their portfolio
Regular meetings with the Leader of the Opposition

Cabinet Member Current Reporting		Proposed Additional Information
Service Plan	Annually	Heads of Service to keep Cabinet Members updated on performance, finance and change programme during regular briefing sessions

Financial Summary

As stated by the Chief Financial Officer there are no direct financial implications stemming from this report.

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?
The council may not meet its statutory obligations e.g. to demonstrate continuous improvement or compliance with the Wellbeing of Future Generations Act.	H	L	Monitoring progress against planned outcomes through service planning, improvement planning and performance reporting.	
Non-compliance with the WAO's statutory recommendations	H	L	The action plan is monitored as part of the quarterly updates.	

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The Performance Management Reporting Framework monitors progress against Service Plans and the Improvement Plan, these plans link to the Corporate Plan, Single Integrated plan and Newport 2020. It also demonstrates the Council's consideration of the Wellbeing of Future Generations Act 2015 in all its plans and decision making processes.

Options Available

1. To endorse the reporting framework
2. Not to endorse the reporting framework

Preferred Option and Why

Option 1) is preferred as this will ensure that all activities are monitored and members are kept fully abreast of performance issues.

Comments of Chief Financial Officer

There are no direct financial implications stemming from this report. The financial implication of individual projects are reported as part of the on-going medium term financial planning and budget monitoring processes and in that respect, having clear responsibility and accountability for delivering the projects and managing resources is key.

Comments of Monitoring Officer

The details set out in this report reflect the requirements of the Local Government Measure. The approach for monitoring progress against corporate priorities and strategies is consistent with the Council's performance management framework and risk management principles.

Staffing Implications: Comments of Head of People and Business Change

There are no direct staffing implications as a result of this report.

Dated: September 2016



Report

Cabinet

Part 1

Date: September 2016

Item No:

Subject Wellbeing of Future Generations (Wales) Act 2015

Purpose To provide an update on the requirements of the Wellbeing of Future Generations (Wales) Act 2015, progress to date by Newport City Council and to agree the next steps.

Author Will Godfrey, Chief Executive

Ward All

Summary The Wellbeing of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural wellbeing of Wales. It will make the public bodies listed in the Act think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. Progress is already being made across the organisation to meet the requirements of the Act, with further work scheduled over the next few months. As part of this work, the Council is required to agree and publish a set of Wellbeing Objectives by 31st March 2017.

Proposal To note progress of the Wellbeing of Future Generations Act and agree the next steps in the work programme, including the process for setting the Council's Wellbeing Objectives.

Action by Chief Executive
Head of People and Business Change

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors (People and Place)
- Heads of Service
- Cabinet Members – Community Work and Skills, and Deputy Leader

Signed

Introduction

The Wellbeing of Future Generations (Wales) Act (WFG Act) became law in Wales on 29th April 2015. The Act is about improving the social, economic, environmental and cultural wellbeing of Wales. It will make the public bodies listed in the Act think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. To do this they must set and publish wellbeing objectives.

The Act puts in place seven wellbeing goals:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

The Act puts in place a 'sustainable development principle' which tells organisations how to go about meeting their duty under the Act. Public bodies need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales in the future. There are 5 things that public bodies need to think about to show that they have applied the sustainable development principle:

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

The Act establishes a statutory Future Generations Commissioner for Wales. This role is to act as a guardian for the interests of future generations in Wales, and to support the public bodies listed in the Act to work towards achieving the wellbeing goals.

The Act also establishes Public Services Boards (PSBs) for each local authority area in Wales. These will replace existing Local Service Boards (LSBs) and will be statutory. The PSB will be responsible for publishing an assessment of local wellbeing and a Local Wellbeing plan.

Statutory guidance is available 'Shared Purpose: Shared Future' is available to help public bodies respond to the duties and powers they now have under the Act. Further information about the Act is available on the Welsh Government [website](#).

Implications for Newport City Council

The guidance on the Act is clear – it requires public bodies to maximise their contribution to improving the wellbeing of Wales. The Act provides a framework for better decision making by ensuring public bodies take account of the **long term**, focus on **prevention**, take an **integrated** and **collaborative** approach, and **involve** people in policy making and planning and delivery of services.

The Act places a duty on specified public bodies to:

- Adopt the Sustainable Development Principle
- Work towards 7 national wellbeing goals
- Focus work on future generations
- Take a central role in the establishment and scrutiny of a Public Services Board (PSB)

- Take a central role in the development of a Wellbeing Plan based on a long term needs assessment
- Respond to a new accountability framework including reporting and review by the Auditor General Wales

The Act has implications for how the local authority will work in future and Part 2 of the Act places an individual wellbeing duty on public bodies. Key areas where change needs to happen include:

- Corporate Planning
- Risk Management
- Workforce Planning
- Performance Management
- Financial Planning
- Procurement
- Assets

Wellbeing Objectives

All individual public bodies covered by the Act are required to set and publish Wellbeing Objectives. The local authority is required to set and publish its Wellbeing Objectives no later than 31st March 2017, and review them on at least an annual basis, or as required. Organisations can decide to change one or more of their wellbeing objectives after this point, and there is no deadline or fixed point in time where this should happen. In addition, the local authority must publish a statement about their wellbeing objectives at the same time that they publish their wellbeing objectives. To avoid duplication, both requirements should be contained in the Corporate Plan (or similar document). The Act requires that the statement, published when the wellbeing objectives are published, must explain:

- Why the public body considers that its wellbeing objectives will contribute to the achievement of the wellbeing goals
- Why the public body considers that its wellbeing objectives have been set in accordance with the sustainable development principle. Explain how it will involve people with an interest in achieving the goals
- Steps taken to meet the wellbeing objectives
- How each public body will govern itself to meet its wellbeing objectives
- How each public body will keep the steps it takes to meet its wellbeing objectives under review
- How each public body will ensure that resources, including financial, are allocated annually for the purpose of taking steps to meet its objectives
- When each public body expects to meet its wellbeing objectives
- Any other relevant information

Wellbeing objectives should be based on the extent to which they contribute to the wellbeing goals and are consistent with the five ways of working. Evidence can come from different sources, however, as a minimum public bodies are required to take into account the Future Generations Report published by the Future Generations Commissioner.

Public Services Board

Section 36 of the Act sets out the collective wellbeing duty on Public Services Boards (PSB). The PSB is responsible for:

- Publishing an assessment of local wellbeing for their area, by April 2017
- Preparing and publishing a Wellbeing Plan, by April 2018
- Reporting annually on progress

Progress

Following a report to Cabinet in March 2016, the following progress has been made:

- One Newport PSB established in April 2016, with new partner arrangements. PSB meets on a quarterly basis and is chaired by the Deputy Leader
- New scrutiny arrangements established, with a policy review group set up and relevant training to be provided to all Members
- Local Assessment of Wellbeing is underway, working with partners across the region. Other assessments, including the Social Services and Wellbeing Population Assessment, are fully integrated. This will include the development of ward to community profiles. Local assessment will be published for consultation in January 2017, before being agreed and published by April 2017
- Engagement programme is underway with various activity including surveys ([haveyoursay](#)), events and focus groups, working with partners through the engagement group (Cabinet Member Community Work and Skills [report](#) Aug 2016 refers)
- Working with service managers across the Council to embed the key principles of the Act into decision making processes, including service planning, business improvement, performance management, audit, procurement and finance. Existing systems will need to be adapted to accommodate any changes and refocus of principles and timescales. Guidance is available to support managers in this process.
- Briefing sessions with service areas and partners, and awareness raising of the Act through reports, briefing notes, presentations, newsletters, Intranet, social media, etc. This work is ongoing with supporting information about the Act shared across the organisation on a regular basis
- Revising key documentation and tools, including all report templates, fairness and equality impact assessments, business cases for change, budget consultation arrangements, and risk register.

Next steps

The next steps will be to embed the principles into service planning and delivery. Work is already ongoing to ensure we are compliant with the requirements of the Act, and further work is required to consider the longer term, examine our existing approaches and make changes accordingly. Support for this will include guidance for management, changes to key processes and documentation, engagement with partner organisations, and engaging further support where required.

Wellbeing Objectives

The Council must set and publish Wellbeing Objectives and a Wellbeing Statement by 31st March 2017. Taking into account the timescales, existing policies and decision making processes, and the local government elections in May 2017, the suggested approach is as follows:

- 1) Develop and publish a set of Wellbeing Objectives, based on the national Wellbeing Goals by 31st March 2017
- 2) Link the existing Improvement plan objectives and other current plans and policies to the Wellbeing Objectives
- 3) Review the Wellbeing Objectives, as part of the Corporate Plan development 2017.

The Wellbeing Objectives to be drafted for approval January 2017, and reviewed accordingly.

Work Programme - Communication and Information

The following draft work programme has been in place to enable the Council to meet the requirements of the Act from April 2016.

Action / Deliverable	Method	Deadline
Briefings (Leadership team, members, service areas, team meetings)	Meetings	Complete – Jan-May 2016
Communications (Intranet, bulletins, staff newsletter, social media)	Various	Ongoing
Cabinet Report	Report	Complete – February 2016
Engagement group briefing	Report	Monthly meetings
Service Plan guidance updated	Guidance	Complete
Corporate Induction training	Training	Complete – course updated
Assessment of Local Wellbeing – task and finish group established. Project plan agreed	Meeting	Ongoing
Your Wellbeing survey launched	Survey	Launched July 2016
Cabinet Member report on engagement	Report	Complete – August 2016
Develop proposals for Wellbeing objectives	Report	Ongoing - August 2016
Engagement – programme of events	Various	Ongoing until October 2016
Briefings and training for Councillors	Workshop	October 2016
PSB member briefing	Meeting	September 2016
Report templates updated	Report	September 2016
Wellbeing Assessment – Newport profile and community profile development	Report	October 2016
Wellbeing Assessment overview report	Report	November 2016
Community council member briefings	Meeting	December 2016
Cabinet to agree Wellbeing Objectives	Report	January 2017
Wellbeing Assessment consultation	Various	January/February 2017
Wellbeing Assessment to Scrutiny	Report	February 2017
Wellbeing Assessment agreed by PSB	Meeting	March 2017
NCC Wellbeing Objectives and Statement published	Report	March 2017
Corporate Plan developed	Report	May 2017

Future progress reports will be presented to Cabinet as required.

Financial Summary

There are no direct costs or financial implications to the authority arising from this report. Any implications as a result of implementation of the WFG Act will be subject to a separate report(s).

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?
Not properly preparing for the implications of the Act	Medium	Low	Work programme developed and being implemented, with regular briefings across the organisation. Cabinet will receive update reports as implementation of the Act progresses and will respond to	Chief Executive

			any further consultation accordingly. The Council is a statutory member of the PSB and will be involved in the implementation of the Act.	
Publication of the Wellbeing Objectives	Medium	Low	Approach proposed and if agreed will be implemented immediately. Report to Cabinet in January to approve objectives.	Chief Executive

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The Wellbeing of Future Generations Act is about improving the social, economic, environmental and cultural wellbeing of Wales. The Act will have a significant impact on all Council policies and priorities. The main purpose of the statutory guidance is to help public bodies to respond to the duties and powers they now have under the Act. This will enable the Council to use this information to inform and align all Council policies and priorities.

Options Available

The options available are:

1. To note progress of the implementation of the Wellbeing of Future Generations Act
2. To agree the next steps, and the approach for developing the Wellbeing Objectives

Preferred Option and Why

Options 1 and 2 are the preferred options. The Wellbeing of Future Generations (Wales) Act places a duty on public bodies to improve wellbeing in accordance with the sustainable development principle. The progress to date, next steps and the future work programme will assist with this requirement. The Council is required to set and publish Wellbeing Objectives by 31st March 2017 and the suggested approach will meet this duty.

Comments of Chief Financial Officer

There are no financial implications arising from this report itself, though as noted in the report, there will be significant changes in how and what Local Councils do in the future, much of it at early stages of developments.

The requirements of the Act around engagement and consultation will increasingly be crucial as the Council continues to make difficult budget decisions which affect services to the public. The budget strategy will need to take into account the Act and proposal will need to be aligned with its principles

Comments of Monitoring Officer

The Wellbeing of Future Generations (Wales) Act imposes a statutory duty on the Council to work with key partners to improve the social, economic, environmental and cultural well-being of future generations by establishing plans and strategies for delivering the national well-being goals set out in the legislation, in accordance with the sustainable development principle. Good progress has been made in implementing the legislation, through the early adopters programme. The Council has taken a central role in the establishment of the new statutory Public Services Boards, which replaced the existing LSB as from April 2016, and has put in place the necessary governance and Scrutiny arrangements. The Local Well-Being assessment has started and this is being co-ordinated and integrated with other needs assessments. The next steps are for the Council to ensure that the sustainability principle is firmly embedded in service planning and delivery.

Staffing Implications: Comments of Head of People and Business Change

There are no staffing implications although workforce planning will continue to develop in line with the requirements of the Act

The Council must respond to the duties and powers it now has under the Act. Significant progress has already been made across the organisation and with key partners, and the work programme sets out how the Council will continue to work towards implementing the requirements of the Act. This will enable the Council to use this information to inform and align all of its policies and priorities. The approach for developing the Wellbeing Objectives is fully supported and will allow the Council to meet its requirements within the set timescales.

Comments of Deputy Leader (as Chair of Local Service Board)

The Wellbeing of Future Generations Act creates has established the Public Services board as outlined in the report. As Chair of the Public Services Board I endorse the progress outlined in the report which will also be reported to our statutory partners.

Comments of Cabinet Member for Community, Work and Skills

The Wellbeing of Future Generations Act is a wide ranging piece of legislation that has the potential to significantly affect the way we plan and deliver services and how we engage with individuals and communities within Newport. Ensuring that the decisions we take today don't have an adverse effect on future generations to come is a challenge however the work planned will support developments in engagement and the necessary changes to the way we work.

Local issues

No impact on individual wards.

Scrutiny Committees

Not applicable.

Equalities Impact Assessment

The proposal does not require a Fairness and Equalities Impact Assessment.

Children and Families (Wales) Measure

Not applicable.

Consultation

Not applicable.

Background Papers

Cabinet Report March 2016: Well-being of Future Generations (Wales) Act 2015

<https://democracy.newport.gov.uk/documents/s4690/04%20WFG%20Act%20PSB%20February2016%20DRAFT%20v2.pdf>

Cabinet Member Report August 2016: Consultation and Engagement

<https://democracy.newport.gov.uk/documents/s6287/01%20CM%20Report%20budget%20and%20WFG%20final.pdf>

Dated: 18th August 2016

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Report

Cabinet

Part 1

Date: September 2016

Item No:

Subject Strategic Equality Plan – Annual Report 2015-16

Purpose To inform Cabinet of the council's progress in meeting the general equality duty set out the Equality Act 2010 and public sector duty for Wales

Author Head of People and Business Change

Ward All

Summary Council approved the Strategic Equality Plan (SEP) in March 2012 to comply with the Equality Act 2010 and the Statutory Duties (Wales) Regulations 2011. It set out how we apply the law to the council's work, and our commitments to make progress on five equality objectives as outlined in the report.

Public authorities have to produce an annual report and publish it within a year of the year end at 31st of March. This is the report for April 2015 to March 2016.

The equalities objectives were reviewed during this period, as outlined in the Strategic Equalities Plan 2016-2019 and these will form the basis of the 2016-2017 report next year.

Proposal To note the attached report and progress made against the Equality Objectives.

Action by Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Corporate Directors
- Relevant service managers
- Cabinet Member for Human Resources and Assets

Signed Head of People and Business Change

Background

The council approved the Strategic Equality Plan (SEP) in March 2012 to comply with the Equality Act 2010 and the Statutory Duties (Wales) Regulations 2011. It set out how we apply the law to the council's work, and our commitments to make progress on five equality objectives as outlined in the report.

Public authorities have to produce an annual report and publish it within a year of the year end at 31st of March. The attached report on the SEP and the Wales specific equality duties covers the period April 2015 to end of March 2016, the fourth year of annual reporting.

The equalities objectives were also reviewed during the year, and have been published in the Strategic Equalities Plan 2016-2019. The revised equalities objectives which build on the 2012 plan will form the basis of the 2016-2017 report next year.

Annual Report 2015-16

The report sets out to address how the council has met the general equality duty (GED) and the three specific equality duties below:

- Promoting equality of opportunity
- Promoting good community relations
- Eliminating discrimination

(These apply across the 9 protected characteristics named in the Equality Act 2010: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.)

Overall findings indicate healthy progress against the council's five chosen equality objectives and has provided us with a model of engagement in developing the 2016 -2020 objectives.

The report is structured in three parts to evidence:

Section 1 How the authority collects and uses information

We make substantial use of relevant equality information in setting strategic direction (the Unified Needs Assessment (UNA), Single Integrated Plan, Corporate Plan); we mainstream use of data in service planning and performance management (Service Area Plans, Customer Insight, UNA, the ward profiles) and use relevant data in taking decisions including budget planning (Fairness and Equality Impact Assessments).

Section 2 How we meet the council's five equality objectives

In summary, work under the equality objectives is on course and the objectives remain a priority for the authority. Ensuring fair outcomes is at the heart of the council's work and is a driver in decision making.

In 2012 the council selected five equality objectives on which to focus the work and make the most difference, these were widely consulted on and remain in-line with the council's corporate priorities:

- Engagement
- Accessible services
- Community cohesion and tackling hate crime
- Domestic abuse
- Worklessness

The attached annual report provides further detail on the progress against the actions and measures.

In February 2016 Cabinet approved the Strategic Equalities Plan 2016-19 establishing revised equality objectives. These priorities will be monitored by Strategic Equalities Group (SEG) in 2016/17 and reported to Cabinet at year end.

Section 3 Workforce profile

Workforce statistics are required under the specific duties and is attached to the annual report.

Workforce monitoring is mainstreamed in the HR/ payroll system, which was upgraded in 2012. Job applications are now online and equality monitoring is included on the system although there is a 'prefer not to say' option for those who wish not to. Additional equality categories have been added in-line with the Equality Act 2010, including sexual orientation and religion or belief.

Data and analysis of workforce statistics is available in Annex 2 of the annual report.

Financial Summary

The cost of implementing the Strategic Equality Plan and the Equality Objectives is met out of existing budgets by each relevant service area. The majority of the actions relate to work already identified in the Service Improvement Plans, for example workforce monitoring or occur in projects that have already been approved and prioritised, such as domestic abuse and hate crime.

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income)					Not applicable
Net Costs (Savings)					
Net Impact on Budget					

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?
That the Plan is not implemented	M	L	Priorities identified in the Plan are included in service area plans and partnership plans and monitored primarily through existing governance arrangements	Heads of Service
That equality commitments are not understood by employees	M	L	Employees are aware of their responsibilities through the usual management structures. The training offer has been improved on both Welsh language and Equalities awareness and uptake is monitored to ensure high level engagement	Head of People and Business Change
That Equality Objectives are suitable	M	L	The equalities objectives have been revised and new equalities objectives established.	Head of People and Business Change

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The Strategic Equality Plan 2012 supports the organisation in meeting its equality duty under the 2010 Equality Act and the Statutory Duties (Wales) Regulations 2011. Equality and fairness are guiding principles that underpin the Corporate Plan and Single Integrated Plan.

Options Available

The options available are:

1. Accept and note the progress identified in the Annual Report appended to this report
2. Not accept the Annual Report and request further information.

Preferred Option and Why

The preferred option is 1. The Annual Report provides a review of the previous year and context for planning future work and is already mainstreamed through council strategies and service plans.

Comments of Chief Financial Officer

There are no financial consequences arising from this report. However, Fairness & Equality Impact Assessments are included in business cases during the Medium Term Financial Plan process when applicable.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. In accordance with the Equality Act 2010 the Council is required to publish an annual report setting out progress made and the effectiveness of the actions taken to meet its public sector equality duty and specific objectives. The general public sector equality duty requires the Council to have due regard in the exercise of its functions, to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct and to advance equality of opportunity and to foster good relations. Regulations made by the Welsh Ministers impose specific duties on local authorities in Wales for the purpose of enabling better performance of these general duties. These include the duty to publish objectives designed to enable the authority to perform the statutory duty, to publish a statement setting out steps taken or intended steps in order to fulfil each objective and how long the authority will take in order to fulfil each objective.

The Council objectives have been reviewed this year and the revised objectives have been included in the published Strategic Equalities Plan 2016-2019. They will form the basis of next year's annual report.

Staffing Implications: Comments of Head of People and Business Change

This report demonstrates that the Council considers the equalities on a strategic level and has governance arrangements in place with the Strategic Equality Group, to ensure successful delivery. The equalities agenda also forms part of our wider partnership and corporate priorities, and will also inform planning around Wellbeing of Future Generations requirements in the current year.

Comments of Cabinet Member

This report reflects the position for the Council for the previous financial year. The equalities objectives have since been updated and the work of the Strategic Equalities Group will be key to ensuring progress is maintained.

Local issues

Not applicable

Scrutiny Committees

Not applicable

Equalities Impact Assessment

A Fairness & Equalities Impact Assessment (F&EIA) is not required for the annual report. Equalities and Welsh language agenda are well aligned and actions in the report referring to F&EIA in Newport will consider both together.

Children and Families (Wales) Measure

No specific requirement to consult with Children and Young People, however actions arising from strategic equalities developments that directly affect children and young people will continue to be monitored by the Strategic Equalities Group.

Consultation

Consultation with the public was undertaken for the development of the new Strategic Equalities Plan 2016-2019.

Background Papers

The Strategic Equality Plan 2012

Strategic Equalities Plan 2016-2019 (Cabinet Report February 2016)

Strategic Equalities Annual Report 2014-2015

Dated: 25th August 2016

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Newport City Council Strategic Equality Plan

Annual Report 2015-2016

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Introduction

This report on the council's Strategic Equality Plan (SEP) and the Wales specific equality duties covers the period April 2015 to end of March 2016.

Overall findings indicate healthy progress against the council's five chosen equality objectives and has provided us with a model of engagement in developing the 2016 -2019 objectives.

Section 1 How the authority collects and uses information

This section covers:

- How we use relevant equality information in setting strategic direction - budget planning, Unified Needs Assessment, Single Integrated Plan, Corporate Plan;
- how we make use of data in service planning and performance management - Service Area Plans, Customer Insight; and
- how we use information in taking decisions - Fairness and Equality Impact Assessments.

Equalities information and strategic direction

Budget Consultation 2016-2017 (consultation was undertaken in 2015/16)

The most significant decision process this year was the 2016/17 Budget which was informed by a two phase programme of information gathering and public engagement.

The approach taken for 2016/17 built on the previous year where over 1,000 responses were received. We asked people's service priorities and why they were important. We asked what we could do differently in the light of the required budget savings, and whether they could contribute to the council's work in any way. This gave us a baseline on against which to plan the budget savings. In 2016/17 the pre-December (phase 1) approach differed in that the focus was on informing people about the financial pressures the Council was facing and how people can better participate in suggesting service improvements and take part in the formal consultation on draft budget proposals. In total over 700 people were engaged across 23 public locations across Newport.

Phase 2 of consultation commenced in December after draft budget proposals were made public. Over 230 responses were received and a further 500 petitions. Further details are given in Equality Objective 1 below.

Relevant reports:

2016/17 Budget & Medium Term Financial Plan Page 7. Public Consultation

<https://democracy.newport.gov.uk/documents/s4379/Budget%20C%20Tax%20report%2016-17.pdf>

Decision Schedule published on 15 Feb 2016

<https://democracy.newport.gov.uk/documents/g6479/Decisions%2015th-Feb-2016%2011.00%20Cabinet.pdf?T=2>

Report to Cabinet Member (Aug 2016) on Consultation and Engagement process including the 2016/2017 budget. Cabinet Member considered and approved recommendations for improvements supporting the requirements of the Wellbeing of Future Generations Act (2015).

<https://democracy.newport.gov.uk/documents/s6287/01%20CM%20Report%20budget%20and%20WFG%20final.pdf>

The Unified Needs Assessment for Newport

The council leads on reviewing the Unified Needs Assessment (UNA) for the One Newport partnership. The UNA provides data and analysis of the population and its needs. The councils also leads on developing ward profiles for Newport which can be found in the Newport Atlas, the information portal for the One Newport partnership (see section on Customer Insight, below.)

<http://www.newport.gov.uk/atlas>

The UNA informs the annual implementation plans for the Single Integrated Plan. This ensures that people needs are monitored and discussed at Local Service Board level, and that our prioritisation on a strategic level is evidence based and appropriate.

The ward profiles were published for the first time in 2015/16 making the information available to all partners who wish to use it. The process will be revised in 2016/17 in line with the requirements of the Wellbeing of Future Generations Act (2015).

The Single Integrated Plan (SIP) for Newport

The Single Integrated Plan (SIP) is the overarching plan for Newport as agreed by the One Newport partnership. The SIP Board for Newport revised the structure of the partnership in 2015 to simplify the governance whilst ensuring that the delivery themes and priority areas of work are maintained. The three delivery themes remain:

- Economy and Skills
- Health and Wellbeing
- Safe and Cohesive Communities

The SIP Board identified 'vulnerable groups' as a cross-cutting theme in the Single Integrated Plan (SIP) in 2014 because of concerns that in focusing on a smaller number of general themes e.g. Smoking and Tobacco Control, certain groups of people e.g. disabled people may have been left out. This aims to identify any additional opportunities to support disenfranchised people through an Equalities framework. This work is being undertaken by means of Fairness and Equality Impact Assessments of the partnership's work.

The Corporate Plan 2012-2017 and Fairness Commission

The Corporate Plan 2012-2017 sets out what the council aims to achieve during this administration, the most relevant objective being Newport becoming a 'fairer city.'

In 2015/16 we continued to support an independent Fairness Commission in their capacity as a critical friend to the council. They provided independent perspective and analysis of the budget proposals for 2016/17 – this type of assessment, debate and challenge is helping to ensure that equality is a key determinant of policy and decision-making. The Commission has completed a full report on Fairness and has now responded to Council budget proposals for 2013/14, 2014/15 and 2016/17.

The Commission will be working with the Council Scrutiny function to help ensure that principles of fairness and equality are fundamental considerations when reviewing performance and contributing to policy development. The Commission has now delivered two day's session for Scrutiny Member on ethics and decision making which we hope to extend to other Members and senior officers for the coming year.

Welsh has been recognized as an equalities theme and there is permanent representation from Menter Iaith Casnewydd on the commission. The Commission has committed to publish key documents in Welsh and their website is fully bilingual.

Equalities information for service planning and performance management

Newport City Council's service planning processes requires service areas to plan for and report on Equality Impact Assessments (which include the Welsh language) and Welsh language activities. Information relevant to equality and the Welsh language is reported on in the service areas' half yearly review and end of year review.

Service areas report on Equality Impact Assessments as well as reporting on customer demographics, customer engagement, feedback (compliments and complaints) and surveys that informed work planning and performance. This evidences the council's commitment to mainstreaming the use of relevant information in work planning and performance management.

These plans are reported to Scrutiny, and approved by Cabinet Member.

Customer Insight

The Customer Insight development has supported the Council and its partners in pulling together data, consultation and engagement and developing a culture where we make good use of that information in taking decisions and planning services. The development of the ward profiles has been an important part of this work, and has informed the unified needs assessment. The latest ward profiles and the Newport overview for 2015 can be found at www.newport.gov.uk/atlas

Produce area based information through Ward Profiles

Ward profiles were produced for all wards in Newport for 2014 and are available to all partner organisations; this information was refreshed in 2015 and published on the Council's website. Producing information on an area, or community basis offers a comprehensive statistical breakdown of the communities residing within each ward area and will enable the council and its partners to more effectively target service delivery, whilst being mindful of the diverse population characteristics which vary between wards. Ward profiles also include pupil educational performance data linked to pupil postcode. The Newport overview and individual ward profiles include data on ethnicity, and Welsh language skills from the 2011 Census.

Equalities information for Fairness and Equality Impact Assessments (F&EIAs)

For 2015/2016 38 equality impact assessments were undertaken, some on existing services and 13 covering the proposed changes to services under the council's Medium Term Financial Plan.

The Strategic Equalities Group has requested a review of both the process and quality of Fairness and Equality Impact Assessments (which explicitly cover the Welsh language) in 2016. This will support us in delivering the requirements of the Welsh language Standards with regards to planning services and assessing impact, and in meeting the requirements of the Wellbeing of Future Generations Act.

The Partnership and Policy Team in People and Business Change supported business case authors to develop EIA's as part of their planning processes.

EIAs are made public on the council's equality [pages](#).

Consultation and Engagement (See also Equality Objective 1 Engagement, *Section 2*)

Further information on engagement and involving people in decision making can be found in the sections on meeting equality objective Number One (Engagement) and the Number Two (Accessible Services). The biggest council engagement exercise this year was for the 2016-2017 Budget, see above.

Section 2 How the council meets the five equality objectives

The council selected 5 thematic equality objectives with accompanying actions and measures in 2012. The section summarises progress against the actions and measures, and confirms future actions. More details can be found in Annex 1.

In summary, work under the equality objectives is on course and the objectives selected in 2012 remain a priority for the authority. In February 2016 Cabinet approved the Strategic Equalities Plan 2016-19 establishing the equality objectives for 2016–2019. These priorities will be monitored by Strategic Equalities Group (SEG) in 2016/17 and reported to Cabinet at year end.

The Strategic Equalities Group (SEG)

The SEG, consisting of senior Members and Officers, was first convened in May 2015. It takes a strategic lead on the authority wide implementation of the Equality Act 2010, covering the Strategic Equality Plan, the Corporate Equality Objectives, and the Welsh Language Measure 2011. We mainstream the Welsh Language Measure alongside the equality legislation in Newport for both theoretical and pragmatic reasons, and therefore the Welsh language also falls under the remit of this group. The SEG was supported in 2015-16 by themed sub-groups where required.

The Welsh Language Standards Implementation Group has taken a key role in implementing the standards, which require changes to service delivery.

Equality objective 1- Engagement

The Unified Needs Assessment, which is updated annually, feeds current data on the population and their needs into Newport's overarching Single Integrated Plan, around which the council and its partners plan their services. The Council's development of customer and community insight aims to provide a single source of information from which to plan services which has resulted in the development of the Newport Atlas as a portal for data and information which can be used as an open resource for ward members, partners and residents alike.

The Budget consultation for 2015/16 was our biggest to date and the two stage process ensured that residents were engaged before the options were available to the public. We received over 2,200 responses and in 2016/17 we built on this foundation by engaging with over 700 people in 23 public venues across the city.

Equality objective 2- Accessible services

Newport City Council continues to improve access to services, with a prominent public access point at the Information Station in the heart of the city. Staff there are highly skilled and rotate around council receptions, face to face work and service delivery at the telephone contact centre. Providing services in Welsh remains a priority, although there are currently staff retention issues around Welsh language provision.

The arrangement for translation through partnership with other Councils has increased in popularity as service managers increasingly arrange Welsh language translation. Translation requirements above 500 words are procured through an agreed list of providers to ensure best value for money.

We monitor the levels of digital inclusion to ensure that people benefit equally from our website and digital services and in 2016 we obtained the [Digital Inclusion Charter](#) awarded by Digital Communities Wales for support to communities.

Different services provide services in other languages by a range of methods, buying in interpretation where we don't have the skills locally, visiting clients in their homes when needed, offering materials in large print etc.

Equality objective 3- Community cohesion and tackling hate crime

There has been a clear focus in 2015-16 on continuing to raise the profile of hate related incidents and crime, modern day slavery, Prevent programme and a number of partnership initiatives to both investigate crimes and incidents, also ensuring the right support is available for the victims. The cohesion plan has added focus on raising awareness on immigration and supporting the inclusion of asylum seekers, refugees and migrants as we develop resettlement programmes. In 2015/16 the Newport Forum expanded to cover East Gwent and has widened its engagement.

The Education Service also supported all schools to develop new equalities objectives based on the protected characteristics and to revise their equalities policies

Equality objective 4- Domestic abuse

In 2015/16 Domestic Abuse was recognised as a Single Integrated Plan key priority with overlapping themes with the Cohesion agenda, e.g. honour based violence, forced marriage etc.

There has been significant investment in a multi-disciplinary unit, led by Newport City Council. It deals with victims and perpetrators and looks to continually improve partnership working around the victim. Each instance of domestic abuse is reported by Gwent Police to the team on a daily basis and is risk assessed. Everybody is offered support. Support in going to court and progressing through the legal system is now offered by an Independent Domestic Violence Advisor and pan-Gwent training ensures a common approach across agencies. In 2015/16 we began to work on the regionalisation process of this work stream by supporting the establishment of the Gwent Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) Team.

Equality objective 5- Worklessness

'Skills and Work' remain a Single Integrated Plan priority theme and as such a priority for the council. The administration created a Cabinet Member role for skills and work to lead on this important strategic work area.

Newport has made a significant impact on the numbers of young people not in education, employment and training (NEET) over the past six years. In 2008 the number of young people leaving year 11 and becoming NEET in Newport was 10.4%. By 2013 we had reduced this figure to 4.9%, in 2014 the figure was 4.7% and by 2015 this has fallen to a record low of 3.1% a reduction of over 70% over a seven year period. Newport now stands above Cardiff, Bridgend, Neath Port Talbot, Rhondda Cynon Taf, Carmarthenshire and Pembrokeshire.

Unemployment is commonly measured through Job Seekers Allowance (JSA) Claimant Rates. The number of JSA claimants stands at 2,253 in Dec 2015, almost 3,000 people less than the high point in Dec 2012 (57% reduction). This is the lowest it has been since 2007. Only 10 (out of 64) UK cities have achieved a bigger reduction over this period. However there are still only 5 UK cities with higher JSA claimant rates (Cardiff and Swansea are better than Newport). The general economic climate has meant greater competition for jobs, with many older, higher skilled and more experienced people competing for the jobs that young people would have previously accessed.

Strategic Equalities Plan – Corporate Compliance

The Strategic Equalities Group continues to facilitate governance and delivery of the Equality Act and the new Welsh Language Standards. Every three years the Council is required to agree a new Strategic Equalities Plan. The latest plan defines the equalities for the period 2016-2019 and was agreed by Cabinet in February 2016.

The Well-Being of Future Generations Act (Wales) was also introduced in 2015-16. The Act puts in place a sustainable development principle which means that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

The Act also puts in place seven wellbeing goals: a prosperous Wales; a resilient Wales; a healthier Wales; a more equal Wales; a Wales of cohesive communities; a Wales of vibrant culture and thriving Welsh language; and a globally responsible Wales.

The Council will agree on overarching wellbeing objectives in 2016-17 in line with the sustainable development principle, and the seven wellbeing goals. The equalities objectives will inform this work.

The governance of the equality agenda remains strong with regular reporting both through the One Newport partnership, and through the annual Cabinet reporting process. Other relevant reports also reference the strategic equality agenda – the annual customer complaints report is an example of this. There has been increased emphasis on the importance of using and publishing equality impact assessments, in particular around proposals for change and budget setting.

Section 3 Specified employment information, including information on training and pay

The HR/ payroll system was upgraded during 2012 so that job applications are now mostly on-line unless there are difficulties accessing online services. Equality monitoring is included on the system although there is a 'prefer not to say' option for those who wish not to. This ensures better diversity monitoring. Additional equality categories have been added in-line with the Equality Act 2010, including sexual orientation and religion or belief.

Data and analysis of workforce statistics is available in Annex 2.

Workforce statistics for Newport City Council, April 2015 - March 2016

- Number employed in relation to sex by job, grade, pay, contract type and working patterns
- Number employed, job applicants, leavers, transfers, grievances, disciplinarians by age, sex, marital status, religion or belief, gender reassignment, pregnancy and maternity and ethnic group

The data outlined is on some 6,516 council employees (including teaching staff). This reflects a drop of 7.3% on the previous year when we employed 7,027 employees, however the transfer out of our Sports and Leisure facilities represents the majority of this decline.

Annex 1

Annual Review of Equality Objectives measures, actions and outcomes.

Equality objective 1

Engagement

Summary

The Unified Needs Assessment is published on an annual basis and the latest version was published in December 2015 and details the key indicators across Newport, along with an analysis of need. This allows partners to assess the impact of initiatives over time by continuously monitoring the changing needs of the local population. It has also enabled partners to establish a clear set of priorities and help inform the commissioning of services.

This approach supports the work of the SIP and includes a robust evidence base from which to determine the greatest priorities for action at a local level. This provides an improved methodology to analysing the available evidence in order to support an outcomes based approach and identifying priorities for shared action and improvement.

An extensive consultation campaign was also conducted across Newport to allow residents to have a voice in the difficult decisions that were being made around the budget. Residents were given the opportunity in two phases to contribute, before and after formal budget proposals were released. A number of engagement methods were utilised, including 'drop-in' sessions, ward meetings and social media. Accessible versions of consultation materials were also made available.

1. Engagement	
Measure	
Number responding to Citizens' Panel	Spring (April 2015) – 38.21% response rate (274 surveys completed) <ul style="list-style-type: none">• We Are.....South Wales Fire & Rescue Service• Community Food Coops• Private Rented Housing
	Summer (July 2015) – 42% response rate (302 surveys completed) <ul style="list-style-type: none">• Newport Mind• Safety in Newport• Perception of Newport• Eye Health• Waste & Recycling in Newport• Welsh in our Community
	Autumn (October 2015) – 38.3% response rate (376 surveys completed) <ul style="list-style-type: none">• Improvement Plan Priorities 2016-18• Newport City Council 'Community Safety Warden Service'• Sight Test Amongst Young People
	Winter (January 2016) – 41.9% response rate (301 surveys completed) <ul style="list-style-type: none">• Perception of Newport

	<ul style="list-style-type: none"> • Safety in Newport • Newport Matters Review • Your Local NHS <p>(SIP Annual Report Final, 2015-16. p.74)</p>
Number responding to online surveys	NCC hosted 25 online surveys in 2015-16
Number of EIAs	38 EIAs have been conducted for 2015-2016
Uptake of complaints service	<p>Number of stage one complaints received: 292 Number of stage two complaints: 34</p> <p>9 complaints were referred to the ombudsman but none were investigated</p>
Number of complaints with satisfactory outcomes	An annual report will be taken to Cabinet in September 2016

Equality Objective 1- Engagement – Actions

1.1	Customer Insight– corporate engagement and consultation strategy developed
Outcome	Planned and consistent approach to engagement and consultation
Timetable	<p>Engagement Strategy to be adopted and in place 13/14, to be reviewed in 16/17</p> <p>Information Strategy developed and adopted in 13 /14</p>
What have we done?	<p>Customer Insight The Customer Insight project supports the Council and its partners in pulling together data, consultation and engagement and developing a culture where we make good use of that information in taking decisions and planning services. The development of the ward profiles has been an important part of this work, and has informed the unified needs assessment. This development and the Newport overview for 2015 can be found at www.newport.gov.uk/atlas</p> <p>Produce Ward Profiles and Summary Ward Profiles Ward profiles were produced for all wards in Newport for 2014 and are available to all partner organisations, this information was refreshed in 2015. Ward profiling offers a comprehensive statistical breakdown of the communities residing within each ward area and will enable the council and its partners to more effectively target service delivery, whilst being mindful of the diverse population characterises which vary between wards. The Newport overview and individual ward profiles include data on ethnicity, and Welsh language skills from the 2011 Census. These will be further developed in 16/17 as community profiles, forming part of the well-being assessment for the area.</p>
1.2	Engagement and intelligence gathering through a range of methods: - Forums, Surveys, Community events, On-line/Social media, Community groups e.g. the Community Voices/Engage project

Outcome	Customers involved in development of services through engagement and feedback Council reaches out to communities and gathers community response as well as individuals'
Timetable	Annually
What have we done?	<p>There have been 4 Involve Newport citizen panel surveys issued in 2015/2016. For the most recent survey in January 2015, the response rate was 41.9%. Our average response rate continues to improve year and year.</p> <p>Newport City Council has hosted 25 online surveys during 2015/16. The council's website (www.newport.gov.uk) is delivered using the Contensis content management system (CMS) which enables a bilingual website to be delivered. http://www.newport.gov.uk/en/Council-Democracy/Consultations/</p> <p>Online consultations include:</p> <ul style="list-style-type: none"> • Food Coop questionnaire • Armed Forces survey • NCC Legal Services questionnaire • NCC Streetscene survey • NCC Customer Services survey (2015 & 2016) • NCC Library Service consultation • NCC Library opening hours consultation • NCC Primary School surveys (x2) • NCC Staff Conference 2015 • NCC Improvement Plan 2016-18 • NCC Staff Survey • NCC Budget consultation 2016-17 • NCC Equalities objectives • Food bank questionnaire • NCC Library user questionnaire • NCC Information security questionnaire <p>Ahead of the setting of the 2016/17 Budget (which takes place in 2015/16) engagement work focused on building on the extensive feedback received in 2014/15 and rather than repeating the same activities sought to better inform the public and stakeholders about the financial pressures and how they could take part in the formal consultation process. In the pre-December phase the Partnership and Policy team were present in 23 public locations across Newport and engaged with over 700 people. The formal budget consultation process commenced in December and 230 completed feedback questionnaires were received. In addition there were 491 petition responses received. For the first time we monitored whether people thought that the budget proposals were clear and understandable. Whilst most responses were clear some responses were considered to be unclear with as many as 42% of respondents saying they were 'not at all clear'.</p> <p>This information was fed-back to Cabinet and senior management and provides clear challenges to improve going forward. Plans for the current year are the subject of Cabinet Member report August 2016 as outlined in this report.</p>

	<p>For the first time the Council worked in partnership with the Engage Project which is coordinated by GAVO. This involved the portfolio leads for the 7 Engage strands which work with ‘seldom heard voices’ including the deaf community, sight impaired people, BME (Black and Minority Ethnic) youth, older people in residential care, and adults with learning difficulties.</p> <p>The Fairness Commission again delivered its response to the draft budget proposals which was reported directly to Cabinet by the Chair of the Commission.</p> <p>In response to the budget consultation feedback Cabinet amended some proposals, which included – withdrawing cuts to special educational needs provision, children’s services, staffing in customer services, Newport Food Festival and the Big Splash. These amendments were reported to the public in Newport Matters the Council’s newspaper.</p> <p>The lessons learned and planning arrangements are now being considered by the newly multi-agency Engagement Group whos members also represent key equalities interests e.g. disabilities, social housing tenants, children and young people, BME communities etc.</p> <p>A report was also taken to Scrutiny Improvement Group highlighting lessons learned and the implications of the Wellbeing of Future Generations Act 2015 duty to ‘involve’ citizens and key interest groups.</p> <p>Newport City Council posts information about council services to its Facebook and Twitter accounts, as well as responding to enquiries and comments made. As at July 2016, the council’s Facebook account has 8, 465 ‘likes’ and it’s Twitter account has 11.8K ‘followers’.</p> <p>https://www.facebook.com/NewportCityCouncil/ https://twitter.com/NewportCouncil</p>
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1.3	Equality Impact Assessments (EIAs) undertaken on policy changes, major projects, etc
Outcome	The public involved in the cycle of decision making and affect decisions that affects them.
Timetable	Identified and undertaken Annually Report Annually
What have we done?	<p>Some 38 EIAs have been undertaken in 2015/2016 including 13 assessments covering Budget proposals which were published as part of the budget consultation.</p> <p>The Strategic Equality Group (see Section 2, How the council meets its 5 equality objectives) has requested a review of both the process and quality of Fairness and Equality Impact Assessments (which explicitly cover the Welsh language) in 2016. This will support us in delivering the requirements of the Welsh language Standards with regards to planning services and assessing impact.</p> <p>We developed the following courses which include the Welsh language as an equalities matter.</p>

	<ul style="list-style-type: none"> - Equalities and Introduction 12 sessions 135 participants - Fairness and Equality Impact Assessments 3 sessions 21 participants - The Commission provided one day's session for Scrutiny Member on ethics and decision making, which we hope to extend to other Members and senior officers for the coming year.
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1.4	Unified customer complaints and compliments system
Outcome	Customers benefit from a consistent and open approach Monthly and annual monitoring and analysis provides management information and highlights any emerging access / equalities issues
Timetable	System interrogated and reported on monthly and annually
What have we done?	<p>Completed full review of the Comments, Complaints and Compliments Policies and Procedures to incorporate both corporate and Social Services complaints which was approved by Cabinet on 16th March 2015. This has been published.</p> <p>A new structure for recording on the CRM (Customer Relationship Management) system was designed accordingly and went live in August 2016.</p> <p>A review of CRM provisions has been carried out in full and the tender process is currently considering options for the most appropriate way forward – complaint monitoring and recording forms a crucial part of the requirements.</p> <p>Policies have since been reviewed to include considerations under Welsh Language Standards. This will be reviewed and approved by Cabinet in 2016/17 to support compliance with the Welsh Language Standards.</p> <p>Process workflows have been produced that have been adapted to suit staff in different service areas and different roles. Training commences in November 2016.</p>

Equality objective 2

Accessible services

Summary

Newport City Council continues to improve access to services, with a prominent public access point at the Information Station in the heart of the city. Staff there are highly skilled and rotate around council receptions, face to face work and service delivery at the telephone contact centre.

Providing services in Welsh remains a priority, although there are currently staff retention issues around Welsh language provision.

The arrangement for translation through partnership with other Councils has increased in popularity as service managers increasingly arrange Welsh language translation. Translation requirements above 500 words are procured through an agreed list of providers to ensure best value for money.

We monitor the levels of digital inclusion to ensure that people benefit equally from our website and digital services and in 2016 we obtained the [Digital Inclusion Charter](#) awarded by Digital Communities Wales for support to communities.

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2 Accessible Services																																															
Measure																																															
Take up of Translation / Interpretation	<p>Through 2015/16 the Council developed and used agreements with neighbouring Councils to provide translation services for the authority. We have had to increase expenditure as service areas have increased their demand for translation service in the time leading up to the first implementation date of the Welsh Language Compliance Notice. A central budget was established from 2016/17 to support translation work. We are monitoring to ensure that the standard of service remains high and that the allocated resources are used as efficiently as possible.</p> <p>Our total expenditure on Welsh language was approximately £40,000. Our total expenditure on other language translation and interpretation was £102,113.</p> <p>The table below shows annual minutes of telephone translation provided by Language Line. Language Line costs the council 80p/minute and 343 calls were made in 2015/16. The total cost of our Language Line use was £5,197.60</p> <p>In 2015/16 we made use of 29 different languages through Language Line</p>																																														
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LAOTIAN	12	TURKISH	196
LITHUANIAN	11	URDU	54
MANDARIN	302	VIETNAMESE	43
OROMO	14	TOTAL	6497

The top 5 languages accounted for 64.2% of total spending on Language Line 2015/2016.

Languages	Minutes
ARABIC	2179
SLOVAK	954
ROMANIAN	363
KURDISH	344
POLISH	333
Total	4173

Council materials that comply with corporate standards

Council materials comply with corporate identity. Since the creation of a marketing and communications team in April 2011 there is greater consistency in place.

Number of equalities / access complaints

Complaints received 2015/2016

Service Area	Informal (Stage 1)	Formal (Stage 2)
Education	3	3
Streetscene and City Services	32	0
Social Services – Children’s Services	1	0
Social Services – Adult services	10	0
TOTAL	46	3

Complaints in Education were about introduction of catchment areas for Welsh language schools, all informal complaints were escalated to Stage 2. The Public Services Ombudsman for Wales investigated the complaints and did not uphold them.

31 complaints received in Streetscene and City Services were about wait times for the City Contact Centre, Information Station and Housing Benefits. Customer Services has reduced spend by £184,000 since 2012 to contribute to the Council’s Medium Term Financial Plan in response to reducing budgets. As the majority of costs in Customer Services is for frontline staff this is where the savings have come from – 37fte has been reduced to 21fte. Whilst this has been offset by the Council’s success in effecting Channel Shift, with the added pressure of the footfall in the Information Station and Main Reception at the Civic, demand for contact through Customer Services remains at the same level as was seen in 2012, albeit with much less staff to respond to the demand. This has meant that wait times have become longer.

Customer Services are also working with other service areas to highlight and resolve ‘cause and effect’ issues where decisions and changes made in other services create an increased demand from customers at the frontline.

	<p>It is positive to note that the City Contact Centre continues to provide a valuable service for both officers and citizens – around 80% of all calls received are dealt with at the first point of contact without requiring a handoff to the back offices, and customer satisfaction levels was 89% in 2015/2016.</p> <p>Social Services - over the past few years there have been a lot of changes in service provision. Changes in services for people who may have received the same service for many years may create feelings of anxiety and uncertainty. The teams involved have worked hard to ensure processes are in place to provide as smooth a transition as possible for the people receiving services, and their families. Sometimes the changes may conflict with service user and/or family expectations, prompting complaints.</p>				
Customer satisfaction with customer service	<p>Customer satisfaction surveys are carried out half yearly – results for customer services provided over the telephone (CCC) and in person (F2F)</p> <p>Customer satisfaction results for 2015/2016:</p> <table border="1" data-bbox="300 725 1364 797"> <tr> <td data-bbox="300 725 587 763">Information Station</td> <td data-bbox="595 725 1364 763">94.3% of customers were happy with their experience</td> </tr> <tr> <td data-bbox="300 763 587 797">City Contact Centre</td> <td data-bbox="595 763 1364 797">89.6% of customers were happy with their experience</td> </tr> </table>	Information Station	94.3% of customers were happy with their experience	City Contact Centre	89.6% of customers were happy with their experience
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City Contact Centre	89.6% of customers were happy with their experience				
Number of Adults (18+) digitally included	<p>2011 Experian data shows that 68.4% of adults in Newport are digitally included compared to 66% in Wales.</p> <p>Encouragingly, 29% of Low-Level Super Output Areas (LLSOAs) in Newport are in the top quintile for digital inclusion in Wales, the highest number outside Cardiff, Monmouthshire and the Vale.</p> <p>Nevertheless, Newport also has several barriers to achieving full digital inclusion. Several ‘not-spots’ remain which have poor broadband access, particularly in the coastal villages of Marshfield, Castleton, and Goldcliff. Ofcom suggest that some 15% of people in Newport enjoy speeds of less than 2mbps, comparing poorly to the Newport average.</p> <p>A number of current initiatives are currently taking place, including upgrade to Newport’s broadband infrastructure in 2012 through BT Openreach’s Race to Infinity Campaign, which delivered next-generation broadband speeds of up to 80mbps from the Newport Chartist, Maesglas, and Castleton exchanges.</p> <p>The digital inclusion agenda also intersects with the drive to establish Newport as the ‘smart and connected’ centre of the Welsh digital economy. Whilst business broadband needs are based on different demands to local residents, they share the same exchanges, and actions taken aimed at improving the broadband infrastructure for businesses will also benefit residential premises across the city.</p> <p>The Communities 2.0 scheme delivered in partnership with adult learning enables people experiencing economical, financial, physical, social and cultural barriers to access technology more readily. IT equipment and training are provided at a nominal cost for example to small businesses and social enterprises.</p> <p>In 2015/16 the Council developed its first Digital Strategy approved by Cabinet October 2015. Following on from this we have also achieved the Digital Communities Wales Digital Inclusion Charter for work with communities on digital inclusion.</p> <p>Report to Cabinet Member Community, Work and Skills – Digital Inclusion Charter https://democracy.newport.gov.uk/documents/s5878/CM%20Report%20Digital%20Inclusion%20Charter%20FINAL.pdf</p>				

Equality Objective 2- Accessible Services – Actions

2.1	Develop a corporate protocol on translation and interpretation
Outcome	To ensure that people who need different languages and formats receive suitable services. Consistency of practice in terms of value for money and quality of service.
Timetable	Develop corporate protocol Monitor compliance, assess value for money annually Review protocol
What have we done?	We monitor and report on use of translation in this Annual Strategic Equality Report and Welsh Language Annual Report (March 2016.) The staff intranet holds information and guidance on getting translation and interpretation of Welsh and community languages. This is regularly promoted via the staff newsletter. The Council is signed up to an SLA with the Welsh Interpreting and Translations Service (WITS) who are a 'not for profit' public sector organisation providing Interpreters and Translation services (including BSL). We are currently sourcing Welsh language translation from a combination of public sector and private sector sources and closely monitor the quality of service. We have earmarked a budget for corporate WL translation for the coming three years. We have yet to develop a protocol to ensure that staff are informed of the best and most cost effective method of translation or interpretation for community languages.
2.2	Develop guidance on standards of accessible and bilingual materials in relation to marketing, publicity and customer information
Outcome	Council materials comply with legislation. Council materials consistent and accessible
Timetable	Review compliance annually
What have we done?	The marketing and communications department has been fully engaged with the council's preparation for, and implementation of, the Welsh Language Standards. The department now produces fully bilingual marketing materials as required. This includes information on recycling, information on schools for parents and the annual food festival. Newport Matters, the council's newspaper for residents is fully bilingual. Six bilingual editions a year will now be delivered to around 66,000 Newport households. Press releases that are issued to all media are also provided in Welsh. The department will continue to maintain this standard of work during the 2016/17 financial year. Members of the team have attended a variety of Welsh language awareness and training courses throughout the year, and have created videos for staff to use in order to help them use everyday words and phrases at work.
2.3	Front line staff in the contact centre and Information Station trained in accessible communications, customer service, disability awareness, conflict management etc.
Outcome	Front line staff deliver services according to the customer's needs
Timetable	Annual review of training Annual review of customer satisfaction monitoring
What have we done?	In 2015/2016, we were able to provide a number of courses to improve the skills base of our frontline staff in the Information Station.

	<p>Courses include:</p> <ul style="list-style-type: none"> • Domestic Abuse Awareness Training • Fairness & Equality Impact Assessments • Introduction to Equality and Diversity • Welsh Language Taster Courses
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2.4	<p>Digital Inclusion: Council web site adheres to W3 standard at AA level. On-line services developed to address the specific needs of Welsh speakers/ Deaf people, people with learning disabilities</p>
Outcome	<p>Council web based service are suitable for the whole population A range of on-line services are targeted at people with specific needs</p>
Timetable	<p>2012-2013 undertake technical changes to meet W3 AA standard Review services with focus on: Yr1 Welsh, Yr2 Learning disabilities, Yr3 BSL</p>
What have we done?	<p>During 2014 the council transferred its website to a different content management system (CMS,) which could support bilingual web content. The procurement process considered the need for bilingual functionality.</p> <p>The top two tiers were in place by August 2014 with the top ten commonly used on-line forms also available in Welsh and English. We are translating further pages and working on how best to synchronise the two languages. We are looking at options to improve the workflow between the service areas, the web team and the translation unit.</p> <p>The Council's website now uses Browse Aloud. Browse Aloud adds multi-lingual speech and reading support tools to online content to extend the reach of websites for the 20% of the population that requires reading support. This includes those with dyslexia, learning difficulties, mild visual impairments and those with English as a second language.</p> <p>In 2015/16 the Council developed its first Digital Strategy approved by Cabinet October 2015. Following on from this we have also achieved the Digital Communities Wales Digital Inclusion Charter for work with communities. The digital strategy highlights that that 50% of Newport households use the internet every day or most days. However the Mosaic customer insight data also shows that up to 47.5% of households fall into the category of 'most likely not to contact organisations via online methods. As many as 42.1% of Newport households are 'most likely not to surf the internet' from the same data. These figures demonstrate the importance of helping people to get online.</p> <p>Council officers have continued to offer digital inclusion courses on money matters, digital shopping, internet security etc. through our libraries. Under the heading of Digital Fridays customers could use library computers or bring in their own devices for officers to help them access digital information. We have also partnered with JobCentre to support Universal Credit Claimants. They provide us with volunteers aged 18-24 for 8 week placements who provide job seeking advice to the public, largely focused on digital access, with some of our volunteers having been able to secure employment.</p> <p>Report to Cabinet Member Community, Work and Skills – Digital Inclusion Charter https://democracy.newport.gov.uk/documents/s5878/CM%20Report%20Digital%20Inclusion%20Charter%20FINAL.pdf</p>

Equality objective 3

Community cohesion and tackling hate crime

Summary

There has been a clear focus in 15-16 on continuing to raise the profile of hate related incidents and crime, modern day slavery, Prevent programme and a number of partnership initiatives to both investigate crimes and incidents, also ensuring the right support is available for the victims. The cohesion plan has added focus on raising awareness on immigration and supporting the inclusion of asylum seekers, refugees and migrants as we develop resettlement programmes.

3 Community Cohesion and tackling Hate Crime Measures	
Number of hate crime incidents	221 incidents reported (2011/12) 221 incidents reported (2012/13) 203 incidents reported (2013/14) 226 incidents reported (2014/15)
Number of hate crimes	99 in 2010/2011 104 in 2011/2012 118 in 21012/2013 110 in 2013/2014 101 in 2015/2016 Note: National Hate Crime data has previously been published by ACPO and is available from http://reportit.org.uk/hate_crime_data The 2011/12 data was the first data set to be published by the Home Office In addition to this consistency across the time series has been difficult to maintain due to a number of reviews of Hate Crime data and some resulting re-grading of certain crimes. In view of this please treat the above time series with caution and as an indicator only. UNA Edition 4 (Safe and Cohesive Communities) p32.

Equality Objective 3- Community cohesion and tackling hate crime – actions

3.1	Support local people to come together to celebrate through inclusive Newport festivals such as Pill and Maindee Festivals, Refugee and Asylum Week, Black History Month etc.
Outcome	Newport recognised as a diverse and happy place to live
Timetable	Events held annually
What have we done?	Events held: <ul style="list-style-type: none"> • Newport Half Marathon March 2015 • Civic Mass: April 2015 • Velothon Wales: May 2015 • Maindee Festival May 2015 • The Big Splash May 2015 • Love Local Market May 20154 • Holiday Fun - all school holidays • D-Day Memorial Parade & Service: June 2015 • Civic Service: July 2015 • Caerleon Festival July 20154 • Merchant Navy Remembrance Parade & Service: September 2015 • Childrens Chartist Parade and re-enactment: November 2015

	<ul style="list-style-type: none"> • Remembrance Parade & Service: November 2015 • Newport Food Festival October 2015 • Christmas Lights November 2015 • Holocaust Memorial Service: January 2016
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3.2	Hate Crime Forum maintains multi agency approach Develop multi agency conference call case handling IT systems
Outcome	Group strategic and sustainable. Support available for victims, communities feel supported and perpetrators and negative behaviours addressed
Timetable	2012-2013 Develop conference call capacity owned by Gwent Police for the partnership Annually
What have we done?	<p>Current initiatives include:</p> <ul style="list-style-type: none"> • The Newport and Monmouthshire Hate Crime Forums have now merged to cover the East Gwent area and is meeting regularly. Membership of the forum includes representation from housing, health, social services and 3rd sector. The group continues to identify trends, deal with emerging issues and share good practice across the area. • A Case Handling Group exists to facilitate a multi-agency approach to supporting the victims of hate and to ensure problems are dealt with effectively. The MARAC process is co-ordinated by the Community Safety Officer for Gwent Police and has been supported by additional Hate Crime project staff from SEWREC • Victim Support (VS) has been funded by Welsh Government to be the 3rd Party national reporting centre and the Forum has realigned our reporting systems to support VS. The system is working well. • Gwent Police have trained staff to be Hate Crime Support Officers in Newport and are now rolling it out across Gwent. • Working in partnership with Gwent Police, Victim Support and SEWREC to promote Hate Crime Week to raise awareness • Provision of additional reassurance to affected communities post international terrorism incidents • Tell MAMA Engagement and Awareness session workshop on Islamophobia held with partners and communities

3.3	Council, schools and partners co-ordinate reporting and tackling prejudice based bullying
Outcome	Staff, pupils and the community aware of prejudice based bullying and know how to deal with it, and where to get support if needed
Timetable	2012-2013 Trial incidents' reporting systems and training in schools 2014 Review and full roll out of the above Identify emerging themes for proactive anti prejudice work

What have we done?

- In November 2015 a workshop was held for all schools clarifying their role in recording and reporting incidents related to the protected characteristics
- Schools that have not been consistently reporting, recording and submitting data to the Local Authority on the number of incidents related to protected characteristics have been individually contact to offer support and reminded of their duty to complete the return.
- In February 2016 a presentation was provided to all head teacher on the incidents recorded and reported over the previous four school terms
- During the academic year 2015/16 all schools were supported to develop new equalities objectives based on the protected characteristics and to revise their equalities policies
- The Equalities Monitoring Group has met termly to review the incidents of bullying related to protected characteristics and to advise schools on agencies that can help reduce bullying for particular protected characteristics.
- The GEMSS project 'See the World Through Their Eyes' has been delivered in schools throughout Newport to promote the positive aspects of diversity and cultural understanding
- The Healthy Schools scheme has continued to support schools working through Phase Awards. Three schools in the city now have the National Quality Award for Healthy Schools.

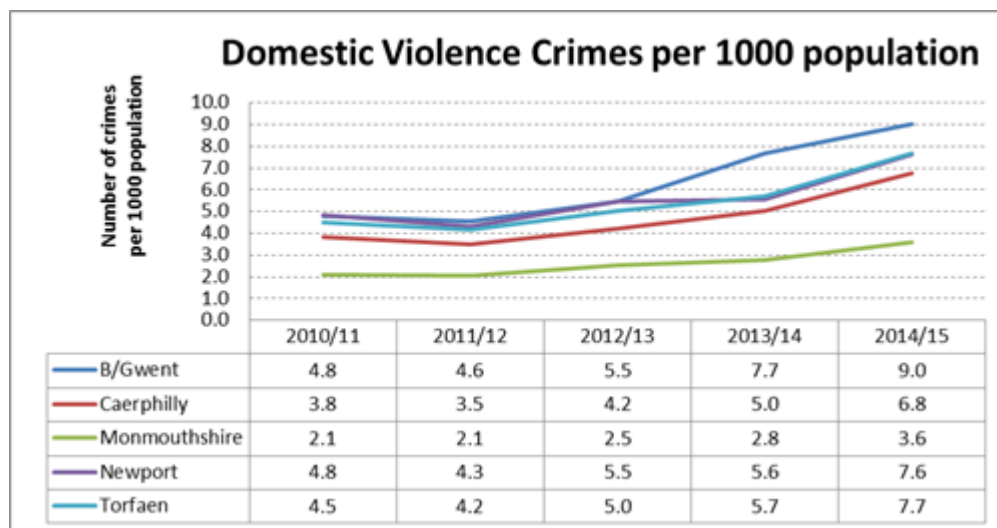
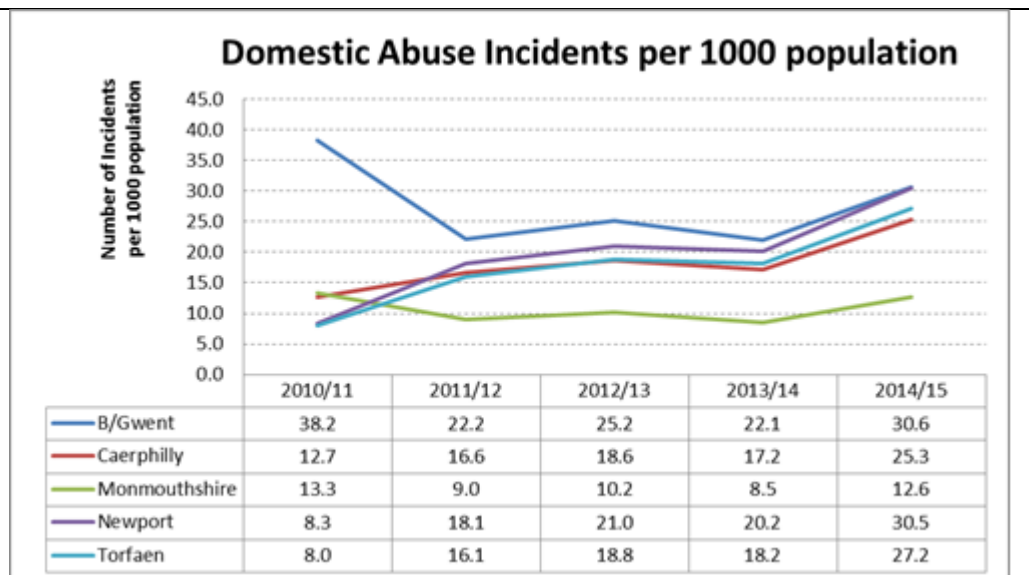
Equality objective 4

Domestic abuse

Summary

Domestic Abuse is Single Integrated Plan key priority with overlapping themes with the Cohesion agenda, e.g. honour based violence, forced marriage etc. There has been significant investment in a multi-disciplinary unit, led by Newport City Council. It deals with victims and perpetrators and looks to continually improve partnership working around the victim. Each instance of domestic abuse is reported by Gwent Police to the team on a daily basis and is risk assessed. Everybody is offered support. Support in going to court and progressing through the legal system is now offered by an Independent Domestic Violence Advisor and pan-Gwent training ensures a common approach across agencies. Current initiatives include multi agency data collation, sharing and training of frontline staff and their managers, adoption of the KAFKA and 10,000 Safer Lives recommendations and related initiatives across Newport services.

4 Domestic Abuse																																																	
	Action	2014-15																																															
Number of incidents of domestic violence in Newport and Number of incidents of domestic abuse in Newport	<p>Whilst the general trend over the last 5 years show fluctuation around the 6 mark for Gwent Police recorded Domestic Violence incidents, there has been a significant increase in 14/15. Key contributory factors to the recent increase in reported incidences might have been a heightened awareness and understanding amongst both key front line workers and people in society who are either victims of domestic abuse or are close to such people. Domestic abuse now has a much higher profile on the policy agenda both nationally through the publication of the Welsh Government's Domestic Abuse Strategy as well as locally through the development of work-based policies for domestic abuse. Initiatives such as Clare's Law and the daily DACC (Domestic Abuse Conference Call) are both good examples.</p> <p>Rate per 1,000 The general trend over the last 4 years is fairly steady, with no significant variances.</p> <table border="1"> <thead> <tr> <th></th> <th>Domestic Violence incidents per 1000</th> <th>Domestic Violence incidents numbers</th> <th>Domestic Abuse incidents per 1000</th> <th>Domestic Abuse incidents numbers</th> </tr> </thead> <tbody> <tr> <td>2007/08</td> <td>5.9</td> <td>840</td> <td></td> <td></td> </tr> <tr> <td>2008/09</td> <td>6.1</td> <td>863</td> <td>20.5</td> <td>2891</td> </tr> <tr> <td>2009/10</td> <td>6.2</td> <td>880</td> <td>17.3</td> <td>2445</td> </tr> <tr> <td>2010/11</td> <td>6.1</td> <td>860</td> <td>16</td> <td>2265</td> </tr> <tr> <td>2011/12</td> <td>5.7</td> <td>808</td> <td>17.2</td> <td>2428</td> </tr> <tr> <td>2012/13</td> <td>6.7</td> <td>977</td> <td>21.8</td> <td>3182</td> </tr> <tr> <td>2013/14</td> <td>5.6</td> <td>825</td> <td>19.7</td> <td>2866</td> </tr> <tr> <td>2014/15</td> <td>7.6</td> <td>1111</td> <td>30.5</td> <td>4448</td> </tr> </tbody> </table>		Domestic Violence incidents per 1000	Domestic Violence incidents numbers	Domestic Abuse incidents per 1000	Domestic Abuse incidents numbers	2007/08	5.9	840			2008/09	6.1	863	20.5	2891	2009/10	6.2	880	17.3	2445	2010/11	6.1	860	16	2265	2011/12	5.7	808	17.2	2428	2012/13	6.7	977	21.8	3182	2013/14	5.6	825	19.7	2866	2014/15	7.6	1111	30.5	4448			
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4.1	Establishment of a multi-agency Domestic Abuse (DA) Unit in the Information Station; raising awareness about the Forced Marriage, Honour Based Violence and referral processes
Outcome	More services available to people effected by DA. A consistent and joined up multi agency response
Timetable	Domestic Abuse Unit was established in 2012 Complete a Domestic Abuse data pilot for 2013/14 Implement recommendations from the Gwent Pathfinder Project 2014/15 Support the establishment of the Regional VAWDASV team 2015/16
What have we done?	Various organisations continue to support victims of domestic abuse and sexual violence through the unit including attendance at the fortnightly MARAC. April 2015 saw the introduction of the Domestic Abuse, Violence Against Women and Sexual Violence (Wales) Act 2015 and the VAWDASV Gwent Team. Led by Newport, work is ongoing with regards to the regionalisation of services to victims based in Newport, Torfaen, Monmouthshire, Blaenau Gwent and Caerphilly and through this transition period we have continued to provide services without disruption.

	<p>Demand levels for the IDVA Service were reviewed and two additional IDVAs employed on a temporary basis to ensure victims needs are met until regionalisation is completed.</p> <p>The IDVA review and receive allocations from the DACC on a daily basis and work collaboratively with the other organisations based within the unit including BAWSO, Llamau, NCC Housing Officers and ABUHB staff</p> <p>The Domestic Abuse Unit dealt with 3920 incidents through the Domestic Abuse Conference Call and 304 cases through the Multi-Agency Risk Assessment Conference in 2015/16</p>
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4.2	<p>Training on awareness and referral processes</p> <ul style="list-style-type: none"> • Forced Marriage / Honour based violence/ FGM • Domestic abuse • MARAC (multi agency risk assessment conferences) <p>DASH (Domestic abuse stalking and harassment</p>
Outcome	Council and partnership employees can identify and deal with the issues Communities, in particular women and young people, aware of their rights and the support available
Timetable	On-line and face to face training package developed 2012 onwards
	Awareness raising for employees in schools
What have we done?	<p>In 2015/16, we have regionalised our training provision in line with the establishment of the Gwent VAWDASV team. Training courses delivered include, HBV training (including Forced marriage and Female Genital Mutilation, Domestic Abuse Awareness Training and DASH/MARAC training. Additional Safeguarding traing is delivered in partnership with the South east Wales Safeguarding Children Board</p> <p>The VAWDASV team has also established a Gwent HBV,FM and FGM sub-group to improve the quality of support services within Gwent, raise awareness, identify and support additional training needs.</p>

4.3	<p>Domestic Abuse Strategy for Newport and Action Plan,</p> <p>Domestic abuse directory of services</p> <p>Conference Call Domestic Abuse IT system reviewed</p>
Outcome	<p>Consistent and joined-up approach to identifying corporate and individuals' issues and tackling them.</p> <p>Establishment of a minimum standard of service for all.</p>
Timetable	<p>Strategy, action plan and directory developed 2012</p> <p>Service standards established 2013</p> <p>Multi agency conference call system reviewed Annually</p> <p>Domestic Abuse data pilot complete March 2014</p> <p>Gwent Domestic Abuse Pathfinder Project findings reported to the Local Service Board March 2014</p> <p>Support the establishment of the Regional VAWDASV team 2015/16</p>
What have we done?	<p>Based on the recommendations of the Gwent Domestic Abuse Pathfinder Project Report, we are working with the VAWSDASV Team towards regionalisation of the services to victims of domestic abuse and sexual violence. As part of this our action plan will be reviewed and and developed as required.</p>

	<p>Funding for the Domestic Abuse Co-ordinator or DAC (author fo the Domestic Abuse Directory of Services) has ceased since the introduction of the VAWDASV Team. The directory now needs reviewing and many of the duties previously carried out by members of the Partnership & Policy Team.</p>
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Currently the Independent Domestic Violence Advisors (IDVA) Team work with Gwent Police and attend the DACC (Domestic Abuse Conference Call) daily on a rota basis. The operation of this is reviewed by Gwent Police and protocols adapted/amended depending on the findings e.g. increase in incidents etc.

Equality objective 5

Worklessness

Summary

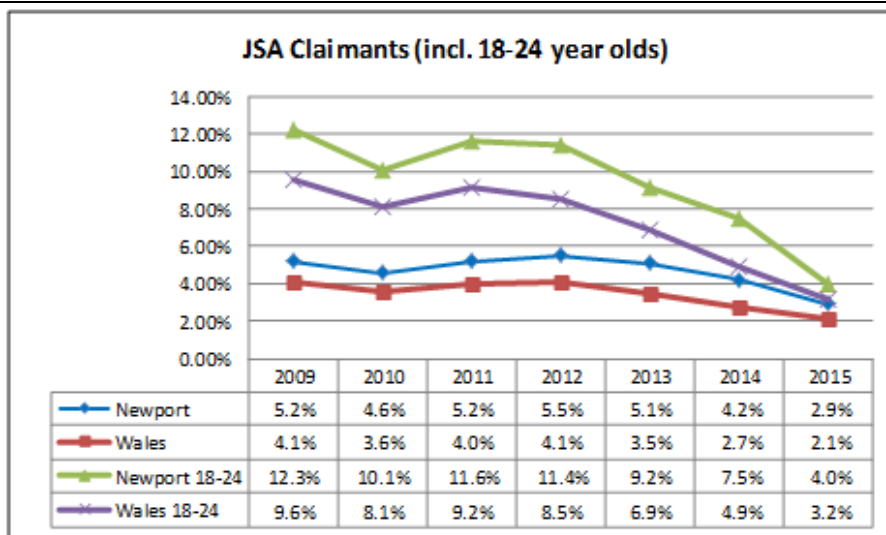
'Skills and Work' remains a Single Integrated Plan priority theme and as such a priority for the Council and there has been strong progress made in this area of work in 2015/16. There has been a significant reduction in the number of young people who are not in education, employment or training and unemployment as measured through Job Seekers Allowance Claimant Rates stood at 2,253 in December 2015, almost 3,000 people less than the high point in December 2012, which equates to a 57% reduction. This is the lowest unemployment has been since 2007.

The progress made by the Council, Communities First, Job Centre Plus and other partners in addressing unemployment (JSA claimants is of vital importance as the rates for long term unemployment and youth unemployment in Newport have been stubbornly high. This improvement is linked with the new approaches in place through the Work Based Learning Academy (WBLA) which provides employment support, work experience and training opportunities. Links between employers and the key agencies are being strengthened, with WBLA also supporting local companies with their recruitment needs.

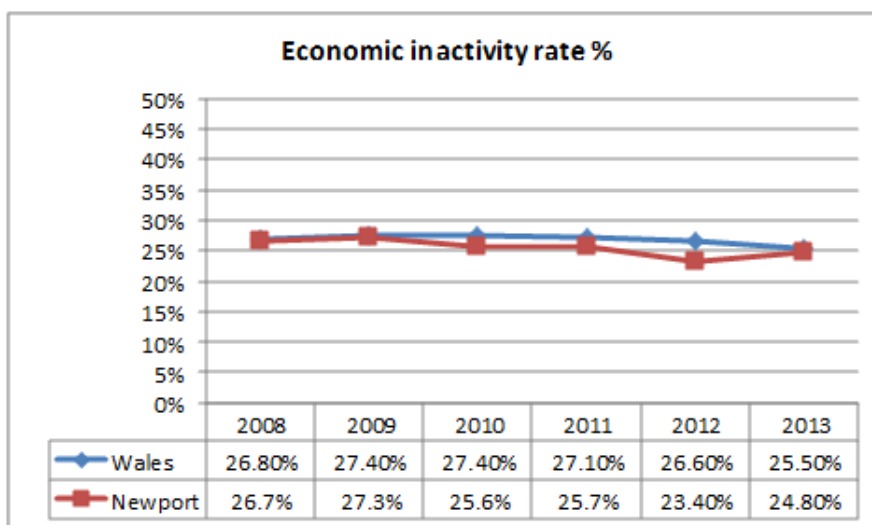
5 Worklessness

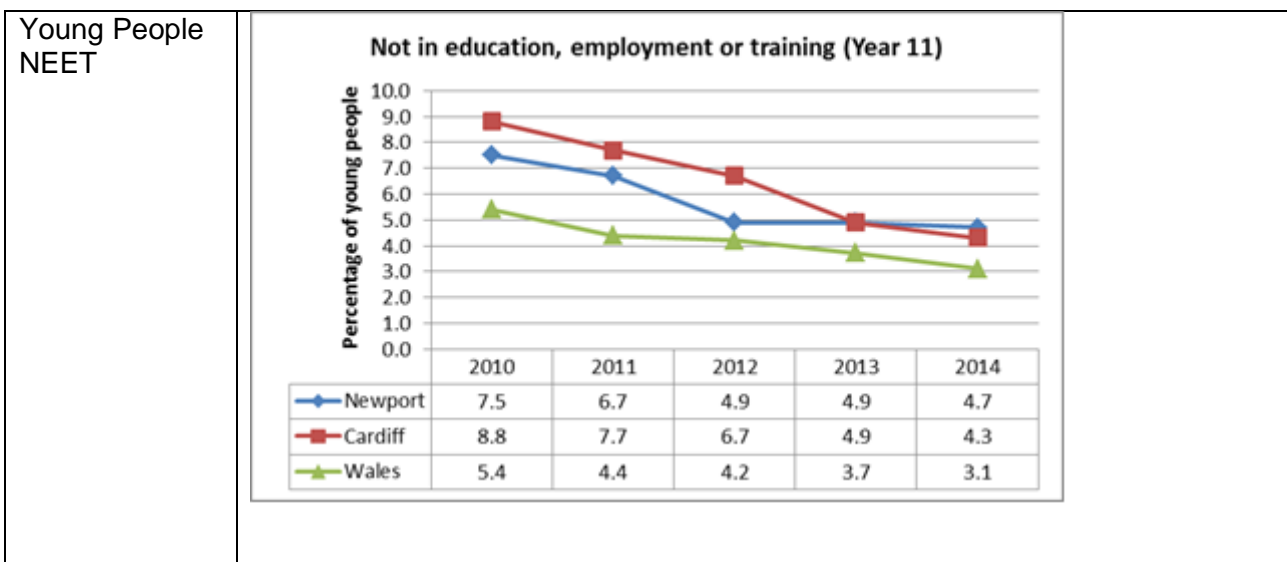
Measure

Unemployment Rate



Economic Inactivity Rate





Equality objective 5 Worklessness – actions

5.1	<p>Community Development Employment Pathway (BME and NEET young people)</p> <p>Employment and Skills Preparation (long term unemployed)</p> <p>Big Lottery Carers Programme Work Programme (6 month+ unemployed)</p>
Outcome	<p>Young people re-engaged in mainstream provision</p> <p>People gain skills to access fields such as construction</p> <p>Training and respite care allows carers to re-enter work/ training</p> <p>People gain skills to access employment</p>
Timetable	The following schemes are in operation in 2015/16
What have we done?	<p>The impact on the numbers of young people not in education, employment and training over the past five years is believed to be a result of the following actions:</p> <ul style="list-style-type: none"> - The development of the Work Based Learning Academy to act as a portal for young people seeking work experience, training and employment, this was launched in December 2013. - Resource for the Young People’s Entitlement Officer post, to focus on reducing the numbers of young people not in education, employment or training. This has now been developed into the role of Youth Engagement and Progression Framework Co-ordinator. - The development and support of a Pre-16 NEET Partnership to focus on prevention; this has undertaken pupil analysis to support early identification at year 7 and has led to the production of the Good Practice Guide to support senior managers in school and has fostered significantly better working relationships between educational institutions and other agencies. - The training of learning coaches by the Young People’s Entitlement Officer to support early identification and put in place support packages at the earliest opportunity. - The Post 16 NEET Partnership which has a focus on information sharing, provision and developing specific employment/learning opportunities and events. This facilitates the engagement of Careers Wales with the Youth

Service and other Youth Support provision within Newport.

- Funding for an Engagement Worker to support the engagement of young people 'unknown' within the system, jointly through Families First and Community Development.
- The development of a Learning Provider Network that ensures that the supply of learning opportunities meets the needs and that placements are available at the correct times.
- The development of an alternative provision handbook, additional support around safeguarding issues and a service level agreement between schools and providers.
- Sector Specific Training – Working in partnership with Friars Walk, VVP and Communities First we have been able to develop funded training programmes for residents and employers. For example; delivering a Friars Walk jobs fair that attracted over 400 vacancies from city centre retailers and over 3000 visitors on the day.
- Community Benefit – Working with a number of contractors in the city who have successfully tendered for work. Arranged work placement, employment and apprenticeship opportunities within the areas of; Street Lighting, Caerleon Lodge School, Domiciliary Care, Pill Redevelopments, Brynglas Tunnels refurbishment, Junction 28 repairs and the Welsh Medium school.
- Apprenticeships – We have developed a scheme to promote apprentices within the authority and with external partners. We have gained accreditation with Agored Cymru to support us with developing pilot schemes. We have identified areas within Community Regeneration where there are skills gaps that the service is unable to recruit suitably skilled staff. A cabinet Member Report has been submitted for comment and we're hoping to have the scheme running by July.
- STEM show case – Working in partnership with COGENT, University and the Celtic Manor to develop an event in 2017 that will showcase STEM employers and their work to young people.
- Employability & Skills group – The group will work collaboratively to support local people to engage in activities that encourage skills development, learning and employability to benefit the local employment agenda.
- The group will develop an Employability & Skills Operational Plan, which aims to create and sustain an environment where unemployed residents have access to a wide range of support, learning and employment opportunities relevant to their needs. The group membership is made up from all employability and skills organisations across the city that delivers activities to Newport residents, organisations from private, public & third sector and meet quarterly.
- ESF approval – We have gained approval from WEFO to deliver the Inspire 2 Achieve programme in Newport. Newport will receive over £1million of grant funding from Europe to deliver interventions to disengaged young people aged 11 to 16. The project will be delivered by the Youth service over a 3 year period to over 550 young people. Aiming to improve young people attainment and attendance.

5.2 Youth Opportunity

5.2	Support young people who are NEETS (not in education, employment or training) or who are at risk of becoming so
Outcome	Young people supported back into education, employment or training within a range of environments
Timetable	Develop use of schools' good practice guide in early identification of pupils, embed protocol to share information and gather data Map provision of learning providers and address gaps Review success summer NEETS programme
What have we done?	<p>Analysis</p> <p>Newport has made a significant impact on the numbers of young people not in education, employment and training (NEET) over the past six years. In 2008 the number of young people leaving year 11 and becoming NEET in Newport was 10.4%. By 2013 we had reduced this figure to 4.9%, in 2014 the figure was 4.7% and by 2015 this has fallen to a record low of 3.1% a reduction of over 70% over a seven year period. Newport now stands above Cardiff, Bridgend, Neath Port Talbot, Rhondda Cynon Taf, Carmarthenshire and Pembrokeshire.</p> <p>The Youth Engagement and Progression Framework (YEPF) is for everyone working with and supporting young people to engage and progress in education, training and work. This Framework is focused on reducing the number of young people aged 11 to 25 who are not engaged in education, employment or training (NEET). There are six components to this Framework and they are as follows:</p> <ul style="list-style-type: none"> - Identifying young people most at risk of disengagement. - Better brokerage and coordination of support. - Stronger tracking and transitions of young people through the system. - Ensuring provision meets the needs of young people. - Strengthening employability skills and opportunities for employment. - Greater accountability for better outcomes for young people. <p>There is an action plan for the Framework and this action plan is monitored by the strategic YPEET group.</p> <p>The strategic group for this framework is the YPEET chaired by the Chief Education Officer. This group has developed a delivery system centred on the needs of young people, with clear roles and responsibilities between the range of organisations working with young people and strong local leadership by local authorities and their partners.</p> <p>From the strategic YPEET group there are 3 working groups:</p> <ul style="list-style-type: none"> • The first is the Pre 16 NEET group which is chaired by the Assistant Head of Education. The Assistant Head of Education has a responsibility to secure positive outcomes for school attendance and NEETs in partnerships with schools and other stakeholders. • The second group is the 16-18 practitioner group which is chaired by the Engagement and Progression Coordinator (EPC). A spreadsheet is compiled consisting of all young people who are in tier 2. A number of internal and external agencies are members of this group and all young people are allocated a Lead Worker who then is accountable to this group. A separate tier 1 meeting also takes place where agencies are assigned to try and locate

the young people who are 'unknown'.

- The final group is the Learning Provider Network which is also chaired by the EPC. The group consists of all Learning Providers and ensures the EPC is working closely with all pre and post-16 providers in Newport to ensure learner engagement and progression. The EPC is again seen as neutral and feeds back to the strategic YPEET group.

The impact on the numbers of young people not in education, employment and training over the past six years is believed to be a result of the following actions:

- A clear, challenging, strategic focus at the highest level within Newport City Council.
- The development of the Work Based Learning Academy to act as a portal for young people seeking work experience, training and employment, this was launched in December 2013.
- Resource for the Young People's Entitlement Officer post, to focus on reducing the numbers of young people not in education, employment or training. This has now been developed into the role of Youth Engagement and Progression Framework Co-ordinator.
- The development and support of a Pre-16 NEET Partnership to focus on prevention; this has undertaken pupil analysis to support early identification at year 7 and has led to the production of the Good Practice Guide to support senior managers in school and has fostered significantly better working relationships between educational institutions and other agencies.
- The training of learning coaches by the Young People's Entitlement Officer to support early identification and put in place support packages at the earliest opportunity.
- The Post 16 NEET Partnership which has a focus on information sharing, provision and developing specific employment/learning opportunities and events. This facilitates the engagement of Careers Wales with the Youth Service and other Youth Support provision within Newport.
- The setting up of the 16-18 Practitioner group whereby young people are allocated a Lead Worker.
- Funding for an Engagement Worker to support the engagement of young people 'unknown' within the system, jointly through Families First and Community Development. This funding has now stopped but resource is provided through the internal teams which the EPC coordinates.
- The development of a Learning Provider Network that ensures that the supply of learning opportunities meets the needs and that placements are available at the correct times.
- The development of an alternative provision handbook, additional support around safeguarding issues and a service level agreement between schools and providers.

6. Strategic Action Plan – Corporate compliance

The governance of the equality agenda remains strong with regular reporting both through the One Newport partnership, and through the annual Cabinet reporting process. Other relevant reports also reference the strategic equality agenda – the annual customer complaints report is an example of this. There has been increased emphasis on the importance of using and publishing equality impact assessments, in particular around proposals for change and budget setting.

The Strategic Equalities Group continues to facilitate governance and delivery of the Equality Act and the new Welsh Language Standards.

Every four years the Council is required to agree a new Strategic Equalities Plan. This plan defines the equalities for the next three years and was agreed by Cabinet in February 2016.

The Well-Being of Future Generations Act (Wales) was also introduced in 2015/16. The Act puts in place a sustainable development principle which means that the Council must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. The Act also puts in place wellbeing goals that support equality, community cohesion and welsh language, as outlined in this report.

	Action	Outcome	Timetable	What have we done?
6.1	Monitoring Undertaken through the Strategic Equalities Group	Council has up to date information on progress against the Strategic Equality Plan	Annually	The Strategic Equalities Group was established in May 2015 and whose membership consists of Heads of Service, relevant Policy Officers and Members including Cabinet Member and Equalities Champions. This will continue in 2016/17. An officer Welsh language group also monitors implementation of welsh language standards and development in provision.
6.2	Reporting Annual report to Cabinet, IFS Public Affairs, Cabinet member resources and the Corporate Directors' team	Progress against the SEP and Action Plan scrutinised and evaluated. Arising issues dealt with.	Annually	For 2015/2016 the Annual Equality Report will go to Cabinet in September. The reports will be published online as previously
http://www.newport.gov.uk/dc/index.cfm?fuseaction=equalities.homepage				
6.3	Equality Impact Assessments Included in Service Area Plans. Annual list of upcoming EIAs and completed EIAs published on-line	Council decisions and planned work equality proofed to ensure that people benefit equally. People recognise that the Council has fair and open decision making	Service areas responsible for their own EIAs Annually Review compliance and quality Annually	The primary focus for the Equality Impact Assessment for the last five years has been the budget setting process See links below.

		processes		
6.4	Web pages hold relevant equality information -Equality Impact Assessments -Annual Equality Reports -Consultation	Council complies with equalities legislation and is recognised as open and accountable	Updated regularly, in some instances annually	Web paged currently hold information on EIAs Annual Equality Reports Consultation and Customer engagement. See Section 1, Budget setting
http://www.newport.gov.uk/en/Council-Democracy/Equalities-the-Welsh-language/Equalities.aspx				
6.5	Training • Equality awareness e-learning Targeted service specific training on • equalities • access to services • customer service • standards and processes	Council employees aware of obligations of the Equality Act 2010 Customers receive timely, high quality services	Corporate and service area targeted courses arranged as required and monitored annually	During 2015-2016 NCC offered the following equalities courses Equalities an Introduction 93 Participants Fairness & Equality Impact Assessment 43 Participants Welsh at Work (Taster) 16 Participants Welsh Language Awareness 89 Participants Bridge Street Training for employees and people providing services for Social Services have programmes of training in which equalities is integrated, to ensure parity of service across the sector. Further information on training can be found under Objectives 3 and 4 on cohesion and domestic violence
6.6	Review of procedures on procurement, grants and sponsorships to mainstream equalities requirements	Council ensures that equality duties are passed on to other bodies so that the public receives a fair and seamless service	2013-4 consult officers on an approach suitable for Newport. Pilot procedure for reviewing contract requirements 2014-2015 mainstream new procedures	This will be taken forward via the Strategic Equality Group in 2016-2017 at the same time as considering the new requirements of the Welsh Language Standards and the Wellbeing of Future Generations Act in procurement NCC's Community Benefits Clause ensures that our procurement processes maximise the benefits for local people and the local economy
6.7	Employment monitoring in-line with the Strategic Equality Plan and published on-line	Council complies with the Equality Act Council identifies any issues and	Annually	Employment monitoring is ongoing. The HR/ Payroll system was improved in 2012 to accommodate more equalities workforce information. See Section 3 on employment information

		differences in employment patterns		
6.8	Pay and Grading Review – To review current pay, grading, terms and conditions of employment for all NJC for LA employees. Conduct Equality Impact Assessment	Development, agreement and implementation of a new contract of employment for said employees Ensure that stakeholders are involved in the process and outcome is fair	2013 as per Service Area Plan and Business Unit Plan	Completed a comprehensive review of pay, grading and terms and conditions of employment. Under the auspices of collective bargaining, negotiated and agreed a new Newport City Council Single Status contract of employment for all NJE for LA Employees. Following a trade union ballot of their members, agreement was reached on 18 May 2015.
6.9	Maintain the integrity of the new Pay and Grading structure by establishing a robust Job Evaluation process that underpins the principles of the Scheme.	Develop a process of reviewing new and revised job descriptions evaluated in line with the principles of the Scheme. Ensuring a fair and equitable evaluation process. Implement policy/guidance /training for users of the Scheme and job evaluation.	Service Area and Business Unit plan 15/16	Ongoing Job Evaluation process established, working practices established to ensure integrity of the scheme and new posts evaluated in accordance with the Scheme. An equitable and fair evaluation process established. Policy/guidance notes developed and implemented for job evaluation process cascaded out to users of the Scheme within organisation. Clear understanding of the Scheme and job evaluation established

Annex 2

Specified employment information

Workforce statistics for Newport City Council, April 2015 - March 2016

- Number employed in relation to sex by job, grade, pay, contract type and working patterns
- Number employed, job applicants, leavers, transfers, grievances, disciplinarians by age, sex, marital status, religion or belief, gender reassignment, pregnancy and maternity and ethnic group

Data source TRENT and 2011 census data where available for comparison

Analysis

The data is on some 6,516 council employees (including teaching staff). This reflects a drop of 7.3% on the previous year when we employed 7,027 employees, however the transfer out of our Sports and Leisure facilities represents the majority of this decline.

- Female employees make up approximately 71% of the workforce
- Male and female pay pattern are very similar up until earnings of £55,000 and above, where less than 1% of female employees are in this category as opposed to 2.8% of male employees.
- Slightly higher percentage of women than men are on Permanent Contracts (71%:70%) and a higher percentage of men are on Casual Contracts (9%:13%.)
- There is a significant difference in working patterns. Nearly 67% of men work full time compared to only 32% of women
- The number of employees peak at the 45-49 age category. Job leavers peak in the 50-70 age categories. For job applicants the highest number of applications came from the 16 -24 and 25-34 age categories, but our workforce still has only 6.7% of employees in the 16-24 age category.
- The percentage of male applicants is slightly higher than that of the employee population (25%:24%) which over time could result in a higher male proportion of the workforce. However, this is offset by the higher percentage of men leaving the authority than are currently employed (38%:25%)
- The percentage of leavers identifying as disabled (2%) is comparable to the number of employees that identify as disabled (1.7%).
- The percentage of disabled employees and disabled job applicants is low (1.7% and 4.5%) compared with the 2011 census showing 10.6% of the Newport population stating their day to day activities are limited a lot, however this has increased on the previous year where we had 3.5% of disabled job applicants.
- A proportion of job applicants either did not complete the following information 2.6% 'age', 0.7% ethnicity, 3% marital status, 1.9% for gender, 9.4% disability, 10.5% sexual orientation 8.5% religion or belief. All of these categories bar age have seen lower numbers of applicants not wishing to complete this information, indicating that job applicants are becoming more content to disclose this sensitive information.

- The proportion of BME employees is lower than that of the population of Newport. With 0.7% of job applicants not declaring their ethnicity we don't know whether they reflect the population. In any case the proportion declaring themselves to be 'white' does reflect Newport's population.

Data availability (training, transfers and grievances)

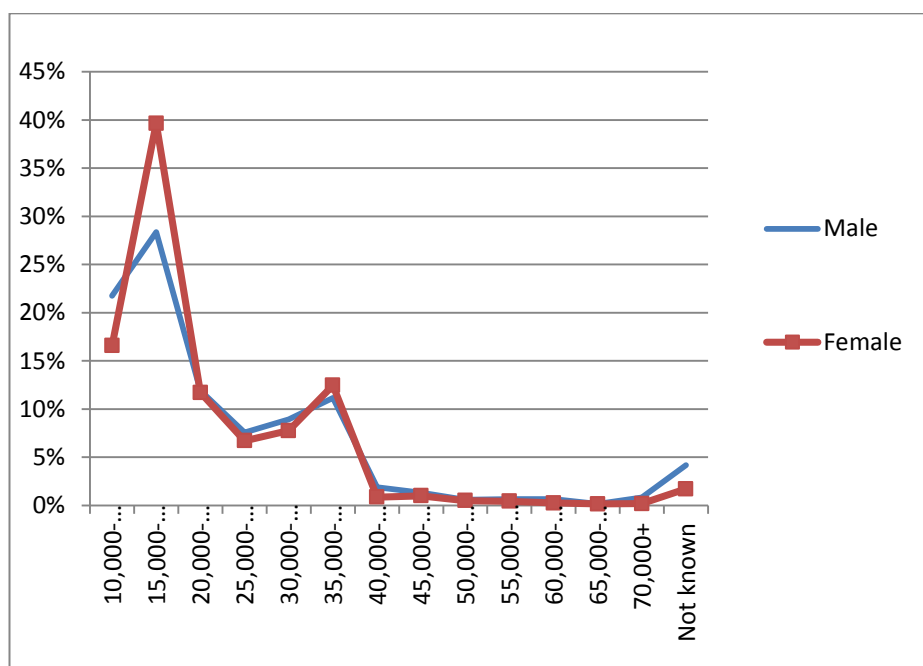
We are unable to report reliably on employees who have applied to change position within the authority against those who were successful; those that have applied for and were successful in receiving training and those who completed training. We are also only able to report on the complainant in relation to the grievances category, not on those against whom the complaint was made.

We intend to conduct further work in this area in 2016/17 to improve the reliability and quality of our employee data monitoring.

Employee Equalities Tables and Graphs as at 31 March 2016 or as monitored throughout the 2015-2016 financial year

Pay band by sex

Pay band (£)	Male	%	Female	%
10,000-14,999	184	12%	561	11%
15,000-19,999	526	35%	2020	40%
20,000-24,999	162	11%	691	14%
25,000-29,999	145	10%	386	8%
30,000-34,999	101	7%	302	6%
35,000-39,999	258	17%	806	16%
40,000-44,999	16	1%	42	1%
45,000-49,999	18	1%	41	1%
50,000-54,999	15	1%	35	1%
55,000-59,999	10	1%	16	0%
60,000-64,999	8	1%	16	0%
65,000-69,999	7	0%	7	0%
70,000+	17	1%	11	0%
Not known	30	2%	85	2%
Total	1497	100%	5019	100%



Contract Type by Sex

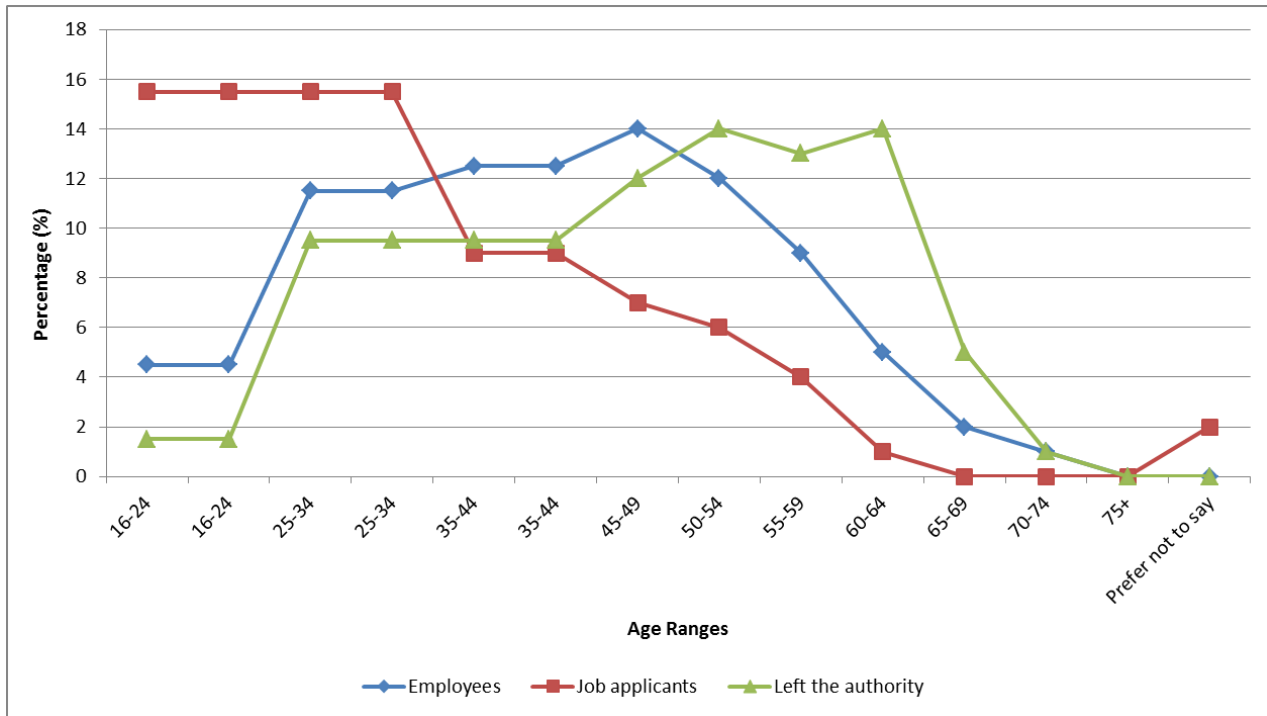
Contract Type	Female	%	Male	%
Permanent	3579	71.3	1053	70.3
Acting Up	64	1.3	25	1.7
Casual	443	8.8	195	13.0
Fixed Term	828	16.5	182	12.2
LTS cover	1	0.0	0	0.0
Mat Cover	8	0.2	2	0.1
Seasonal	85	1.7	31	2.1
Secondment	5	0.1	4	0.3
Sessional	3	0.1	3	0.2
Supply	0	0.0	1	0.1
Temporary	3	0.1	1	0.1
(Blank)	0	0	0	0
Total	5019	100	1497	100

Working Pattern by Sex

Working Pattern	Female	%	Male	%
Full Time	1619	32.3	1000	66.8
Part Time	3297	65.7	495	33.1
Job Share	103	2.1	2	0.1
Total	5019	100	1497	100

Age profile of employees, job applicants and leavers

	Employees (as of 31 st March 2016)	%	Job applicants	%	Left the authority	%
Age	6181	100	4550	100	369	100
16-24	417	6.7	946	20.8	18	4.9
25-34	1407	22.8	1583	34.8	68	18.4
35-44	1590	25.7	899	19.8	74	20.1
45-49	857	13.9	361	7.9	49	13.3
50-54	811	13.1	321	7.1	51	13.8
55-59	621	10.0	247	5.4	36	9.8
60-64	310	5.0	64	1.4	47	12.7
65-69	117	1.9	11	0.2	24	6.5
70-74	38	0.6	1	0.0	1	0.3
75+	13	0.2	0	0.0	1	0.3
Prefer not to say	0	0.0	117	2.6	0	0



Sex

Profile of employees, job applicants and leavers by sex

Sex	Employees (as of 31 st March 2016)	%	Job Applicants	%	Leavers	%
Female	4682	75.7	3307	72.7	229	62.1
Male	1499	24.3	1156	25.4	140	37.9
Unknown	0	0.0	87	1.9	0	0.0
Total	6181	100	4550	100.0	369	100

Marital Status

Marital Status	Employees (as of 31 st March 2016)	%	Job Applicants	%	Leavers	%
Civil Partnership	4	0.1	22	0.5	0	0.0
Divorced	252	4.1	231	5.1	18	4.9
Living with Partner	494	8.0	662	14.5	29	7.9
Married	2930	47.4	1435	31.5	184	49.9
Separated	89	1.4	95	2.1	8	2.2
Single	1957	31.7	1950	42.9	111	30.1
Widowed	44	0.7	20	0.4	1	0.3
Would prefer not to specify	41	0.7	37	0.8	3	0.8
(Blank)	370	6.0	98	2.2	15	4.1
Total	6181	100	4550	100	369	100

Disability

Profile of employees, job applicants and leavers by disability

Disability	Employees (as of 31 st March 2016)	%	Job applicants	%	Leavers	%
Total	6181	100	4550	100	369	100
Disabled	106	1.7	203	4.5	8	2.2
Not disabled	5935	96.0	3872	85.1	349	94.6
Not known	36	0.6	47	1.0	3	0.8
(Blank)	104	1.7	428	9.4	9	2.4

Sexual Orientation

Sexual Orientation	Employees (as of 31 st March 2016)	%	Job applicants	%	Leavers	%
Total	6181	100	4550	100	369	100
Heterosexual	1369	22.1	3909	85.9	113	30.6
Homosexual	12	0.2	56	1.2	0	0.0
Bisexual	6	0.1	64	1.4	1	0.3
Lesbian	11	0.2	43	0.9	0	0.0
Declined to Specify	174	2.8	213	4.7	6	1.6
(Blank)	4609	74.6	265	5.8	249	67.5

Religion or Belief

Religion	Employees (as of 31 st March 2016)	%	Job Applicants	%	Leavers	%
Agnostic	105	1.7	373	8.2	8	2.2
Atheist	180	2.9	646	14.2	18	4.9
Buddhist - Hinayana	3	0.0	7	0.2	1	0.3
Buddhist - Mahayana	3	0.0	7	0.2	0	0.0
Christian - Orthodox	142	2.3	318	7.0	5	1.4
Christian - Protestant	356	5.8	815	17.9	28	7.6
Christian - Roman Catholic	183	3.0	479	10.5	13	3.5
Hinduism	3	0.0	29	0.6	0	0.0
Islam - Shiite	0	0.0	0	0.0	4	1.1
Islam - Sunni	25	0.4	13	0.3	2	0.5
Judaism - Reformed	0	0.0	0	0	0	0.0
Not Specified	424	6.9	128	2.8	27	7.3
Other	97	1.6	1038	22.8	10	2.7
Sikhism	1	0.0	305	6.7	1	0.3
Taoism	1	0.0	4	0.1	0	0.0
(blank)	4658	75.4	388	8.5	252	68.3
Total	6181	100	4550	100	369	100

Ethnic Group

Ethnic group comparison, Newport's population, NCC employees, job applicants and leavers.

Ethnic Group	Employees % (as of 31 st March 2016)	Job Applicants %	Leavers %	Newport %	Wales %
Total White	94.5	89.2	94.1	89.9	95.6
Total Mixed / Multiple Ethnic Groups	1.5	3.0	1.1	1.9	1
Total Asian/Asian British	1.7	3.6	2.1	5.4	2.2
Total Black / African / Caribbean / Black British	0.9	2.9	2.	1.7	0.6
Total other ethnic group	0.3	0.3	0.2	1	0.5
Prefer not to say / Unknown	0.2	0.7	0.5	0.1	0.1
Total	100	100	100	100	100

NCC employees by ethnic group (detailed breakdown)

Ethnic Group	Employees % (as of 31 st March 2016)	Job Applicant %	Leavers %
Asian or Asian British - Bangladeshi	0.4	1.0	0.4
Asian or Asian British - Indian	0.4	0.8	0.7
Asian or Asian British - Other	0.4	0.7	0.4
Asian or Asian British - Pakistani	0.5	1.1	0.7
Black or Black British - African	0.4	2.2	1.1
Black or Black British - Caribbean	0.5	0.5	0.7
Black or Black British - Other	0.0	0.2	0.2
Chinese or Other - Chinese	0.1	0.3	0.2
Chinese or Other - Other Ethnic Group	0.1	0.0	0
Mixed - Other	0.3	1.2	0.5
Mixed - White & Asian	0.2	0.3	0.2
Mixed - White & Black African	0.2	0.3	0
Mixed - White & Black Caribbean	0.4	1.1	0
White - British	70.1	59.2	74
White - English	2.0	2.0	2
White - Irish	0.7	0.4	0.4
White - Other	2.0	1.8	2.1
White - Other European	0.4	2.2	0.9

White - Scottish	0.2	0.2	0.4
White - Welsh	19.1	21.6	14.4
(Blank)	1.2	1.8	0
Not Stated	0.1	0.6	0.2
Prefer not to say	0.1	0.1	0.2
Unknown	0.1	0.0	0.2
Total	100	100	100

Gender Reassignment (2015/2016)

We do not yet capture this information

Contact: shereen.williams@newport.gov.uk

Approved by Cabinet: September 2016



Report

Cabinet

Part 1

Date: 12th September 2016

Item No:

Subject Update to Medium Term Financial Strategy

Purpose To update the Cabinet on the current financial outlook and resourcing for Welsh local authorities, and outline the current planning assumptions and projections which form the basis of Newport City Council's medium term financial plan

Author Head of Finance

Ward n/a

Summary Despite the better anticipated than settlement in 2016/17, the financial challenges facing Welsh Local Councils continues, and councils are still bearing the brunt of austerity. The Chancellor's budget in March announced further spending cuts in the public sector to 2019/20, on the backdrop of a worsening global economic backdrop and the target for reducing the government debt. Following Brexit and subsequent changes to the Prime Minister and government Cabinet, there has been no alternative budget brought, and whilst the national Government has indicated it may allow longer to reach a balanced national budget, the planning process for the budget needs to continue on the assumption that austerity is set to continue for the foreseeable future.

Under this context, the Council needs to follow a robust strategy in planning for and meeting its medium term financial outlook and 2017/18 budget in particular. Essentially, there are 2 distinct parts to this overall strategy – (i) updating our financial strategies and assumptions where necessary to identify the medium term financial challenges, and (ii) developing plans to deal with the challenges which deliver sustainable services to the public and continues to meet the Council's priorities.

This report updates the Council's financial strategy by reviewing and updating where necessary the key contextual issues affecting our planning assumptions, key issues around managing risk, performance and financial resilience, and other financial assumptions made within the Councils medium term financial plan to update the resulting budget challenges, over the medium term.

The report then sets out some of the key strategies already in place to reduce and minimise some of the financial challenges identified and other strategies to address the potential budget gap over the medium term.

Proposal Cabinet are asked to:

- Approve the current key planning parameters in setting out the current budget gap for 2017/18 and the Medium Term, noting that this work is subject to on-going refinement and updating over the autumn.
- Note and approve the current working strategies officers are working under to provide budget solutions to the current level of budget challenge,
- In particular, to approve the continuation of the working strategy in relation to school funding in the next financial year which 'cash freezes' school budget, noting that this could be reviewed in light of the draft settlement when known but any flexibility can only be used if there is a significant improvement in the Council's budget gap / WG funding at that point.
- Note the Head of Finances comments and observations on the current risks facing the budget, how they are being managed and financial resilience issues.
- Note the current level and projected use of reserves and how these are utilised in the context of the Medium Term.

Action by HoF / SLT / CMT – develop budget proposals and discuss with Cabinet
 HoF / Chief Education Officer – discuss schools funding strategy with school's / forum and develop plans to meet the financial challenges of the funding strategy outlined.

Timetable Included within this report

This report was prepared after consultation with:

- Senior Leadership Team
- Statutory officers

Signed

Background

GENERAL BACKGROUND

Economic Context/Position

1. This Budget Strategy update report is written in the context of continued and sustained financial restraint. The implication of the Government's spending policy assumptions as set out in its March 2016 Budget was for further spending cuts across the public sector of £3.5bn, of which a significant value is likely to fall onto local authorities. This follows the deterioration in economic figures produced by the Office of Budget Responsibility (OBR) which showed a revision downwards on forecast growth of 2% this year, down from growth prediction of 2.4% produced in November 2015.
2. Globally, there is a significant uncertainty about the outlook for global growth. The slowdown in the Chinese economy and the knock-on effects for trading partners and commodity prices, the uncertainty over the outcome of the presidential election and the impact of the EU referendum, are all resulting in significant uncertainty for world economies.
3. In particular, the result of the EU referendum in June has caused uncertainty around the future economic position of the country, with the WLGA saying it will have "serious consequences for Welsh councils both as the largest employer in Wales and as deliverers of public services". The immediate impacts that occurred following the referendum included the downgrading of the UK's triple-A rating by a number of credit rating agencies and a reduction in the exchange rate for the pound. However, the impact over the medium to long-term are extremely difficult to predict and the emerging impacts of the UK's exit from the EU will need to inform future forecasts, when known.
4. Following the decision to leave the EU and subsequent new prime minister, there was an expectation that there would be an emergency UK budget, however this is now unlikely and the planning is to continue in the line of the March 2016 budget. However, George Osborne's target of producing a budget surplus by 2020 has now been abandoned, and while it is the government's intention to reduce public spending and cut the budget deficit, there is no longer the intention to reach a budget surplus by the end of the current parliament. This suggests that the government could borrow more, therefore reducing level of spending cuts in each year and therefore take longer to balance the UK budget.
5. The Local Government Pension Scheme and its associated deficit could also be a significant issue. These are affected by the current economic environment and uncertainties following the EU Referendum which has seen 'gilts rates dropping, these being key factors in valuing public sector pension funds.. This is likely to mean that across the public sector, employer contributions are likely to be required to increase in order to reduce any increase in deficit.
6. This national uncertainties summarised above are compounded by then having a further layer of uncertainty around WG policy decisions affecting Local Government funding and there is still no indicative figures on future settlements.

Welsh Government Context/Position

7. The WG 2016/17 settlement was more positive than anticipated, with an average decrease in grant (Aggregate External Financing) of 1.4% across Wales. The 2016/17 Budget report set out that the percentage decrease in grant funding from WG to Newport Council for 2016/17 was 0.7%. This settlement as per previous recent settlements was for one year only, and did not provide any indicative figures for future years. Whilst the Welsh Local Government Association (WLGA) continues to lobby WG for more certainty for councils in respect of financial planning no indication has been given to date that this information will be provided.
8. The 2016/17 production of the draft and final settlements from WG were delayed with the draft being produced in December and the final settlement not being received until March. This led to

uncertainty in setting the 2016/17 budget, and following the draft settlement coming in at lower than the 2.5% reduction assumed, meant that savings could be decreased, removed or deferred into future years. The 2017/18 settlements have been confirmed as **19th October 2016** for the publication of the provisional settlement and **21st December 2016** for the final settlement – back to ‘normal timescales’. This will allow the Council to have more timely assurance on the 2017/18 financial position though this does not detract from the need to work up detailed business plans to meet the predicted budget challenge as soon as possible and that work has already started. A 1% reduction in central grant from WG equates to a c£2m cash reduction, the current assumption in the MTFP is for a 1.25% reduction in grant funding from WG, this equates to a reduction of £2.6m.

9. As indicated, the economic context that not only local government but also WG work under is difficult and uncertain, and WG also face budget reductions in the coming years. The WLGA agree that it's not just a case of seeking to achieve further funding, but to seek a new relationship with WG where the gravity of the situation is recognised, accurate and transparent information is reported and flexibility is maximised. They highlight a number of ways in which this can be achieved:

- Link any protection for schools more directly with Aggregate External Finance (AEF)
- Greater equity of consideration of the preventative services provided by local government such as social care and housing
- De-hypothecation of all specific grants into the RSG
- Greater coordination across Welsh Government departments in any aspects of policy making that affect local government
- A thorough review of the costs and benefits of audit and regulation
- A review of the impact of universal benefits and subsidised service delivery where these are proving unsustainable for councils
- Full consideration of the devolution of powers to councils, including the retention of business rates growth
- Greater clarity for the future with the issue of multiyear settlements
- Recognition that at a time of increasing financial risk, a council making cuts also needs to increase reserves to reflect the increased volatility of its budget
- Realism in terms of new legislative duties for Councils and far more robust financial impact assessments of new policies.

10. ‘Specific grant’ funding has increased from £680m in 2009-10 to over £900m in 2015-16 as new initiatives have grown more quickly than older grants are rolled into the settlement. Many grants are aimed at achieving very similar outcomes, often over-lapping or duplicating activity while at the same time restricting in how authorities design their service delivery in achieving those outcomes, potentially to the detriment of innovation. Examples include Communities First (£29m), Family First (£43m), Flying Start (£76m), and Supporting People (£124m).

Council Context/Position

11. The Council’s Corporate Plan ‘Standing up for Newport’ for the period 2012-2017 set out the strategic ambitions for the five year period, with financial planning being a critical part of ensuring that viable, effective services can continue to be delivered to local people. A key objective of the plan is to ensure the council priorities and plans are funded and this is driven by the Medium Term Financial Plan. The Council has identified 8 Improvement Objectives which fit into the Corporate Plan themes as follows:

- A Caring City
 - Ensuring people have the right social services to meet their needs
 - Improving independent living for older people
- A Fairer City
 - Ensuring people have access to suitable accommodation
- A Learning and Working City
 - City regeneration and development

- Supporting young people into education, employment or training
 - Improving educational outcomes for children
 - A Green and Healthy City
 - Increasing recycling
 - A Safer City
 - Preventing offending and re-offending of young people
12. This Corporate Plan takes the Council up to the elections in 2017. Following elections it is likely the elected party would implement a new plan for the following four years. Future budget strategies would need to reflect any changes to this plan. This will be in the context of a vastly different local government and economic environment in comparison to the current Corporate Plan and will need to reflect the current position of local authorities.
13. In 2016 the Council approved the 'Newport 2020' strategy which built upon the previous 'Prospectus for Change 2013-17' programme. This document – Newport 2020 – underpins the Council's budget strategy and the Corporate Plan and reflects on the increasing financial challenge the Council is facing, along with the challenges it faces from services that need to change to reflect the different characteristics of the communities across the city. New legislation has also been passed which the budget strategy needs to be aligned with, such as the Wellbeing and Future Generations Act, the latter issue which will be the subject of extensive consultation over the next 12 months or so.
14. 'Newport 2020' sets out in detail how each service in the Council will change over the next 4 years. More work is required to 'flesh out' the Newport 2020 summary plan and this will need to be done in conjunction with, and should be informed by the development of the Council's new Corporate Plan. The Newport 2020 plan will need to clearly articulate what change to services will be implemented over the next 4 years with supporting business plans. Given the scale and timing of the financial challenges, work has already started to flesh out aspects of the Newport 2020 plans and this continues. It will address a number of key principles which will be central to the ongoing transformation of the organisation:
- Better use of technology
 - Ability to generate more income
 - How we can use community capacity more effectively?
 - How we can manage demand as the city grows and resources reduce?
 - What potential alternative delivery models could we consider putting in place?
 - What is the vision for each service by 2020 and how will we judge whether we have succeeded?
15. The above Corporate Plan, Improvement Objectives and Newport 2020 look to have a golden thread in which the budget strategy can be aligned with. Inevitably, with the current financial constraints of that the public sector finds itself, the resources available for investment are limited and plans will need to be realistic in respect of finances and importantly, set out very clear priorities in order that finances can be prioritised for these. However, the Authority's base budget provides the resources required to meet the numerous targets linked to the current Improvement Objectives, the Council has money set aside in an Invest to Save reserve to support Change/Efficiency Programme which will assist in achieving the objectives and there is further investment included in the MTFP to support funding for new schools in addition to investment in schools on the capital programme. Savings will also need to be aligned with Corporate Plan policies where possible and also take into account with legislation such as the Wellbeing and Future Generations Act.
16. In addition to this, as part of the Council's change programme, an updated 'New Ways of Working (NWOW)' programme is being developed to make council processes more efficient and improve the services we deliver to our customers. It follows the current NWoW programme which focussed on agile working, , procurement savings, business support review, channel shift and rationalisation of IT application including Electronic Document Management Systems There are 4 key themes to the updated NWOW programme as follows:

- Technology
- Demand Management
- Customer Engagement
- Business Process Reengineering

17. The NWO programme and savings linked to the Newport 2020 strategy document will enable there to be a clear alignment to the corporate objectives of the Council and the budget strategy moving forward.

18. Finally here, Cabinet will be aware of the following local issues:

- WG revenue support grant makes up 80% of the Councils total net funding. What WG do with this grant is very significant. This figure is high across all Welsh Councils relative to English Councils and is one of the highest in Wales, given this Council's total funding position against its Standard Spending Assessment (SSA).
- The Council spends c£7.4m less than its SSA, due to its relatively low Council Tax. This limits the opportunities to find savings, relative to other Councils and it is clear that 'capacity' within Newport Council is lower relative to others.
- The Councils Council Tax is one of the lowest across Wales (and UK) and is historical. It is not possible to increase it to that level assumed within the SSA and average across other Councils due to risk of 'capping'. In addition, 23% of any increased funding coming from Council Tax increases are lost locally, due to the need to fund a corresponding increase in Council Tax Reduction Scheme payments since funding responsibility for this was transferred to the Council from WG.
- As a 'growing city' demands and costs are increasing right across the services provided by the Council, while funding is being reduced. This is causing increasing pressures on the MTFP requiring further savings to be found to balance the budget.

RISKS, FINANCIAL RESILIENCE & PERFORMANCE

19. As well as National, Welsh and Newport local contexts and key issues, key drivers in setting out our budget strategy and MTFP framework is the need to manage the Councils general and financial specific risks, its financial resilience and performance. This next section looks at these issues and identifies how they are dealt with currently and issues which need consideration in setting out the Councils 2017/18 and medium term budgets.

Risk

20. The Council maintains a corporate risk register which is regularly reviewed by the Corporate Leadership Team and Cabinet, as well as the Audit Committee from a procedural/risk management framework viewpoint. The Council's budget strategy and MTFP framework needs to reflect risks and incorporate appropriate financial mitigation, where required. The table below lists the current approved corporate risks at the time of writing, though these will be updated at the September Cabinet which will then require further on-going review from our budget strategy viewpoint

Table 1. Corporate Risk Register and associated financial mitigation

Risk	Financial planning mitigation
1. Social Services Act – increased responsibilities and associated costs	Appropriate service pressures are reviewed in relation to this, as needed.
2. Increasing Ageing Population – puts significant strain on services and costs	The MTRP has always and currently does reflect the demographic pressures in Social Care budgets

3. Total Reward – complex project dealing with equal pay issues	The base budget has provision for the increased costs associated with the new pay/grading framework and adequate specific reserve exists to deal with one-off costs of equal pay settlements, pay protection and project costs
4. Welsh Language Standards – increasing responsibilities and costs, including fines for non- compliance	This was funded in the 2016/17 budget
5. Budgets and Statutory Services – compromises statutory services	All budget saving proposals are supported by robust business plans which highlight, amongst other things, impacts on service delivery / statutory requirements
6. Safeguarding – Council policies/procedures may be inadequate to protect vulnerable children / adults	No current specific financial issue. All budget saving proposals are supported by robust business plans which highlight, amongst other things, impacts on service delivery / statutory requirements
7. Friars Walk – developer unable to sell / re-finance at level required to pay back the Council	Project Governance is designed to highlight any problems early in this respect.. In addition, specific reserve has provision to cover some losses and legal arrangements provides adequate security against the Council loan facility
8. Information Governance – arrangement for protecting data inadequate leading to fines.	No current financial issues here. The Councils current base budget funds a data governance team which provides oversight, training, awareness and advice in this respect.

In addition to considering each savings and pressure item in respect of achievability, a number of additional specific or general Council risks exist. These include:

Table 2 – Other significant risks identified

Risk	Financial planning mitigation
The need to deliver significant levels of savings during a period of prolonged financial austerity particularly given the impact that delays to delivery of the proposal has on the budget monitoring position.	Robust financial monitoring and on-going review on the delivery of savings Robust business cases to support saving proposals Appropriate budget strategy to deal with the on-going challenges Base budget contingency to protect the core budget in s/t
The cumulative impact of achieving the savings, within this current year's budget in addition to the unachieved 2015/16 savings which remain to be realised in 2016/17	Robust financial monitoring and on-going review on the delivery of savings Base budget contingency to protect the core budget in s/t
The Council's ability to meet the costs of change e.g. voluntary severance,	Established Invest to Save reserve in place and processes to access funds from there to support delivery of MTRP savings
The level of additional borrowing undertaken in previous years and proposed will require more revenue resources to be used for capital financing in future years.	Unavoidable risk based on historical spending Low interest rates provides some mitigation in that cost of borrowing is relatively cheap

	Review of capital programme and funding sources, including maximising capital receipts
The impact on Newport Bus, which is wholly owned by the Council, from challenging trading conditions and issues such as reductions to the reimbursement rate in respect of concessionary fares.	Good governance arrangements – Board of Directors includes officer rep and Members No budget expectation for financial dividend included in base budget
The risk of WG levying fines if the Council fails to realise recycling or land fill diversion rates	Specific reserve provides mitigation and given no fines levied for 2014/15 performance, it is used to fund specific staff to work with residents on a Face to Face basis to improve their recycling habits/practices Base budget contingency protects core budget in s/t
The impact of the on-going uncertainty in respect of the outcome of local government reorganisation.	On-going review by Snr Management. No financial issues known with certainty currently.

21. The impacts of these challenges are reviewed as part of the financial monitoring process and through the Corporate Risk Register both of which are reported regularly to the Cabinet and the Senior Management Team. The Council's Audit Committee also regularly review the Corporate Risk Register.

Financial Resilience

22. The 2016/17 Budget Report set out the responsibilities of both Cabinet and the Section 151 Officer to set a balanced budget. It also highlighted the financial risks inherent in the proposed budget and set out the financial risk context of the council including:

- The delivery of the £8.6m of proposed savings in order to achieve balanced budget in 2016/17
- Cross-cutting (Council wide) savings behind target and timescales
- Low inflationary assumptions

23. The budget report also set out the financial resilience of the Council and the measures in place to mitigate the risks highlighted in the risk register and above. A robust view is being taken in 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 1 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council at the time of setting this budget strategy.

24. The Council has been able to show strong financial control and has managed to meet a budget reduction of £8.6m in 2016/17, as well as delivering outturn within budget over recent years, despite the delivery of c£27m savings over the previous 3 years. The financial resilience 'snapshot' and 2015/16 outturn shows an overall underspend in the financial year and the level of reserves has increased on previous years. The level of general reserve was increased from £5m to £6.5m following assessment by the Head of Finance; this is due to increased budget and ongoing risks to be mitigated.

25. The Authority's reserves are an integral part of how the Authority deals with its financial risks as well as its high level strategic financial planning. As can be seen from the 'snapshot' over the last 4-5 years the level of the Authority's earmarked reserves have increased, whilst at the same time the Council has been making savings and increasing Council Tax. Therefore, it is useful to give an explanation of why these reserves have increased and their link to strategic financial planning and management.

26. Over this time period, key issues facing the Authority have included:

- Implementation of Total Reward, the new pay/grading system and also dealing with historical Equal Pay awards;
- Funding of significant one-off costs related to cost saving measures, in the face of increasing challenging financial pressures and lower funding;
- Managing the risk of making a £90m loan to developers to bring about the Friar's Walk scheme, a key piece in the regeneration of Newport centre and providing the funding required at the outset;
- Funding those insurance risks previously covered by MMI, insurance now in administration.
- Setting aside future increased costs of PFI, whilst the PFI grant received was higher than the expenditure required (this now forms part of the revenue support grant);
- Key risks around the future capital programme

27. In order to deal with the above, the Council has created or increased appropriate reserves to cover the issues faced above. A number of these issues are now reaching conclusion, and the Council will begin to utilise the reserves for areas such as the PFI and the pay reserve and we will see these reserves reduce. All reserves are reviewed on a regular basis for their appropriateness of need and value. The budget strategy needs to be aligned with the financial resilience of the Council and reserves are a key part of this resilience at times of uncertainty as they provide mitigation against volatility. Appendix 2 shows the planned/forecast use of specific reserves within the annual budgets over the MTFP period as it is known currently. As noted, this will be reviewed regularly. The projection shows a reduction in the reserve level over the MTFP, however this is likely to reduce further when confirmation/decisions are made on the use of certain reserves i.e. Capital Expenditure and Friars Walk reserves.

28. General utilisation of reserves in supporting the budget setting process needs to take into account the finite nature of the reserve i.e. once used it has gone and is not ongoing budget saving, therefore creates an immediate funding gap in the following year. The Section 151 Officer will consider the level of all reserves during this budget setting process.

29. The development of the budget strategy for 2017/18 and beyond will also be informed by underspends that were made in 2015/16, and also over the next 6 months the current year's budget monitoring position. Currently monitoring of 2016/17 is showing there are a number of significant risks and pressures across Service Areas, including within Community Care budgets, Supporting People and Landfill Site. These pressures are ongoing and will need to be reflected in the budget strategy. Significant underspends that occurred in 2015/16 in relation to interest/PFI charges, were reflected in the 2016/17 budget, therefore savings in relation to these have already been realised.

The Council's Capital Programme and affordability

30. As WG capital funding to local authorities has reduced, the Council, in common with other local authorities, has had to fund a greater share of its capital funding requirement. Coupled with recent high value capital schemes that supported the Councils priorities such as new schools and city centre regeneration etc, this has led to increasing levels of borrowing commitments being undertaken. The Council has to ensure that any borrowing is affordable, prudent and sustainable, not only now, but in the long term.

31. Capital Expenditure pressures include:

- Ensuring a sustainable property asset base and that property is fit to deliver service
- School expansion/New Schools to deal with increasing number of children within the city
- City centre regeneration and economic development activity
- Meeting the aspirations of services to invest in existing assets or create new capital assets in order to improve service delivery and meet pressures of increasing demand.

- The need to maintain the highway and associated infrastructure such as roads, traffic signals, bridges, street lighting
- On the horizon, the programme would need to take into account impact of City Deal and other regeneration projects being developed.

32. The current Medium Term Capital Programme deals with most of the above issues. Our current programme has 2 years remaining and will need to be reviewed and approved to reflect future years in order to link with the current MTFP, evolving new Corporate Plan and Newport 2020 plans. We should focus our limited resources on key statutory and longer term strategic priorities. The table below shows the projected revenue costs of ‘capital financing’ costs within the current MTFP (these figures will need to be updated as we develop the next medium term capital programme).

Table 3 – impact of capital programme on the MTFP

	2017/18	2018/19	2019/20	2020/2021
MRP/Interest	+£262K	+£68K	-	-

33. As a proportion of the Council’s revenue budget, capital financing costs are taking an increasingly higher amount and this cost is a long term commitment against the Council’s revenue budget. The table below shows this and is taken from the current 2016/17 Treasury Management Strategy

Table 4 – impact of capital financing costs on revenue budget

	2016/17	2017/18	2018/19	2019/20
% of revenue budget used for capital financing	8.8%	9.0%	9.2%	8.4%

34. Clearly, the Council will need to continue to incur borrowing costs to both meet the objectives of the Corporate Plan and invest in schemes that generate a return for the Council and citizens. As the Council revenue budget decreases, it will need to consider the level of debt and potential financial resilience issues that may be a consequence of increasing borrowing. As highlighted, previously in this report, earmarked reserves have been set aside for capital expenditure, in addition to capital receipts that the Council has realised. Use of these reserves for capital purposes would reduce the revenue implications of increased capital financing costs.

35. As already said, the programme currently in place recognises the increased burden of borrowing costs but in going forward, the Council will need to ensure that new commitments :

- delivers statutory and core priorities
- whether investment can be done by others as part of service re-design

36. The Council’s Treasury Strategy is currently one which has limited the need to take out any ‘new’ physical borrowings by dis-investing its own cash resources to fund capital expenditure. This has been successful to date in that, excluding Friar’s Walk scheme, no new borrowings have been taken out, though there is a significant inherent need to take out new borrowings. However, this is proving increasingly challenging to maintain and our budget strategies to meet the on-going financial challenge are crucial issues which will dictate how quickly the Council will need to physically take out new borrowings and therefore the increasing revenue costs this results in, via interest costs. Use of reserves to fund both revenue and capital expenditure will, for example, put strain on cash-flow and trigger the day when new ‘actual borrowing’ is finally required.

37. Capital receipts are important to increase the affordability of the Capital Programme. There is a programme of asset disposals and this will need to be carefully managed to maximise the value and speed of generating these receipts.

38. The 2016/17 Budget Report identified a budget reduction requirement of £3.7m for 2017/18 and £27.9m over the three year MTFP period. Following review since the 2016/17 budget report, the gap for 2017/18 has increased to £6.18m. The current medium term plan is shown in Appendix 3 and Appendix 4 shows a reconciliation of the 2017/18 position approved at February Cabinet and Council to the current budget 'gap'.
39. The main reasons for the move from the 2016/17 Budget Report include a number of various factors, most of which have arisen / developed over the last 6 months or so, after the February 2016 update to the MTFP and budget strategy. The main factors are discussed further below.
40. The 2015/16 outturn and subsequent early monitoring of the 2016/17 budgets, have highlighted a number of service area pressures and non-delivery of savings that need to be addressed in this MTFP. These include:
- Unachievable landfill and waste income targets, which require both a reversal of savings in for 2017/18 and also in-year pressures for 2016/17, totalling an additional budget requirement of £535k.
 - Various pressures in Adult Services, including an underlying budget shortfall continued from previous years in the Community Care area of £400k, a reduction in Supporting People Grant has led to a pressure due to the way this has been commissioned of £726k, and non-delivery of savings for double handling cases of £150k.
 - Children's Out of Area Residential placements has seen increasing costs over the last 5 years, and this has been seen across the region. A pressure of £377k has been included for this in the MTFP.
 - The current New Ways of Working (NWOW) programme currently has undelivered cross cutting savings of £564k which is kept centrally and passed to directorates as savings are identified. Recognising the challenges in delivering this as well as developing a new programme, closer aligned to Newport 2020 and the Corporate Plan, it is likely we will need to take this o/s balance out of the budget but it should be noted that the programme has delivered significant other savings over the last 3 years. In order to enable greater transparency and accountability to the projects within the new, revised NWOW programme, any savings that are identified from the programme will be attributed to the appropriate service area.
41. Along with the pressures from 2016/17 and non-delivery of savings there are a number of new pressures that have been included within the budget strategy, some of which the Council have no control over and are due to changes in legislation and some of which are changes to assumptions that were previously used in regards to tax base and funding.
42. It has been confirmed that an apprenticeship levy will be applied to both public and private sector employers. The apprentice levy requires all employers, with a pay bill over £3m each year, therefore this would include the Council, to pay the levy at a rate of 0.5% of the pay bill. The details of the levy are still to be confirmed, but it is anticipated that Wales' share of the funding will be allocated in line with the Barnett Formula, WG have also yet to confirm how they will distribute this fund in support of Welsh apprenticeships. This will be kept under review throughout the year.
43. The delivery of the education capital programme in relation to 21st Century Schools has seen a number of new schools set to be delivered over the next 4 years. Where a new school is opening, or there is an expansion of an existing school, this will inevitably cause a revenue pressure for the cost of running the school. The budget strategy currently includes investment for 7 programmes, including the new Welsh Medium Secondary School, new ASD provision, new Primary Schools and new Nursery Units at a total investment over the 4 years of c£6m. This will be subject to revision depending on the outcome of review of the education capital programme being presented to the September Cabinet.

44. As highlighted previously in the report, there is an actuarial review of the Local Government Pension Scheme due this autumn. It is expected that the outcome of this review would be a requirement for an increase to the employer's contribution to fund the ongoing pension deficit. A 1% rise in employer contributions on a base of 12.4% contribution would mean a pressure of £633k. In this budget strategy we have assumed there will be an increase of 1%, implemented in the 2018/19 financial year. This will be updated in late Autumn.
45. There have been a number of changes to assumptions made since the 2016/17 budget report in relation to the funding we would receive as a Council from both Council Tax and WG. In terms of Council Tax, due to the number increasing properties in the city, the amount of money able to be achieved by applying Council Tax to each of these properties is increased. Since the 2016/17 budget assumption, there has been a significant rise in the number of properties being added to the tax base. It is very difficult to project this, and there is a need to remain prudent in setting an estimate for the number of new properties that can be added to the tax base. However, in 2017/18 there is an estimate for an additional £723k of Council Tax funding to the Council.
46. The 2016/17 budget report assumed a 1.5% reduction in WG revenue support grant in 2017/18 which equates to a £3.14m reduction in funding. The assumption for the reduction has been revised downwards for 2017/18 to 1.25% which equates to an increase in the funding assumption of £523k. As indicated earlier in the report each 1% reduction in central WG grant, there is a c£2m reduction in funding. The council will be made aware of its provisional level of funding by mid-October, which gives a lot more clarity on the budget requirement.
47. This is undoubtedly the most important single 'piece of the financial jigsaw' and the lack of indicative funding from WG is significantly unhelpful in this respect, even at a total Local Government block level. Newport will generally receive a relatively favourable settlement because of its growth and in particular in growing school pupil numbers but until Local Government understands more about the block grant to be allocated to it, it is impossible to make meaningful predictions, even based on this high level view. Finance officers though, are reviewing the key data-sets that make up the key SSA building blocks to help in this respect.
48. A full reconciliation between the 2016/17 the budget set in February 2016 to the current MTFP included within this budget strategy is shown in Appendix 4.
49. In addition to the above there are a number of key assumptions which are recognised in our budget strategy and MTFP, most of which are unchanged :
- Pay inflation at 1% per annum
 - WG grant reduction at 1.25% in 2017/18, 1.5% in 2018/19 and 'nil change' in 2019/20 and 2020/21.
 - 4% Council Tax rises per annum (as per 2016/17 budget strategy)
 - Key social care demographic issues included
 - Schools are 'cash flat' excluding new schools and specific pressures in 2017/18. In following years demographics are included in the strategy.
 - No use of reserves to generally fund budget gap
50. Within the budget strategy is the assumption of a 4% Council Tax increase across the life of the MTFP. However, Newport currently has amongst the lowest Council Tax rates across Wales, this is historically low, and has led to a gap between the Council's budget and the Standard Spending Assessment (SSA) which are notional calculations of which each Council needs to spend to provide a standard level of service. Therefore, included within the 2016/17 budget report was a saving of an additional 1% for the next three years on top of the budget strategy, this assumption is continued within the current MTFP for 2017/18 and subsequent years. An additional 1% increase in Council Tax equates to approximately £430k amount in funding. This proposed saving will need to be considered as part of the ongoing budget process following the settlement from WG.

51. The MTFP is a dynamic model and it will need to be updated throughout the autumn. Some of the key areas requiring further work and refinement include:

- Impact of decisions made on apprenticeship levy and pensions deficit
- The impact of the Council's capital expenditure on its revenue capital financing budget requirement in relation to decisions on the education capital programme and any other changes to the overall capital programme
- Ongoing review of the in-year monitoring position and delivery of savings that could impact on the MTFP.
- Changes to level of funding from WG when provisional figures come in

Budget Strategy for 'closing the Gap'

52. As noted above, the budget gap is considerable and is subject to further refinement and updating as we move closer to December 2016 when we consult on detailed budget proposals and finally February/March 2017 when the budget and Council Tax is finalised. An equally flexible and on-going process is required on the Councils strategy to close the gap, over the medium term and in particular 2017/18.

53. In order to address the gap the following budget strategy is currently being pursued:

- Reducing existing budget pressures in 2017/18 and medium term , where possible
- Specific strategy for School's budget pressures
- Service area budget savings, within the framework set by our current approved Newport 2020 strategy
- Service area budget savings, within the NWoW programme
- Review of 'non-service' expenditure to explore whether there are options available to make savings in areas such as capital financing costs or expenditure on what is deemed as 'non-controllable' expenditure
- Increasing external income where possible

54. The 2016/17 budget report saw funding increases in schools of c£3m or 3.5%, in order to relieve pressures regarding 'National Insurance contribution' increases in 2016/17, and impact of total reward. This would have been substantially over and above any notional c1.85% increase pledge on the schools budget that may have been required and was one of the highest budget increases across Wales, for schools. The current strategy includes a schools position, where there is a 'cash freeze' on schools for 2017/18, this is in line with what was approved in the 2016/17 budget report.

55. However, included in the MTFP over the next four years is c£6m investment for new schools added as part of the education capital programme, this is a substantial investment, which protects existing schools from budget cuts coming from allocating the existing budget over more schools. Also included for the next following three financial years is demography of c£2.7m. This is discussed further within the budget strategy overview.

56. As stated previously, the current strategy is not to use reserves to fund the budget gap. While there may be some flexibility on the use of reserves, this needs to be aligned with the long term planning and implications of utilising the reserves and the evaluation of risk around their use, in particular around how well the services are managing their budgets. The Head of Finance will advise accordingly on proposed utilisation of reserves to fund the budget shortfall.

Budget Strategy Overview

57. The table below shows the position of the budget gap for the Council over the next four years and the savings that are required to enable this gap to be addressed. The savings in relation to the Newport 2020 strategy and NWOw programme and identification of the areas where these will be found is essential and work will be ongoing to identify these to reduce the budget gap.

Estimated Budget Reduction Requirement	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Pay Inflation & Increment	1,595	1,354	582	587	4,118
Price/Contract Inflation	1,688	1,753	1,821	1,891	7,153
Income Inflation	-149	-154	-158	-162	-623
Schools Demography	0	728	1,436	508	2,672
New Schools Pressure	1,899	1,424	1,293	1,417	6,033
Adults Demographic Growth	137	157	169	0	463
National Minimum Wage	447	472	498	525	1,942
Other Social Services Pressures	1,874	337	163	150	2,524
Other Pressures – to be identified	0	1,000	1,000	1,000	3,000
Capital Financing Pressures	262	68	0	0	330
Apprenticeship Levy	316	0	0	0	316
Pension Deficit	0	633	0	0	633
Other Identified Pressures	1,033	0	0	0	1,033
Gap Before funding assumptions	9,102	7,772	6,804	5,916	29,594

Funding and Savings Assumptions	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Estimated 1.25% reduction in RSG	2,614	3,090	0	0	5,704
Council Tax at 4%	(1,714)	(1,729)	(1,745)	(1,760)	(6,948)
Increase in Council Tax Base	(710)	0	0	0	(710)
Total Assumptions	190	1,361	(1,745)	(1,760)	(1,954)

Non-Service Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Savings identified	(511)	0	(1,500)	0	(2,011)

Savings	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Total £000
Agreed savings from 2016/17 budget report	(2,601)	(646)	(510)	0	(3,757)
Current Gap to be found	6,180	8,487	3,049	4,156	21,872

58. In order to address this budget gap, service areas have commenced work on identifying the savings based on delivery of the Newport 2020 strategy and New Ways of Working themes. As noted above, unlike service areas who are allocated cash increases to fund pay and other inflation cost increases, but then have to find savings to balance the overall resulting gap, schools are currently assumed within the budget strategy to have no cash increase to cover inflation increases and will need to fund these from existing budget levels (a cost of c£700k - c£900k) but they will receive demography increases and costs of new schools. In saying this, we will need to consider to what extent, if any,

schools may also need to find cash savings and will be considered as the budget process continues and, crucially, the WG settlement is known.

It is vitally important that work begins on compiling business cases to meet the gap at the earliest opportunity, as the timing is crucial to complete before draft settlement in order for Cabinet to consider the options available.

BUDGET CONSULTATION & TIMETABLE

59. Ahead of the setting of the 2016/17 budget engagement work focused on building on the extensive feedback received in 2014/15 and rather than repeating the same activities sought to better inform the public and stakeholders about the financial pressures and the formal consultation process. In the pre-December phase the Partnership and Policy Team were present in 23 public locations across Newport and engaged with over 700 people. The formal budget consultation process commenced in December and 230 completed feedback questionnaires were received. In addition there were 491 petition responses received. The Council worked in partnership with the Engage Project which is coordinated by GAVO; this involved the portfolio leads for the 7 Engage strands which work with 'seldom heard voices' including the deaf community, sight impaired people, BME youth, older people in residential care, and adults with learning difficulties. The knowledge acquired through previous budget consultation work is cumulative and will also be relevant for the 2017/18 Budget.
60. The 2017/18 budget engagement programme will differ this year in that the pre-December period (phase 1) will need to focus on the requirements of the Wellbeing of Future Generations Act 2015. In essence this means identifying which community 'assets' are most important to local people now and in the future in terms of their wellbeing. These 'assets' will include Council services, programmes, facilities and other things the Council are indirectly involved in like local places and networks. A programme of engagement events has been identified and a survey exercise is underway to take this forward. Engagement must include hard to reach groups including the nine protected groups under the Equalities Act 2010 (and also Welsh speakers). This engagement work will also inform the Wellbeing Assessment which is a requirement of the Wellbeing of Future Generations Act, and will introduce the key concepts required by the Act which include sustainable development principles (economic, social, environmental and cultural wellbeing), asset based approaches, and a longer-term perspective.
61. Following the release of budget proposals in December a formal budget consultation process will commence and will run for a four week period. The results will be reported to February Cabinet as an analysis report.
62. The timetable for the budget process and consultation is included in Appendix 6.

Financial Summary

These are noted in the main body of the report and Appendices

Risks

Risk is a key consideration in the Council's Financial Strategy and budgets and is included in this report above.

Reducing budgets by the amounts shown is inherently risky, from both a financial resilience and service provision perspective. These are managed through regular financial resilience reviews and all business cases for budget saving highlighting clearly the impacts on service provision, including statutory services.

The financial strategy includes a number of key assumptions, in particular WG grant levels and these are subject to change given their inherent uncertainty. Late notification of WG grant this year increases the impact of this uncertainty.

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?
Key assumptions are incorrect	M	M	-Key assumptions and sensitivity made clear - Plan for delivering savings requires contingency for this risk	HoF SLT
Very late notification of WG grant	M	H	- Plan for delivering savings requires contingency for this risk -Revised consultation plan and timetable - Close contact with WG officials to ensure we know as soon as possible of what date this will be available	SLT SLT HoF
Service impact of resulting proposals	H	M	-Business Cases make impacts clear -Robust review by Cabinet	All HoS SLT / Cabinet

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The budget strategy is key in the delivery of the Council's priorities

Options Available

N/A

Preferred Option and Why

Text here

Comments of Chief Financial Officer

Financial aspects are covered within the body of the report.

The key issue here is the Council's strategy to close the funding gap over the medium term and crucially within that, 2017/18. The development of the business cases to meet the Newport 2020 and NWoW programmes objectives is crucial. The Cabinet will need to approve a clear medium term strategy for service areas, as outlined in Newport 2020 plans, aligned to the Corporate Plan. It is through this process that a strategic approach, which clearly identified key priorities, can be brought to bear on the financial challenges over the medium term and a balanced financial position over the medium term achieved.

Comments of Monitoring Officer

There are no legal issues

Staffing Implications: Comments of Head of People and Business Change

The change and efficiency programmes will have a direct impact on employees across the Council, including, potentially, schools. Changes to structures and staffing will be required to make the necessary savings and service transformation.

The Council will aim to minimise the impact of resulting proposals on employees across our services, however, given the scale of the challenges facing the Council over the next 5 years, 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.

Comments of Cabinet Member

The Chair of Cabinet has been consulted on this report and the MTFP in detail and he and his Cabinet will be heavily engaged on the Council's medium term financial plans and proposals over the Autumn/Winter 2016/2017

Local issues

N/A

Scrutiny Committees

This report will be reviewed by the StreetScene, Regeneration & Safety Committee at its September 2016 meeting. All scrutiny meetings will be consulted on both the development of and actual budget proposals, in due course.

Equalities Impact Assessment

N/A at this point. All new budget proposals will be subject to this assessment.

Children and Families (Wales) Measure

N/A

Consultation

This report deals with the wider, strategic position on the Council's financial strategy. The budget process includes a comprehensive consultation exercise.

Background Papers

Corporate Plan 2012-2017
Newport 2020 Strategy
Budget Report 2016/17

Appendices

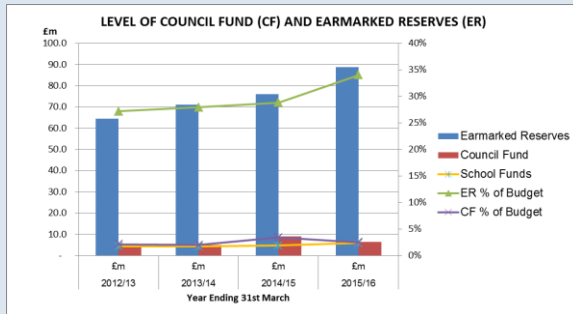
Appendix 1	Financial Resilience 'Snapshot'
Appendix 2	Planned Use of Reserves
Appendix 3	MTFP
Appendix 4	Reconciliation 2016/17 Budget Report to MTFP
Appendix 5	Budget Sensitivity
Appendix 6	Budget Timetable

Dated:

APPENDIX ONE - FINANCIAL SNAPSHOT REPORT - UPDATE TO SEPTEMBER 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)



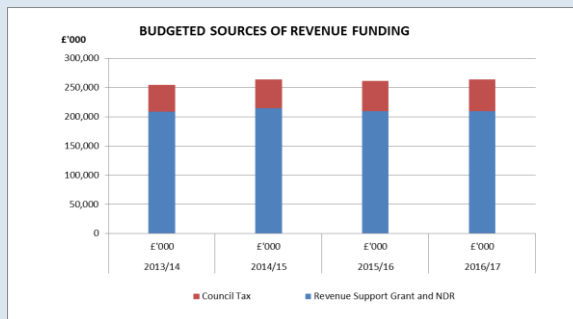
Level of Reserves

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Earmarked Reserves	64.5	71.2	76.1	88.9
Council Fund	5.0	5.0	8.9	6.5
School Funds	4.4	4.2	4.8	5.9

Budgeted Sources of Funding

Total Revenue Funding	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000
Revenue Support Grant and NDR	209,035	214,826	209,254	209,142
Council Tax	45,763	49,104	52,117	54,796

Budgeted Revenue Funding Split



Financial Performance and Ratios

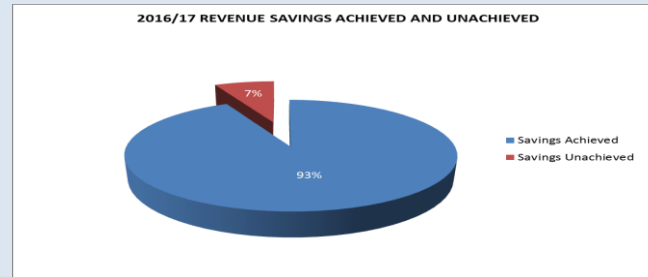
Ratio	Calculation	2012/2013 £'000	2013/2014 £'000	2014/2015 £'000	2015/2016 £'000
Net Worth	(Asset - Liabilities)	53,668	95,061	44,764	56,568
Net Worth (exc Pension Liab.)	(Asset - Liabilities)	306,220	280,675	286,914	336,288
Working Capital Ratio	(Curr. Assets / Curr. Liabilities)	0.88	0.79	0.89	0.85
Gearing Ratio	(Borrowing / Total Reserves)	44.1%	51.2%	45.5%	44.0%

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

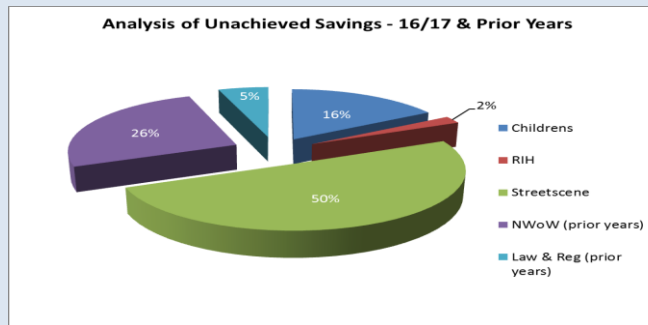
2016/17 Q1 Revenue Position UPDATE FOR JULY

Directorate	Net Expenditure Budget £'000	Forecast £'000	Variance £'000	Variance %
Children & Young People	21,538	21,935	397	2
Adult & Community Services	39,219	40,402	1,183	3
Education	13,863	13,849	(14)	(0)
Schools	89,946	89,946	-	-
Regeneration, Investment & Housing	9,013	9,405	392	4
Streetscene & City Services	16,896	17,401	505	3
Corporate Services	16,061	16,027	(34)	(0)
Total Directorates	206,536	208,965	2,429	1.18
Capital Financing	28,182	28,100	(82)	(0)
Contingency/ Provisions	6,143	6,051	(92)	(1)
Levies / other	21,772	20,931	(841)	(4)
Reserves / Transfer	1,305	1,305	-	-
Total Budget	263,938	265,352	1,414	0.54
Additional funding - CT Surplus	(76)	(731)	(655)	
Projected Over/ (Under) spend			759	

Revenue Savings Achieved and Unachieved (June FIP) UPDATE FOR JULY



Analysis of Unachieved Savings UPDATE FOR JULY



2015/16 Capital Outturn Position UPDATE FOR JULY

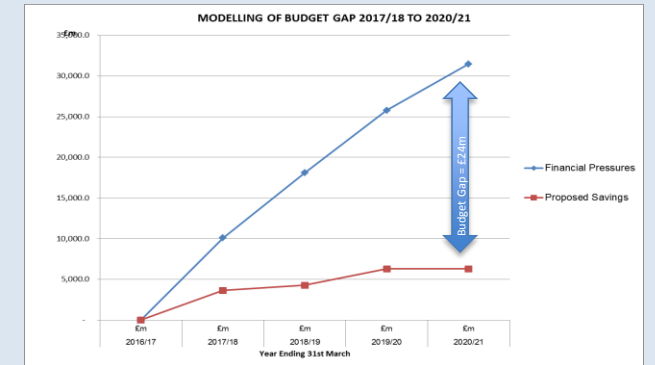
Directorate	Final Budget £'000	Final Outturn £'000	Variance Slippage £'000	Variance (Under) Overspend £'000
Children & Young People	-	-	-	-
Adult & Community Services	1,280	1,138	2	(147)
Education	5,361	5,964	(606)	(81)
Regeneration, Investment & Housing	10,351	10,029	(328)	(94)
Streetscene & City Services	8,956	7,207	(1,749)	(35)
Law & Regulation	120	129	9	-
People & Business Change	172	15	157	(157)
Customer Services & Digital Innovation	1,429	1,201	(228)	34
Levies / other	-	-	-	-
Reserves / Transfer	-	-	-	-
Total Budget	29,292	25,783	(3,509)	(480)

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

UPDATE POST SEPT CABINET MTFP Scenario (Agreed February 2016)

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Financial Pressures	5,233	5,912	6,043	-	17,188
Funding Reductions	3,137	3,090	-	-	6,227
Budget Requirement Reduction	8,370	9,002	6,043	-	23,415
Increase in tax base	-	1,637	-	1,668	-
Savings Targets	3,047	676	510	-	4,233
Shortfall to requirement	3,686	6,674	3,865	-	14,225

Modelling of Budget Gap 2017/18 to 2020/21 AS PER SEPT UPDATE



Capital Expenditure & Capital Financing Requirement (CFR)

Capital Expenditure	2015/16 Actual £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Total capital expenditure	29.2	42.2	18.2	20.0
Capital Financing Requirement				
Financing requirement	13.8	20.5	13.8	10.9

Affordability Indicators -

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

	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
Ratio of Financing Costs to Net Revenue Stream	8.8	9.0	9.2	8.4
Incremental impact of Capital Investment Decisions	£	£	£	£
Increase in Band D Council Tax*	3.88	5.98	5.77	3.89

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

APPENDIX 2 – Planned Use of Reserves

Reserve	Estimated Balance at year end						Notes
	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)	Minimum balance as required by Head of Finance
Balances held by schools for future use	(5,881)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	Balance subject to schools outturn
Earmarked Reserves:							
Risk Reserves:							
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)	-	-	-	
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)	
Friars Walk	(6,176)	(8,987)	(8,987)	(8,987)	(8,987)	(8,987)	This will be dependent on the repayment on the Friars Walk loan. It will reduce over the years following conclusion of this.
Gem Services Reserves	(100)	(100)	(100)	(100)	(100)	(100)	
SUB TOTAL - RISK RESERVES	(9,466)	(12,730)	(12,277)	(11,925)	(11,925)	(11,925)	All of the above risk reserves are set aside to cover various risks. It is not likely these will occur at the same time but the reserve is there to cover them. These risks are unknown so projected use of reserve is unknown.
Enabling Reserves:							
Schools Redundancies	(453)	(453)	(453)	(453)	(453)	(453)	These will occur as funding of redundancies is required by schools
Pay Reserve	(1,948)	(1,218)	(718)	(718)	(718)	(718)	The balance on this reserve will be left to cover an unexpected additional 1% increase in pay award

Capital Expenditure	(7,084)	(6,084)	(6,084)	(6,084)	(6,084)	(6,084)	No specific projects have been earmarked but this reserve is likely to reduce as capital projects are identified.
Invest to Save	(12,838)	(9,631)	(7,131)	(4,631)	(2,131)	-	
Super Connected Cities	(749)	(624)	(500)	(376)	(251)	(125)	
Landfill (Door Stepping Campaign)	(131)	-	-	-	-	-	
Christmas Lights	(47)	(24)	-	-	-	-	
Usable Capital Receipts	(8,059)	(3,826)	(3,826)	(3,826)	(3,826)	(3,826)	This is likely to be utilised for spend on 21CS programme, but difficult to predict what receipts will be coming in over the timescale.
SUB TOTAL - ENABLING RESERVES	(31,309)	(21,860)	(18,712)	(16,088)	(13,463)	(11,206)	
Smoothing Reserves:							
STEP School Computers	(638)	(638)	(638)	(638)	(638)	(638)	
Municipal Elections	(120)	(0)	-	-	-	-	
Local Development Plan	(528)	(606)	(606)	(606)	(606)	(606)	
Glan Usk PFI	(971)	(946)	(896)	(821)	(721)	(596)	
Southern Distributor Road PFI	(44,498)	(44,481)	(44,470)	(44,258)	(43,918)	(43,440)	
SUB TOTAL - SMOOTHING RESERVES	(46,756)	(46,697)	(46,610)	(46,323)	(45,883)	(45,280)	
Other Reserves:							
Works of art	(21)	(21)	(21)	(21)	(21)	(21)	Will be used if an important art collection comes up for purchase - no immediate use identified
School Works	(272)	(292)	(292)	(292)	(292)	(292)	This will be utilised as works are identified
Theatre & Arts Centre	(233)	(233)	(233)	(233)	(233)	(233)	Council agreed reserve as condition of Art's Council funding of the Riverfront Theatre.
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 - Change to Apprenticeship Scheme	(80)	-	-	-	-	-	

City Deal Reserve - Rename - City Economic Development	(195)	(95)	(45)	-	-	-	
NEW - Welsh Language Standards	(240)	(240)	-	-	-	-	
NEW - YS Dilapidation Costs Information Shop	(51)	-	-	-	-	-	
SUB TOTAL - OTHER RESERVES	(1,400)	(986)	(591)	(546)	(546)	(546)	
RESERVES TOTAL	(101,311)	(91,319)	(87,689)	(84,381)	(81,316)	(78,456)	

APPENDIX 3 – CURRENT MTFP POSITION

	2017/18	2018/19	2019/20	2020/21	TOTAL
Pressures					
Inflation	2,109	2,176	2,245	2,316	8,846
Other	6,993	5,596	4,559	3,600	20,748
Total Pressures	9,102	7,772	6,804	5,916	29,594
Technical Adjustments	-	-	-	-	-
(INCREASE)/DECREASE IN REVENUE SUPPORT GRANT(1.25% 17/18, 1.5% 18/19 and flat thereafter)	2,614	3,090	-	-	5,704
Increase in tax base - C.Tax @ 16/17 rate	- 923	-	-	-	923
C. Tax @ 4% in 17/18 (4% thereafter)	- 2,226	- 2,246	- 2,266	- 2,286	9,023
Less consequential increase in benefits	724	517	521	526	2,287
GAP	9,292	9,133	5,059	4,156	27,640
Savings	3,112	646	2,010	-	5,768
Balance - @ -1.25% WG reduction 2017/18 (and 1.5% 2018/19)	6,180	8,487	3,049	4,156	21,872
Balance - @ -1.5% WG reduction*	6,703	7,978	3,049	4,156	21,887
Balance - @ -1% WG reduction*	5,657	7,467	3,049	4,156	20,330
Balance - @ -2% WG reduction*	7,749	9,496	3,049	4,156	24,450

*19/20 onwards assumes no reduction in WG Grant

APPENDIX 4 – Reconciliation of 2016/17 Budget Report to Current MTFP

MTFP	2017/18	2018/19	2019/20	2020/21	Total
Gap as per 2016/17 Budget Report	3,686	6,674	3,865	N/A	14,225
Revision of inflation	68	-729	-760	2,316	895
New / Increased Pressures:	5,013	2,175	1,129	1,925	10,242
Apprenticeship Levy	316				316
Pension Deficit Employer Contribution Increase		633			633
Reprofiling Capital Programme MRP / Interest	262	-217			45
NWOW - undelivered savings	564				564
Schools Reorganisation - New Schools	1,859	1,424	1,293	1,417	5,993
Schools Demography				508	508
Landfill Site Income	250				250
Other pressures	109				25
Adult Social Care - Double Handling undelivered saving	150				150
Supporting People Grant reductions	726				726
Base Budget pressures on Community Care-Adults	400				400
Out of Area Residential Placements - Children	377	335	-164		548
Reduction / Removal of Pressures:	-1,212	414	392	1,675	1,269
Pension Deficit from previous years	-177				-177
Pressure to be identified indicative figure – increased from current £400k to £1m	-400	600	600	1,000	1,800
Kinship pressure	-206	100			-106
Reduced 'When I'm Ready' pressure	-95	-23	-42	150	-10
Reduced national minimum wage pressure	-294	-223	-166	525	-158
Early Years pressure	-40	-40			-80
Reduction / Removal of Savings:	445	30	0	0	475
Education joint working with Social Services	116	30			146
Commercial Waste	250				250
Proseict Gwyrdd	35				35
Removal of special collections income	44				44
New / Increased Savings:	-511	0	-1500	0	-2011
Total Reward balance	-261				-261
Removal of MMI transfer to reserve	-250				-250
Interest Rate			-1,500		-1,500
Changes to assumptions on funding:	-1,309	-77	-77	-1,760	-3,223
1.25% assumption for reduction in WG Grant	-523				-523
Council Tax inc Base increase	-786	-77	-77	-1,760	-2700
Gap as per Budget Strategy	6,180	8,487	3,049	4,156	21,872

APPENDIX 5 – BUDGET SENSITIVITY

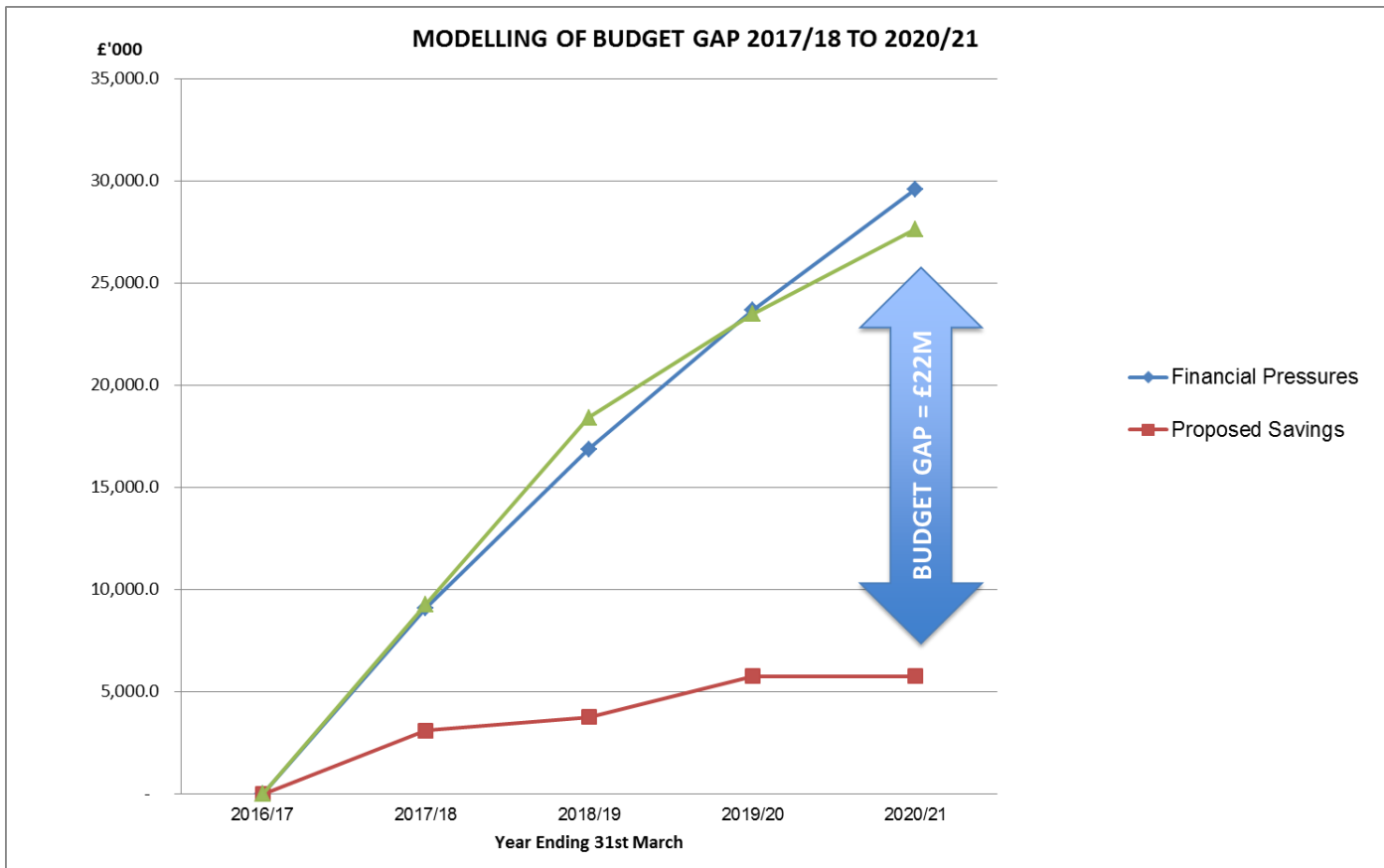
PAY SENSITIVITY	
Pay inflation @1% - included in current MTFP	£678k
Impact of +/- 0.5%	+/-£339k
Impact of +/- 1%	+/-£678k

RSG GRANT SENSITIVITY	
RSG reduction of 1.25% – included in current MTFP	£2,614k
Impact of +/- 0.25%	+/- £523k
Impact of +/- 0.5%	+/- £1,046k
Impact of +/- 1%	+/- £2,091k

COUNCIL TAX SENSITIVITY	
Impact of +/- 0.5% Change in Council Tax	+/-£214k
Impact of +/- 1% Change in Council Tax	+/-£428k

PENSION EMPLOYER CONTRIBUTION SENSITIVITY	
Impact of +/- 1% Change in Pension contribution	+/-£633k

SOCIAL SERVICES BUDGET SENSITIVITY	
Impact of +/- 10 No. of Adults in residential Community Care	Average of +/-£430k
Impact of +/- 10 No. of Adults in non-residential homes	Average of +/-£93k
Impact of +/- 10 No. of Children in Out of Area Placements	Average of +/-£1,500k



APPENDIX 6

2017/18 Medium Term Budget Setting/Consultation Timetable

Month	Task	Timescale	Output/ outcomes
April	Lessons learned log for 16/17 completed and presented to Change & Efficiency board	15th April	Incorporated into detailed budget setting process
	Engagement with public on Future Generations Act	On-going	Define what public see as the key priorities for the Council
May	Service area 2020 presentations	19th April to 16th May 2016	
	Engagement with public on Future Generations Act	On-going	Define what public see as the key priorities for the Council
June	Business Case proforma format agreed and circulated	23rd June	Produce document template with pre-set entry fields
	Initial MTFP update for SLT review	14th June	Initial discussion, view of budget challenge and agree areas of further work
	Agree framework for taking forward 17/18 and medium term budget	14th June	Understand how anticipated budget gap could be dealt with
	BIP review of 2020 presentations to identify business cases within them	24th June	Determine the level of savings currently being proposed
	Agree budget consultation and engagement timetable with SLT and the Leader	End June	Agree the timetable with SLT and the Leader prior to July Cabinet
	Engagement with public on Future Generations Act	On-going	Define what public see as the key priorities for the Council
July	Senior managers (SLT/ HoS/ Service managers) to attend NWoW workshop	4th July	Agree principles of the project and determine the scale of efficiencies under each of the key work streams
		7th July	
	Budget consultation and engagement process to be considered at Cabinet	11th July	Agree engagement process
	Updated MTFP presented to SLT following detailed review of existing savings and pressures. SLT to review MTFP gap after draft 2020 business cases have been considered	12th July	Detailed review completed highlighting budget challenge. This is to be reported to Cabinet in September including framework for identifying quantum of change programmes across service areas. SLT to consider options for moving forward

	Engagement with public on Future Generations Act	On-going	Define what public see as the key priorities for the Council
August	Complete draft business cases and obtain sign off from Cabinet Members	2nd September	In readiness for peer review
September	Business Case Quality Assurance – WG/RC/MR/Finance/BIP and HoS	September week 2 (three days) – 12th - 16th	
	Cabinet - MTFP position paper	12th September 2016	Agree budget challenge and plan for taking forward
	Finalise business cases and FEIA's	End September	Following feedback from peer review with involvement from Cabinet Member
October	Members briefing on MTFP position	Early October	General overview of MTFP position and key points to all Members
	Draft Settlement from WG	19th October 2016	Update MTFP and budget challenge
	Informal Cabinet – Consider Draft budget/settlement/ business cases	October/ November	Business case pack prepared for informal cabinet - new/additional proposals only (including changes to existing proposals)
	Scrutiny meetings to take views on way forward	October/ November	Provide comments to Cabinet on the proposed business cases
November	Informal Cabinet – Consider Draft budget/settlement	October/ November	Business case pack prepared for informal cabinet - new/additional proposals only (including changes to existing proposals)
	Assurance panels to review additional proposals	TBC	Over and above those agreed in September
	Tax base confirmed by Head of Finance	Mid November	Update MTFP as needed
December	Final settlement from WG	21st December 2016	Update MTFP and budget challenge
	Informal Cabinet finalise position on draft budget	TBC	After draft settlement confirmed
	Cabinet agree draft budget for consultation	21st December 2016	
	Staff consultation on budget proposals begin	21st December 2016	
	Public consultation on draft budget commences	22nd December 2016	

January	Final settlement confirmed	TBC	
	Public consultation ends	TBC	
	Scrutiny meetings - budget consultation	TBC	Provide comments to Cabinet on the proposed business cases
February	Cabinet agrees final 17/18 medium term budget and recommends council tax requirement to Council	TBC	
March	Council agrees Council tax and the overall budget	2nd March 2017	

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Report

Cabinet

Part 1

Date: 12th September 2016

Item No:

Subject July Revenue Budget Monitor

Purpose This report details the current forecast position on the Council's revenue budget and the emerging risks and opportunities that present themselves within the July forecast position.

Author Head of Finance

Ward All

Summary As at July 2016, the Council's revenue budget is projecting an overspend of £1.18m. This primarily relates to overspends within service areas of £2.81m (exc. Schools) including;

- StreetScene at £1.09m, mainly due to unachieved income in waste disposal site and essential highway maintenance;
- Adult & Community services at £902k, mainly due to community care budgets;
- Children's Social care at £365k, mainly due to out of area placements;
- Education at £340k due to pressures on a number of Special Educational Need (SEN) budgets;
- Regeneration, Investment & Housing at £294k, mainly due to adult education income shortfall and pressures on property services budget.

This is partially offset by non-service underspends on Council tax benefit rebates (£889k) and Council tax surplus (£655k).

This position excludes schools, which is currently reporting a deficit position of £2.88m. The overall service position (inc. Schools) is £5.69m overspend, however, Schools have nil effect on the overall Council position as any variance against base budget is matched by a corresponding reserve transfer to or from schools balances.

The net position assumes, as we always do at the early stages of the year, that the contingency budget of £1.473m is 'committed'. If this was not utilised, the position would be a c£300k underspend currently.

In saying this, there is a real possibility for the position to worsen, with further slippage on MTRP savings and cross-cutting savings in particular. If these were to come to fruition, this would result in the majority of the contingency budget being utilised. This is before further potential budget issues are taken into consideration as the year progresses – the report highlights that there are many potential risks to be managed across the Council. At this early stage of the year, the current position is very challenging and requires immediate management action to improve. Managers have been instructed to find mitigating savings, where possible, to reduce the current overspend to a balanced budget position.

Given the above context, officers should not underestimate the need to improve on this as much as possible and manage within budget.

Proposal

Cabinet is asked to

- Note the forecast 2016/17 revenue budget position and the key risks that have been identified at this stage;
- Cabinet Members, Directors and Heads of Service maintain on-going strong financial management, and People and Place directorates to confirm a comprehensive set of actions to reduce their overspending;
- Note the planned reserve movements and revised balances at the end of the year.

Action by

- Cabinet/ HoF/ SLT – confirm plans to reduce over-spending in service areas;
- HoF / SLT – promote and ensure robust forecasting throughout all service areas.

Timetable

On-going

This report was prepared after consultation with:

Strategic Directors

Head of Finance

Heads of Service

Budget Holders

Accountancy Staff

Signed

Background

Overview and Key Assumptions

1. As at July 2016 the Councils revenue budget is projecting an overspend of £1.18m primarily as a result of overspends across the People and Place directorates, (Appendix 1).
2. Service area overspends account for £2.81m and increases to £5.69m when inclusive of schools. Schools are currently reporting a deficit position of £2.88m; however, Schools have nil effect on the overall Council position as any variance against base budget is matched by a corresponding reserve transfer to or from school balances.
3. The mitigating underspends mainly come from 'non-service' budgets in particular Council tax benefit rebates (£889k) and Council tax surplus (£655k). Clearly, the Council tax benefit budget is demand led and could potentially change should the number of claimants increase and the collection of Council tax is at an early stage and small percentage changes in collection can have a significant impact on the forecast. Currently, we are fortunate that this mitigation exists as the current level of service's forecast overspending far outweighs the revenue budget contingency.
4. The current forecast position assumes the following:
 - General contingency budget remains on budget (£1.473m);
 - Other approved costs to deliver planned 16/17 savings are funded from the Invest to Save Reserve.
5. Due to the uncertainty that presents itself in a number of service areas (detailed in para. 9) it is not recommended at this stage of the year to use the general contingency budget to mitigate against forecast overspends. The non-utilisation of the general contingency budget allows for mitigation where forecasts may change adversely due to unforeseen circumstances. The report highlights that there are a number of on-going budget risks and management teams have been tasked to find mitigating savings, where possible, to reduce the current overspend to a balanced budget position.
6. The significant service area overspending should not be underestimated as the current forecast is well in excess of the revenue budget contingency. Directors and Heads of service are currently focussing on action to reduce overspending in all areas.
7. The Council operates a risk based budget monitoring process, identifying key risk areas which are reviewed in detail on a monthly basis. This report is a summary statement of key issues that explain the current position and which subsequently impact upon financial management. There are monthly, service specific dashboards which HoS receive, and which Cabinet Members have access to, providing more detailed explanations of the financial position, financial risks and actions being taken. Service dashboards have been appended to this report (Appendix 2).

Detailed Budget Variances

8. A summary of the key issues are outlined below.

SERVICE AREA BUDGETS – NET £2.81m OVERSPEND

- (i) **PEOPLE – Net £1.61m overspend** (excluding schools)
 - **Education – £340k overspend** (excluding schools)

The current forecast represents a budget pressure of £340k due to pressures on a number of SEN budgets. These budgets are demand led and affected through the pupil statementing process - out of county placements represent £479k of the £528k pressure within the SEN

service. There are potentially a further three additional out of county placements that are yet to be formalised. These pressures have been offset by increased SMP credits and reduced charges from the EAS (£149k).

The forecast for schools currently shows a significant movement from school reserves (£2,881k). This position is likely to change throughout the year and, based on previous years, the deficit is likely to reduce. Regular updates will take place following budget visits as they take place during the Autumn and Spring terms.

Social Services – £1.27m overspend (Children’s - £365k overspend, Adults - £902k overspend)

• Children & Young People - £365k overspend

- Out of area residential placements - £606k overspend. This is a demand led budget and the forecast is reflective of all current, known placements. The number of Children brought into out of area residential placements has increased in recent months and this has been the cause of the overspend in this area (an average of 16 placements at varying costs against a budget of 10). There is an anticipated reduction in demand in future months and these have been built into the forecast. The fall in demand anticipated includes an expectation that adaptations to Forest Lodge are undertaken to ensure the facility is fit for purpose. This will enable one child to be brought back into the Authority, thus reducing the cost. Any delay in the scheduled work at Forest Lodge could cause further pressure on this budget;
- Independent fostering agencies - £182k overspend. This is due to underachievement against this year’s MTRP saving. The number of placements in the first half of 2016/17 is significantly over that budgeted (37 placements against a budget of 29). These numbers, however, are expected to reduce for the remainder of the year and this has been factored into the forecast. It should be noted that the overspend is offset by the savings against in house fostering budgets;
- In house fostering – (£212k) saving. Although an upward trend in future months is anticipated, the service has been unable to make more in house placements. This underspend may increase further should the inability to offer more in house placements continue;
- Kinship – (£115k) saving. This budget received budget growth in 16/17 for anticipated pressures, however, current Special Guardianship Orders (SGOs) will not cost as much as anticipated this year resulting in an underspend;
- Staff savings - (£192K) saving. Earlier than anticipated closure of Brynglas Unit has resulted in significant in year savings. This is not a recurring saving, instead an early achievement of a 17/18 savings proposal;
- Leaving care - £131k overspend. Despite a specific budget investment for this being included within previous MTRP for ‘When I’m Ready’ to support placements up to the age of 25, it is still projecting an overspend in this financial year. The main reason being that licence conditions placed on an individual meant that a placement was made to cater for specific accommodation needs – this was a one off monthly cost of c£100k.

• Adult & Community Services - £902k overspend

The current overspend on community care budgets (£1.18m) can be broken down to the following key items:

- £328k reduction in Supporting People Grant (SPG) which has been funding personal care costs for individuals – therefore, no corresponding reduction to package cost now that the grant has reduced as care packages in place need to remain;

- £150k undeliverable double handling saving (full target of £300k). This business case was based on a piece of work using benchmarked data from England and our neighbouring authorities. However, Newport has a much more robust process for assessing and reviewing double handling cases and so the potential for savings is reduced;
- £143k unachievable income inflation added to the 16/17 budget as all fees are means tested and benefits did not increase in 2016/17. Furthermore, as part of the new Social Wellbeing Act a cap has been applied to respite care.
- £400k inherent pressure in respect of demand/ non achieved savings from prior years. The key items contributing to this overspend are ;
 - (i) The number of clients receiving community care funding (inc residential placements and non-residential care packages) has continued to increase since last year (average number of clients 1,600 at varying costs against a budget of 1,300);
 - (ii) Income shortfall – at the end of 15/16, residential income was £544k less than budget. As there has been no increase in benefits this year and a cap placed on the charges for respite there is likely to be greater pressure resulting in 16/17.

Current forecasts assume that vacant beds at Blaen Y Pant will be filled from October. This is dependent on the refurbishment work being completed on time and so any delay will reduce the resultant saving which has been forecast from October.

- The community care overspends are being offset slightly by transport savings as a result of lower car allowances being claimed for homecare staff as this service is now being provided by an external provider (£105k). There is, however, a planned restructure of extra-care and homecare staff that may require budget reconfiguration.

A significant amount of savings are due to be delivered in Social Care, mainly adults and community services (£1.7m) and for this reason is likely to remain as a key risk area for the Council. This area was able to manage close to budget in 2015/16 as significant savings mitigated overspends. The areas of underspending have been reviewed for this year and most cannot be relied upon to deliver again as they were either one-off in nature or subject to MTRP savings this year. Unless management action is taken the budget risks in this area far outweigh any potential for mitigation.

(ii) **PLACE – Net £1.38m overspend**

• **Regeneration, Investment & Housing (RIH) – £294k overspend**

- Adult Education - £108k overspend due to under recovery of income. Options for mitigation are currently being considered by the Cabinet Member and further changes to service delivery may improve this position;
- Development Services – £73k overspend due to under recovery of planning fee income. July forecast based on current known schemes, however, the position will continue to be carefully monitored;
- Homelessness - £58k overspend. The provision of accommodation for the homeless is subject to financial risk given the demand led nature of this budget. This position will continue to be monitored as is likely to remain volatile throughout the year;
- Provision market - £177k overspend. This includes one off investment of £50k to enhance the market conditions and an additional £30k for the promotion of the market, both subject to Cabinet approval. There are a number of unoccupied stalls due to the decreased footfall in the market; therefore, the annual income is predicted to be £97k lower than budgeted.

The above pressures have been offset by the following savings:

- Centralised properties – (£33k) underspend. Pressures relating to recent changes to management structure have been offset by significant savings on rates (£114k);
- Carbon Reduction – current underspend of (£90k) in respect of the number of units that are estimated to be purchased in 16/17. This position may change given the unpredictable weather conditions.

- **Street Scene & City Services – £1.09m overspend**

The majority of the overspend within Streetscene & City Services relates to the non-delivery of MTRP savings as Prosiect Gwyrdd (PG) incinerator has led to income pressures. Reduced NCC waste was due to provide capacity at the site to be filled by commercial and asbestos waste which failed to materialise due to PG and licensing issues respectively. As a result, MTRP income is £627k below target. This assumes that the asbestos cell will become operational from early September (generating c£90k additional income throughout the remainder of the year). If there are any further delays with the commissioning of the cell there will be further income shortfalls. There is also an overspend on the Waste Grant of £318k, due to various reasons. There has been a 6 month delay in transferring the collection of cardboard to Wastesavers which has resulted in additional staff being recruited to provide the service with the resulting additional costs of £171k more than budget. Vehicles originally purchased from the grant have become obsolete and been sold so replacement vehicles are required to be hired until new vehicles can be procured causing an over spend of £69k. In addition to this, the service has used a different method of waste disposal to achieve the Council's recycling target but the costs are higher than using the incinerator resulting in a forecasted overspend of £87k.

Other pressures that have been included within the forecast are:

- Pothole repair scheme - £300k pressure. Additional expenditure required for highway pothole repairs across the City;
- Pride In Newport Team - £50k overspend. Reinstatement of the Pride in Newport campaign;
- Contact Centre - £55k overspend. This predominantly relates to the non-delivery of vacancy provision. The contact centre is a frontline service with a requirement to maintain a full complement of staff at all times hence the budgeted vacancy provision of £60k is unachievable;

Within the figures above you will note a number of the overspends are due to staffing overspends; this is reflected in the monitoring dashboard for Streetscene & City Services. The Head of Service and service managers are working on ways of reducing this overspend over the coming months.

(iii) **CORPORATE – Net (£94k) underspend**

Most areas are close to budget with minor staffing variances accounting for most differences. The exception is CCTV income within Law & Regulation where a £90k income variance is being mitigated. A number of potential budget pressures exist, however, and are included within para. 8 (key budget risks / opportunities).

(iv) **CAPITAL FINANCING – Net (£82K) underspend**

Lower MRP charge for 16/17 as a result of the capital expenditure funded by borrowing for 2015/16 being lower than was anticipated when budget was set.

(v) **NON SERVICE – Net (£977k) underspend**

This area has significant budget levels at £29m, of which Council Tax reduction scheme is £11.7m and levies £8.2m. These two items alone make up a large proportion of the overall budget.

Although there is relatively less volatility in this budget area, there are some significant forecast variances for 16/17:

- The Council Tax reduction scheme is demand led, and current forecasts are expecting this scheme to come in at £889k under budget. This area came in under budget in previous 2 years as claimant numbers decreased as the local economy improved. The budget was established at the point at which the burden for this fell on Local Councils; - this was at the height of the last recession and funding was set at a relatively high level;
- Savings of £246k due to pension auto enrolment not being implemented until April 2017;
- Non delivery of cross cutting MTRP savings (inc. NWoW) – the forecast savings have reduced significantly therefore causing a budget pressure of £247k. This amount relates to undelivered savings from previous years. The focus of this project has recently changed and coupled with the fact that savings to meet this come from service areas, as they also consider future years savings, inevitably the risk of slippage increases further;
- Forecast saving of £92k against other income and expenditure. £107k New Burdens funding has been received from Welsh Government for land charges litigation. This amount was not expected nor agreed until after 31st March 2016 and although some further costs are expected a net saving is projected;
- Coroner budget is forecasting a £29k overspend as a result of long inquest payments for which the coroner can claim over and above salaried amount. To date there have been two instances and at least one more due to be held in September.
- Increased Council Tax income above budget by £655k, primarily due to the increase in house building and completions, over and above that predicted when Council Tax was set. This will be reviewed carefully as we progress through the year.

Emerging Risks and Opportunities

9. All areas of the Council continue to manage and mitigate significant budget challenges. Where they are able to be quantified, the risks around these challenges have been incorporated into the forecasts presented within this report. Whilst the section above outlines the broad reasons why service areas are under-spending or overspending, this next section highlights key areas of concern and risks which have the **potential to be recurring**.

- **Education**

- **Out of County (OOC) Placements** – SEN is demand led and projections may change monthly. Proposed INCLUDE group project, at a cost of £378kpa, should avoid specific out of county costs in future and would allow learners to remain in Newport. As placements change throughout the year forecasts will be revised accordingly.

- **Children & Young People**

- **Out of area residential placements** - This is a demand led budget and forecast is based on current, known placements. There is a project across children's services to improve the in house provision aiming to avoid further out of Authority placements and a significant piece of work has already been completed to test the robustness of the current process and decision making;

- Adults & Community Services

- Reduction in **supporting people grant** with no corresponding reduction to package cost. Furthermore, inherent pressures from prior years in respect of demand/ non achievement of MTRP savings are in the process of being reviewed;
- **Community care** - Inherent pressure in respect of demand/ non achieved savings from prior years. The key items include the number of clients receiving community care funding. This has continued to increase since last year (average number of clients 1,600 at varying costs against a budget of 1,300). Furthermore, residential income is significantly less than budget. As there has been no increase in benefits this year and a cap placed on the charges for respite there is likely to be greater pressure resulting in 2016/17.

Although not yet approved, this recurring pressure has been taken into account within the 2017/18 MTRP.

- RIH

- **Adult Education** – under recovery of income. Business improvement review on-going and options for permanent mitigation are currently being considered by the Cabinet Member.

- Streetscene & City Services

- Income pressures for the Council resulting from the **Prosiect Gwyrdd (PG)** incinerator. As the incinerator becomes more efficient more capacity is created and more contracts secured. The commercial and asbestos waste that this capacity at the landfill site was hoping to attract has not materialised due to PG and licensing issues. Management action is essential to ensure that this position does not worsen.

Although not yet approved, this recurring pressure has been taken into account within the 2017/18 MTRP.

- Corporate

- **People & Business Change** - £70k MTRP saving target in 16/17 is based on the IT service being outsourced to the SRS. If this project does not go ahead there will be significant pressure not only in respect of the efficiencies that have been pre-empted but also the significant investment required if the IT service were to remain in house;

- Non Service

- **Cross Cutting Savings (inc. NWoW)** - There remains a balance of £122k which is to be mitigated. Given that the savings proposals which have already been agreed are sourced from service areas there is a further risk that as services start to consider 17/18 proposals the risk of slippage remains;

Financial management 16/17

10. The forecast position requires improvement at this stage of the financial year. However, as noted above, a few key areas are very volatile and significant savings are being delivered this year, in particular in Social Care, Place and cross cutting savings.

11. Noting the above agreed actions, it is essential that all service areas :

- Manage spending within their existing base budgets;
- Implement MTRP savings for 2016/17 robustly;
- Social care and Streetscene & City Services in particular confirm action agreed/ developed to deal with their overspending, as far as is possible.

Directors, with HoS need to ensure they are satisfied that robust financial management is being strictly adhered to, and further specific initiatives and actions are agreed to reduce spending/ increase income.

Use of reserves

12. Appendix 3 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31st March 2016, planned transfers in/ (out) of serves and the forecast balance as at 31st March 2017. Current projections suggest that 10% of the Councils reserve will be used by the end of the financial year.

13. Financial Summary

The summary monitor in Appendix one and the main report contain the significant financial issues and overall position.

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?
Inaccurate forecasts	M	L	Risk based monitoring Focus on capital/PFI financing budgets	HoF HoS
Budgets not managed	H	L	Reviewed by SLT/CLT Review by Scrutiny and Cabinet	HoF SLT/CLT

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Good financial management underpins the delivery of all Council services and achievement of priorities.

Options Available

Cabinet could decide to use the general contingency budget at this early stage to offset the forecast overspend. Given the early stage in the financial year it is recommended that SLT continue to work with management teams to construct detailed action plans to reduce the forecast overspend within Social Services and Place. As the report highlights, there are a number of issues that could well worsen this position still.

Preferred Option and Why

Given that that there are 8 months of the financial year remaining and there are budget risks which can worsen the current position, Cabinet is asked to note the current position and the risks of this changing and decide what corrective action is to be taken to reduce the forecast overspend to budgeted levels.

Comments of Chief Financial Officer

Contained within main body of the report.

Comments of Monitoring Officer

There are no direct legal issues here

Staffing Implications: Comments of Head of People and Business Change

There are no direct HR issues

Comments of Cabinet Member

N/A

Local issues

N/A

Scrutiny Committees

No consultation with Scrutiny at this stage of the year. As agreed by Cabinet previously, the revenue budget position will be subject to Scrutiny reviews in late autumn of each financial year.

Equalities Impact Assessment

N/A

Children and Families (Wales) Measure

N/A

Consultation

N/A

Background Papers

N/A

Dated:

Appendices

Appendix 1 – Revenue Summary Monitor (July 2016)

Appendix 2 – Budget Monitoring Dashboards

Appendix 3 – Delivery of MTRP Savings

Appendix 4 – Planned reserve movements

APPENDIX 1 – Revenue Summary Monitor (July 2016)

	Apr-16	Current	Projection	(Under)/ Over	Change
2016/2017	Approved Budget	Budget	(exc I2S)	(exc I2S)	since last
					Statement (exc I2S)
	£'000	£'000			£'000
PEOPLE					
Children & Young People	21,084	21,538	21,903	365	(32)
Adult & Community Services	39,676	39,219	40,121	902	(281)
Education	13,869	13,863	14,203	340	354
Schools	89,835	90,000	92,881	2,881	2,881
	164,464	164,620	169,108	4,488	2,922
PLACE					
Regeneration, Investment & Housing	9,100	9,013	9,308	295	(97)
Streetscene & City Services	17,092	16,883	17,971	1,088	583
	26,192	25,896	27,279	1,383	486
CHIEF EXECUTIVE					
Directorate	552	552	501	(51)	(30)
Finance	2,678	2,664	2,661	(3)	(13)
People & Business Change	6,371	6,371	6,326	(45)	(35)
Law & Regeneration	6,474	6,487	6,492	5	18
	16,075	16,074	15,980	(94)	(60)
CAPITAL FINANCING COSTS & INTEREST					
Capital Financing Costs MRP	10,813	10,813	10,731	(82)	-
Interest Payable	9,145	9,145	9,145	-	-
Interest Receivable	(37)	(37)	(37)	-	-
Investment Props	-	-	-	-	-
PFI Grants	8,261	8,261	8,261	-	-
	28,182	28,182	28,100	(82)	-
SUB TOTAL - SERVICE/CAPITAL FINANCING	234,913	234,772	240,467	5,695	3,348
CONTINGENCY PROVISIONS					
General Contingency	1,473	1,473	1,473	-	-
Restructuring / Other Savings	-	-	-	-	-
Centralised Insurance Fund	570	570	570	-	-
Non Departmental Costs	5	5	5	-	-
Other Income & Expenditure	3,761	4,040	4,169	129	221
	5,809	6,088	6,217	129	221
LEVIES / OTHER					
Discontinued Operations - pensions	1,790	1,790	1,544	(246)	(246)
Discontinued Operations - Ex Gratia Payments	2	2	2	-	-
Levies - Drainage Board, Fire service etc	8,210	8,208	8,237	29	-
Non distributed grants	-	-	-	-	-
CTAX Benefit Rebates	11,735	11,735	10,846	(889)	(19)
Extraordinary Items	-	-	-	-	-
Charity Rate Relief	37	37	37	-	-
	21,774	21,772	20,666	(1,106)	(265)
TRANSFERS TO/FROM RESERVES					
Base budget - Planned Transfers to/(from) Rese	1,442	1,306	1,306	-	-
Earmarked reserves: Queensbury Loan	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Capital	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	-	(2,881)	(2,881)	(2,881)
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-	-	-
Invest to Save Reserve	-	-	-	7,162	(2,438)
Invest to Save Reserve (from)	-	-	-	(7,162)	2,438
	1,442	1,306	(1,575)	(2,881)	(2,881)
TOTAL	263,938	263,938	265,775	1,837	423
Funded by					
WAG funding (RSG & NNDR)	(209,142)	(209,142)	(209,142)	-	-
Council Tax	(54,720)	(54,720)	(54,720)	-	-
Council Tax Surplus	(76)	(76)	(731)	(655)	-
TOTAL	-	-	1,182	1,182	423

APPENDIX 2 – Budget Monitoring Dashboards

Attached:

- Overall Council dashboard
- Individual service area dashboards within People, Place and Chief Executive portfolios

APPENDIX 3 – Delivery of MTRP Savings

Financial Improvement Plan – July 2016

Overall Summary	Education	Childrens	Adults	RIH	Streetscene	PBC	Finance	L&R	Non Service	Total 16/17
2016/17 MTRP Target (£) Total	£60,000	£417,000	£1,712,000	£948,000	£2,215,000	£411,000	£222,000	£330,000	£2,283,000	£8,598,000
Total Savings Realised by Year End 2016/17	£60,000	£243,000	£1,771,000	£928,000	£1,587,578	£411,000	£222,000	£330,000	£2,283,000	£7,835,578
Variation to MTRP Target	£0	-£174,000	£59,000	-£20,000	-£627,422	£0	£0	£0	£0	-£762,422
Variation % to MTRP Target	0%	-42%	3%	-2%	-28%	0%	0%	0%	0%	-9%
Undelivered Savings from Previous Years (C&CC)								-£52,500	-£329,317	-£381,817
By Portfolio	People	Place	Corporate	Non Service	Total 16/17	Undelivered savings Previous Years				
2016/17 MTRP Target (£) Total	£2,189,000	£3,163,000	£963,000	£2,283,000	£8,598,000	£687,118				
Total Savings Realised by Year End 2016/17	£2,074,000	£2,515,578	£963,000	£2,283,000	£7,835,578	£305,301				
Variation to MTRP Target	-£115,000	-£647,422	£0	£0	-£762,422	-£381,817				
Variation % to MTRP Target	-5%	-20%	0%	0%	-9%	-56%				

Appendix 4 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-16	Planned movements in year											Balance at 31-Mar-17	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb		Mar
	£'000													
Council Fund:	(6,500)	-	-	-	-	-	-	-	-	-	-	-	-	(6,500)
Balances held by schools for future use	(5,881)	-	-	-	2,881	-	-	-	-	-	-	-	-	(3,000)
														-
Earmarked Reserves:														-
Music Service	(205)	-	-	-	-	-	-	-	-	-	-	-	-	(205)
Insurance Reserve	(1,925)	-	-	-	-	-	-	-	-	-	-	-	-	(1,925)
MMI Insurance Reserve	(352)	-	-	-	-	-	-	-	-	-	-	-	-	(352)
Legal Claims	(100)	-	-	-	-	-	-	-	-	-	-	-	-	(100)
Health & Safety	(16)	-	-	-	-	-	-	-	-	-	-	-	-	(16)
Council Tax Reduction	(500)	-	-	-	-	-	-	-	-	-	-	-	-	(500)
Education Achievement Service	(92)	-	-	-	-	-	-	-	-	-	-	-	-	(92)
Schools Redundancies	(453)	-	-	-	-	-	-	-	-	-	-	-	-	(453)
Friars Walk	(6,176)	-	-	-	-	-	-	-	-	-	-	-	(2,811)	(8,987)
Gem Services Reserves	(100)	-	-	-	-	-	-	-	-	-	-	-	-	(100)
SUB TOTAL - RISK RESERVES	(9,919)	-	-	-	-	-	-	-	-	-	-	-	(2,811)	(12,730)
Pay Reserve	(1,948)	-	-	-	-	-	-	-	-	-	-	-	730	(1,218)
Capital Expenditure	(7,084)	-	-	-	-	-	-	-	-	-	-	-	1,000	(6,084)
Invest to Save	(12,838)	-	-	-	-	-	-	-	-	-	-	-	3,207	(9,631)
Super Connected Cities	(749)	-	-	-	-	-	-	-	-	-	-	-	125	(624)
Landfill (Door Stepping Campaign)	(131)	-	-	-	-	-	-	-	-	-	-	-	131	-
Christmas Lights	(47)	-	-	-	-	-	-	-	-	23	-	-	-	(24)
Usable Capital Receipts	(8,059)	-	-	-	-	-	-	-	-	-	-	-	4,233	(3,826)
SUB TOTAL - ENABLING RESERVES	(30,856)	-	-	-	-	-	-	-	-	23	-	-	9,426	(21,407)

STEP School Computers	(638)	-	-	-	-	-	-	-	-	-	-	-	-	(638)
Municipal Elections	(120)	-	-	-	-	-	-	-	-	-	-	-	120	(0)
Local Development Plan	(528)	-	-	-	-	-	-	-	-	-	-	-	(78)	(606)
Glan Usk PFI	(971)	-	-	-	-	-	-	-	-	-	-	-	-	(971)
Southern Distributor Road PFI	(44,498)	-	-	-	-	-	-	-	-	-	-	-	17	(44,481)
SUB TOTAL - SMOOTHING RESERVES	(46,756)	-	-	-	-	-	-	-	-	-	-	-	59	(46,697)
Works of art	(21)	-	-	-	-	-	-	-	-	-	-	-	-	(21)
School Works	(272)	-	-	-	-	-	-	-	-	-	-	-	(20)	(292)
Theatre & Arts Centre	(233)	-	-	-	-	-	-	-	-	-	-	-	-	(233)
Cymorth Income	(38)	-	-	-	-	-	-	-	-	-	-	-	38	-
Pupil Referral Unit	(60)	-	-	-	-	-	-	-	-	-	-	-	-	(60)
Gypsy and Traveller Site	(7)	-	-	-	-	-	-	-	-	-	-	-	-	(7)
Homelessness Prevention	(38)	-	-	-	-	-	-	-	-	-	-	-	-	(38)
Environmental Health - Improve Air Quality	(50)	-	-	-	-	-	-	-	-	-	-	-	50	-
Refurbishment of a Children / Older People Homes	(115)	-	-	-	115	-	-	-	-	-	-	-	-	-
ECDL Training Package - Change to Apprenticeship Scheme	(80)	-	-	-	-	-	11	11	11	11	11	11	14	-
City Deal Reserve - Rename - City Economic Development	(195)	-	-	-	-	-	-	-	-	-	-	-	100	(95)
NEW - Welsh Language Standards	(240)	-	-	-	-	-	-	-	-	-	-	-	-	(240)
NEW - YS Dilapidation Costs Information Shop	(51)	-	-	-	-	-	-	-	-	-	-	-	51	-
SUB TOTAL - OTHER RESERVES	(1,400)	-	-	-	115	-	11	11	11	11	11	11	233	(986)
RESERVES TOTAL	(101,311)	-	-	-	2,996	-	11	11	11	34	11	11	6,907	(91,319)
													% reduction in year	10%

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Budget Monitoring Position – July 2016

Children & Young People

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	21,538	21,538	21,538	21,538	21,538	21,538	21,538	21,538	21,538	21,538	21,538	21,538
Forecast (£'000)	21,538	21,538	21,935	21,903	21,903	21,903	21,903	21,903	21,903	21,903	21,903	21,903
Variance (£'000)	0	0	397	365	365	365	365	365	365	365	365	365

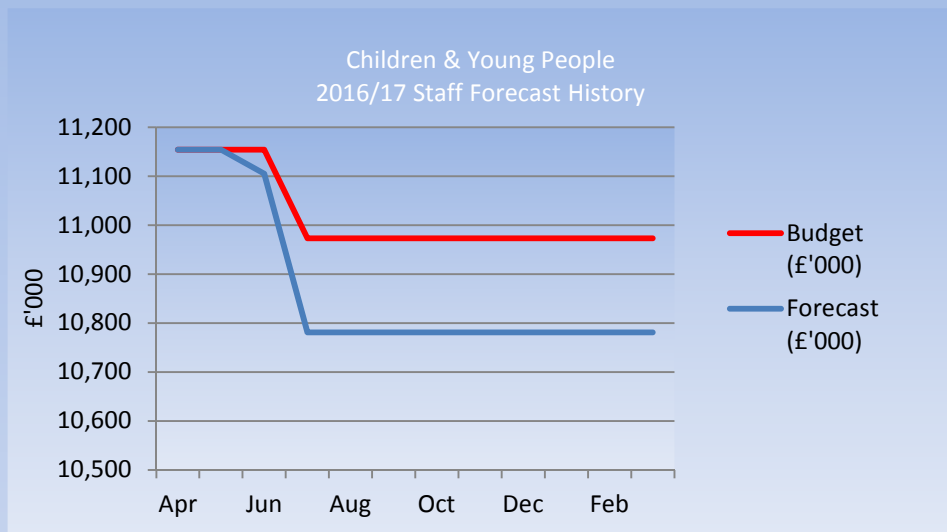
Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	11,154	11,154	11,154	10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973	10,973
Forecast (£'000)	11,154	11,154	11,105	10,781	10,781	10,781	10,781	10,781	10,781	10,781	10,781	10,781
Variance (£'000)	0	0	-49	-192	-192	-192	-192	-192	-192	-192	-192	-192

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	417	417	417	417	417	417	417	417	417	417	417	417
Forecast Savings (£'000)	429	419	254	243	243	243	243	243	243	243	243	243
Variance (£'000)	-12	-2	163	174	174	174	174	174	174	174	174	174
FIP Reconciliation period		MAY	JUNE	JULY								

Budget Monitoring Position – July 2016

Children & Young People






AREA OF RISK	Budget £000	Forecast £000	Variance £000	Status	Comments
Out of Area Residential	1,593	2,199	606	R	Demand Led budget which has increased by £180k compared to the June forecast
Independent Fostering Agencies	1,198	1,380	182	R	Overspend is a result of an unachieved MTRP saving. This forecast has increased by £82k compared to June. Management indicate that this is volatile and could rise to the full £200k not being achieved.
Leaving Care	613	744	131	R	There is significant pressure on this budget as a result of new legislation to support care leavers up to the age of 25. There is a pressure identified in the 17-18 MTRP

Budget Monitoring Position – July 2016

Children & Young People

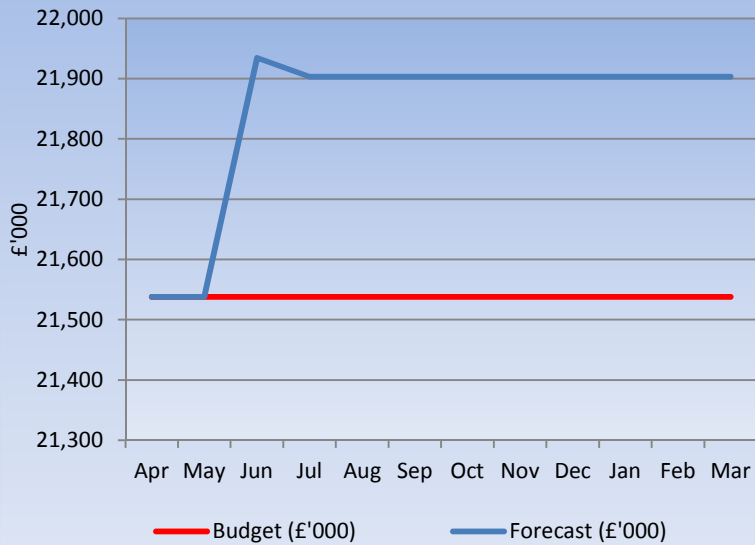
SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Out of Area Residential			426	606								
Independent Fostering Agencies			100	182								
In-House Fostering			-139	-212								
Kinship			-91	-115								
Staffing			-49	-192								
Leaving Care			131	131								
Other			19	-35								
Variance (£'000)	0	0	397	365	0	0	0	0	0	0	0	0

Movement since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
	Independent Fostering Agencies – This is forecasting a £180k overspend due to an under achievement on this years MTRP saving, however there's a risk that this could rise.
	Out of Authority Residential forecasts do not currently anticipate an upward trend as it's very unpredictable. One placement could cost a further £150k for a full year.
	In House Fostering – This anticipates an upward trend however if we're unable to make more in-house placements this underspend could increase.
	Kinship – This budget has received investment in 16/17 for an anticipated pressure however current SGO's will not cost as much as anticipated in this financial year resulting in an underspend.
	Leaving Care – Despite a pressure being received for 'When I'm Ready' to support placements up to the age of 25, it is still projecting an overspend in this financial year.

Budget Monitoring Position – July 2016

Children & Young People

Children & Young People
2016/17 Forecast History



Head of Service Commentary

Management actions to address position:

Leaving Care- From April to June 16 one child has accounted for £106K of the current overspend. The package of care required was tied into her licence on release from custody and a very high risk assessment of both self-harm and risks poised to others. This placement has now ended and the young person is now subject to a mental health section. Work with homelessness and the RSL's along with supporting people has commenced to better address the need of young people on leaving care, leaving custody and presenting as homeless.

Kinship- In 2014/15 and 2015/16 across England and Wales there was an increase in the number of Kinship Care placements. This trend was mirrored within NCC. Whilst there is still an upward projection this currently appears as if it has flattened out slightly. In part this is potentially a result of a slight shift in behaviours in the current arena. It is too early to assume this is the case.

IFA & In House Fostering- The pressure on placements for teenagers has increased through the use of IFA's Placements. These are arising because of an increased breakdown in in-house fostering placements. In September, the Fostering team will be focussing on a recruitment drive for carers of older young people. The reduction in in house fostering is jointly because of a breakdown in teenage placements and a reduction in numbers of baby placements as a result on lower numbers entering care.

Out of Area Residential -This budget is used for a very small group of children with complex needs. Whilst some of this group are in long term care and we are able to forecast costs for the year, a handful each year become known to the local authority with very short notice. Of the current cohort, 3 placements were made between December 2015 and March 2016. Each of these placements arose following multiple breakdowns of previous placements. As a result of the late onset of placement it was not possible to build in the additional pressure within the 16-17 budget. Work is ongoing with all Out of Authority placements to mitigate and source more local and less costly options, including improving in house provision. In additions to these three placements that account for £397K of the variance there was an in year increase for one child whose needs increased to the point where he required 2-1 care. Again this was not an anticipated change.

BMS Submission Data

% of cost centres submitted by
budget holder deadline

%
58.11%

Budget Monitoring Position –July 2016

Children & Young People

Head of Service Commentary

Head of Service comments/ summary:

There is a project across Children's Services to improve the in house provision aiming to avoid further Out of Authority placements and a significant body of work has already been completed to test the robustness of the current processes and decision making.

Strategic Director Commentary

Strategic Director comments:

The net position has improved by £32k but the key challenges remain (Out of Authority, Independent Fostering and placement for children leaving care. It is positive to note that the total number of children in care remains at the position we had in 2010 and if we had the same rate as other similar authorities we would be paying around £4-7m more on placements alone.

The projected overspend relates to specialist placement costs for children with complex needs and/or challenging behaviour. Placements for individual children can cost as much as £350k per annum. Presently we have 15 children in out of authority placements and the base budget is set at 10 children (based on last year's overall average cost). These pressures have arisen after the completion of last years MTRP.

Nationally there are major problems with finding out of authority placements for teenagers and there has been a great deal of activity across Wales in taking young people who originally came into care under a voluntary arrangement with parents but now are being taken into care proceedings. The court then makes a strong direction on placement decisions and we have experienced this problem.

We are preparing a major review and transformation of our residential and fostering provision in order to improve our capacity to manage children with complex needs and/or challenging behaviour.

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Budget Monitoring Position – July 2016

Adult & Community Services

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219	39,219
Forecast (£'000)	39,219	39,219	40,402	40,121	40,121	40,121	40,121	40,121	40,121	40,121	40,121	40,121
Variance (£'000)	0	0	1,183	902	902	902	902	902	902	902	902	902

Key Elements of Budget Variances:

STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247
Forecast (£'000)	12,247	12,247	12,383	12,328	12,328	12,328	12,328	12,328	12,328	12,328	12,328	12,328
Variance (£'000)	0	0	136	81	81	81	81	81	81	81	81	81

DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712	1,712
Forecast Savings (£'000)	1,712	1,654	1,774	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771	1,771
Variance (£'000)	0	58	-62	-59	-59	-59	-59	-59	-59	-59	-59	-59
FIP Reconciliation period		MAY	JUNE	JULY								

AREA OF RISK	Budget £000	Forecast £000	Variance £000	Status	Comments
Community Care	27,536	28,717	1,181	R	Overspend is a result of the following: £150k under delivery of Double Handling Saving, £20k delay of Phase 2 reablement saving, £328k reduction in SPG grant, £143k unachievable inflationary increase on income, £600k historic budget deficit, £30k loss of respite income

Budget Monitoring Position – July 2016

Adult & Community Services

SIGNIFICANT VARIANCES	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Community Care Packages			956	660								
External Residential & Non Resi income			328	521								
Integrated Community Equipment			-84	-78								
Staffing Budgets			136	81								
Transport Savings (mainly Homecare)			-113	-105								
Supplies & Services			0	-113								
Other			-40	-64								
Variance (£'000)	0	0	1,183	902	0	0	0	0	0	0	0	0

Budget Monitoring Position – July 2016

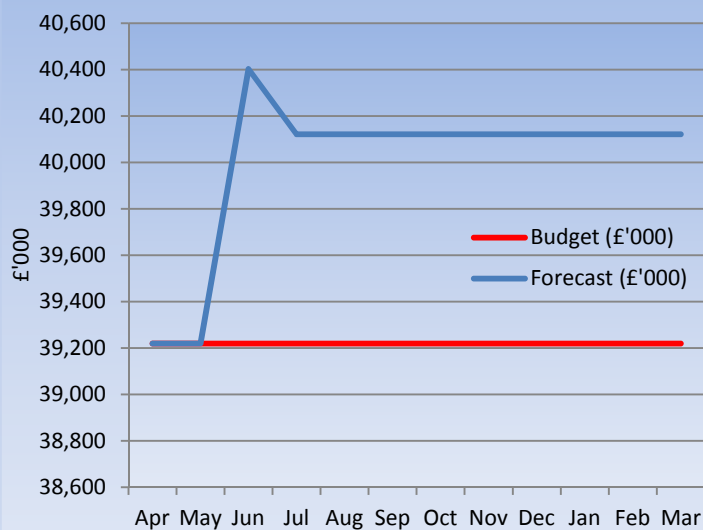
Adult & Community Services

Change since last month	Current & Emerging Risks / Opportunities <i>(Including non delivery of MTRP savings)</i>
    	<p>The £1.181m overspend on community care budgets has reduced by £103k since last month due to the decision to fill BYP vacancies from October 2016.</p> <p>The main reasons for this overspend are as follows:</p> <ul style="list-style-type: none"> • £328k reduction is SPG with no corresponding reduction to package cost • £143k unachievable income inflation added to 16/17 budget • £150k undeliverable Double Handling saving (full target of £300k) • £400k inherent pressure from prior years (pressure now added in 17-18 MTRP) • £30k loss of respite income due to fairer charging policy • £20k shortfall on phase 2 re-ablement work stream . This project has been re-scoped and is now being achieved through reduced Direct payment packages. <p>Integrated Community Equipment Budget £78k u/spend – This is due to the NCC budget allocation being higher than the agreed pooled contribution. This budget can be re-allocated to areas of pressure.</p> <p>Staffing budgets £81k overspend – Reduced over spend compared to last month. In previous years have tended to underspend overall based on early achievement of savings projects as a result of redundancies. There are significantly less staff in adult services that in prior years as a result of outsourcing services and therefore less scope to make savings in this area. Currently, the vacancy turnover target is not being achieved.</p> <p>Transport savings currently being forecasted are as a result of lower car allowances being claimed for homecare staff however there is a planned restructure of extra-care and homecare staff that may need reconfiguring of budgets.</p> <p>Supplies – The forecasts against these budgets have been reduced significantly in light of the recent messages regarding reducing spend where possible.</p>

Budget Monitoring Position – July 2016

Adult & Community Services

Adult & Community Services
2016/17 Forecast History



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Head of Service Commentary

Management actions to address position:

Key Budget Variances

- Review Supporting People grants .
- Improve forecasting of Learning Disability projects coming on-stream and re-provisioning.
- Manage down staffing overspends where relating to sickness.

Non Delivery of MTRP Savings

- Review of double handing projects and dedicated resource
- Maintain focus on delivering reablement and saving achieved through dedicated resource for reviewing care packages.

BMS Submission Data

	%
% of cost centres submitted by budget holder deadline	55.56%

Budget Monitoring Position –July 2016

Adult & Community Services

Head of Service Commentary

Head of Service comments/ summary:

There has been some improvement on the previous months budget but the overall context of a reducing budget with increasing demand and complexity remains. There is an underlying deficit in the budget which impacts on the year by year position and MTRP savings erodes the base budget further. The living wage has impacted on the cost of placements and care in the community and costs of placements within care homes is increasing but we are negotiating with the sector and have reopened some residential beds at Blaen Y Pant. *Please note that sufficient budget has been added to accommodate the rise in costs due to the living wage increases – KP 25.8.16.*

The Staffing budget pressures are principally related to the delayed delivery of the call monitoring system within Home Care and factors such as maternity leave in providers services where cover is essential but no budget provision is made. The changes in the WG charging policy has meant that we are now receiving referrals from individuals who were previously self funding their respite care.

Strategic Director Commentary

Strategic Director comments:

The net position has improved this month by £281k, but this is a result of opening closed beds at Blaen-y-Pant and other one off savings. Budget performance is reviewed in Leadership and Performance Boards as well as the Portfolio Boards and extensive work has been undertaken to analyse the reasons for the cost pressures and to attempt to manage down the projected overspend.

Last year we managed to out turn at just £91k overspend – but – Community Care Budgets were £1,298k overspent. We also had an under achievement for income of £457k. This overspend was balanced out by in year savings underspends in Homecare and extra-care due to service restructure (£598k) and Frailty underspend (£327k).

These underlying cost pressures were not dealt with in this year's MTRP because most came in after the completion of the MTRP. These are real cost pressures and the scope for bringing the budget into balance is very limited indeed. We have put the cost pressures into the MTRP for 2017/18 onwards for further discussion. In the meantime we are implementing savings programmes and developing new ways of working but it is important to note that around 70% of budget is taken up by 3rd party payments and 20% by employees with just 14% for supplies and services.

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Budget Monitoring Position – July 2016

Newport City Council

OVERALL NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	263,938	263,938	263,938	263,938	263,938	263,938	263,938	263,938	263,938	263,938	263,938	263,938
Forecast (£'000)	263,938	263,938	264,697	268,001	268,001	268,001	268,001	268,001	268,001	268,001	268,001	268,001
Transfer (to) Schools Balances (£000)	0	0	0	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)
Variance (£'000)	0	0	759	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182	1,182

Analysis of Variances by Directorate:

PEOPLE NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	164,460	164,460	164,566	164,620	164,620	164,620	164,620	164,620	164,620	164,620	164,620	164,620
Forecast (£'000)	164,460	164,460	166,132	169,108	169,108	169,108	169,108	169,108	169,108	169,108	169,108	169,108
Transfer (to) Schools Balances (£000)	0	0	0	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)	(2,881)
Variance (£'000)	0	0	1,566	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607	1,607

PLACE NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	25,909	25,909	25,909	25,896	25,896	25,896	25,896	25,896	25,896	25,896	25,896	25,896
Forecast (£'000)	25,909	25,909	26,806	27,279	27,279	27,279	27,279	27,279	27,279	27,279	27,279	27,279
Variance (£'000)	0	0	897	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383

CORPORATE NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	16,073	16,073	16,073	16,073	16,073	16,073	16,073	16,073	16,073	16,073	16,073	16,073
Forecast (£'000)	16,073	16,073	16,039	15,979	15,979	15,979	15,979	15,979	15,979	15,979	15,979	15,979
Variance (£'000)	0	0	-34	-94	-94	-94	-94	-94	-94	-94	-94	-94

Budget Monitoring Position – July 2016

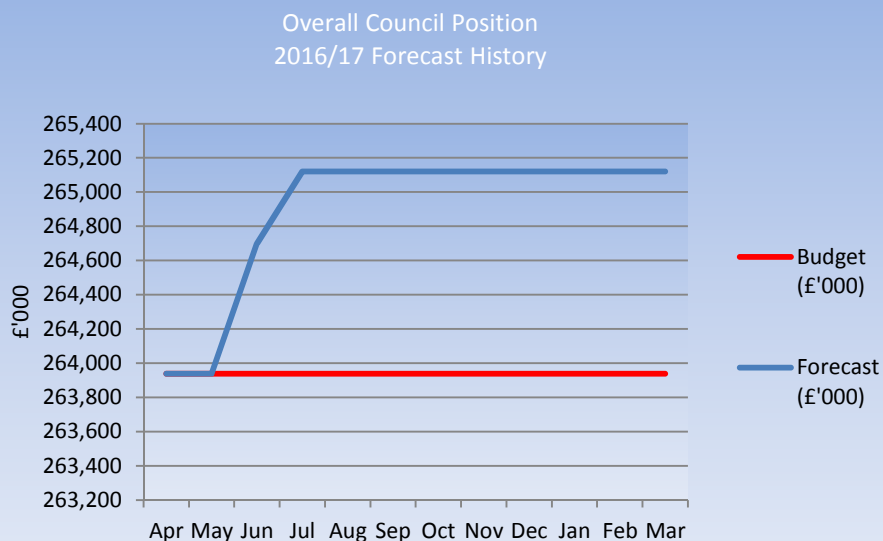
Newport City Council

Analysis of Variances Non Service Areas:

CAPITAL FINANCING & INTEREST NET	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182
Forecast (£'000)	28,182	28,182	28,100	28,100	28,100	28,100	28,100	28,100	28,100	28,100	28,100	28,100
Variance (£'000)	0	0	-82	-82	-82	-82	-82	-82	-82	-82	-82	-82

NON SERVICE NET POSITION	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	29,145	29,145	29,145	29,166	29,166	29,166	29,166	29,166	29,166	29,166	29,166	29,166
Forecast (£'000)	29,145	29,145	28,200	28,189	28,189	28,189	28,189	28,189	28,189	28,189	28,189	28,189
Variance (£'000)	0	0	-945	-977	-977	-977	-977	-977	-977	-977	-977	-977

Variance relates to in year funding adjustment – CT surplus (£655k)



Movement since last monitor – Increase
Overspend by £423k



Budget Monitoring Position – July 2016

Newport City Council

Key Elements of Budget Variances:

OVERALL STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	58,021	58,021	58,021	57,784	57,784	57,784	57,784	57,784	57,784	57,784	57,784	57,784
Forecast (£'000)	58,021	57,966	57,956	58,040	58,040	58,040	58,040	58,040	58,040	58,040	58,040	58,040
Variance (£'000)	0	-55	-65	256	256	256	256	256	256	256	256	256

OVERALL DELIVERY OF MTRP SAVINGS	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
MTRP Target (£'000)	8,598	8,598	8,598	8,598	8,598	8,598	8,598	8,598	8,598	8,598	8,598	8,598
Savings Realised (cumulative) (£'000)	8,185	8,117	7,977	7,836	7,836	7,836	7,836	7,836	7,836	7,836	7,836	7,836
Variance (£'000)	413	481	621	762	762	762	762	762	762	762	762	762
Undelivered Savings from previous years (£'000)	308	308	308*	381*	381	381	381	381	381	381	381	381
FIP Reconciliation period		MAY	JUNE	JULY								

* Undelivered savings from previous years relates to Law & Regulation (CCTV) of £53k and Non Service (NWoW) of £329k

Other key budget variances:

- Children's out of area residential placements - £426k overspend
- Children's in house fostering – (£139k) underspend and Independent fostering agencies £182k overspend
- Adults community care packages - £660k overspend
- External residential and non residential income shortfall - £521k
- Highway pothole repairs - £300k overspend
- Waste Disposal Site Income - £569k overspend due to under recovery of income
- Waste Grant - £318k overspend
- Adult Education - £104k overspend due to under recovery of income
- Provision Market – £177k overspend

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Report

Cabinet

Part 1

Date: 12 September 2016

Item No:

Subject Education Capital Programme

Purpose

- To note information on the education capital programme.
- To seek a decision to either fund or defer elements of the programme.
- To endorse recommendations for the programme.

Author Amanda B Davies, Assistant Head of Education (Resources & Planning)
Owen James, Assistant Head of Finance (Accountancy)

Ward All

Summary This report describes the development of the education capital programme since 2011 to the present day and sets out how a funding challenge has now emerged.

A new scheme is introduced as the Maes Ebbw extension of 7 classrooms, as an addition to the current programme.

Cabinet are then presented with options for funding the education capital programme either by deferring some projects into future years, or by funding the entirety of the programme.

Proposal To note the contents of this report providing information on the education capital programme and also to accept an additional scheme onto the current capital programme for the Council. At the same time endorse the recommendations for future management of the education capital programme and take a decision on the options for funding the programme.

Action by Chief Education Officer

Timetable Immediate

This report was prepared after consultation with:

- Cabinet Member for Education & Young People
- Cabinet Member for Assets & Resources
- Strategic Director – People
- Strategic Director – Place
- Senior Leadership Team
- Capital Strategic Asset Management Group
- Education Capital Programme Board

Signed

1.0 Background

In 2011 Newport City Council bid for £7.5m of Welsh Government (WG) 21st Century Schools (21CS) matched funding capital financing to create a total package of 21CS project funding worth £15m. In 2014, an additional bid was submitted for the new Welsh-medium secondary school for £6.5m with match funding of £6m provided by Newport City Council and £0.5m provided by Monmouthshire County Council. These bids together comprised the £28m 21CS programme to be delivered by Newport for the Band A period 2014 to 2019. Cabinet will receive a further report in the autumn concerning the potential bid to WG for Band B funding for the **period 2019 to 2024**.

The education capital programme funding journey from 2011 to the present day is set out in Appendix One over pages 10 and 11. The programme comprises projects funded by several sources such as Section 106, additional NCC capital sums in the form of reserves, Invest to Save, as well as 21CS financing. A fuller explanation of those funding sources is included in Appendix Two on page 12.

Since the start of the 21CS programme in April 2014, the Council has successfully delivered flagship projects on time and within budget – such as 6 new nursery units supporting the 3 – 11 strategy for primary schools and consolidation of the 2 Welsh-medium primary schools.

The education capital programme has evolved and will continue to develop to meet the demands of our population demographics, to a current level of £38.6m set out in Appendix One on page 11. The increased programme now requires decisions on what elements are funded, and which might be deferred or dropped.

The financial position of the education capital programme is set out in some detail in Appendix Three pages 13 and 14.

2.0 Funding Challenge

A review of the current and potential programme has confirmed the following challenges:

1. Building Inflation

- The original 21CS programme bids required by WG in 2011 specifically excluded any allowance for building inflation.
- At that time and since, all local authorities have objected to the absence of building inflation in all programme schemes as it sets up projects with immediate budget challenges.
- The implementation start date of 21CS programme was 2014, some three years after allocation.
- The Building Cost Information Service for Wales in respect of the Tender Price Index for the period between Q4 2011 & A2 2016 identifies an increase of **30.55%** building inflation over the period.
- By comparison, the increase for the adjoining region of South West England is 30.10% and for West Midlands is 35.24%, hence this is a common challenge.

2. Fixtures, Fittings & Equipment

- The original 21CS programme bids required by WG excluded any allowance for Fixtures, Fittings & Equipment
- They are now deemed a capital cost with the burden falling to NCC
- Section S106 developer led new school build schemes on housing developments do not currently have a budget for Fixtures, Fittings & Equipment.

The Section 106 Housing Contributions policy now incorporates Fixtures, Fittings & Equipment into all legal agreements. Existing agreements that do not include this element can be renegotiated but positive outcomes should not be anticipated.

3. Demountable Replacement Project Specific Issues

- The demountable replacement programme was established in 2011 and is subject to the building inflation challenge. Also, until the detailed design work is completed for each it is not possible to identify exact costs.
- Bassaleg School needs demountable classrooms replacing with cost estimates in excess of budget availability

- Caerleon Comprehensive School needs demountable classrooms replacing with cost estimates in excess of budget availability
- Pentrepoeth Primary School needs a demountable classroom replaced and also a nursery which has been legally established following statutory consultation, the cost estimate for this project are in excess of budget availability

3.0 Specific Projects affected by the funding challenge

It is appropriate to highlight four programme schemes that are directly and significantly affected by the funding challenge:

- New Welsh-medium secondary school;
- Caerleon Lodge Hill replacement build;
- Demountable replacements for Bassaleg School, Caerleon Comprehensive and Pentrepoeth Primary (which also includes a nursery legally established through statutory consultation);
- The Fixtures, Fittings and Equipment in S106 developer led new schools builds.

The values for these schemes are set out in Appendix Three on pages 13 and 14.

4.0 Summary of programme

The overall education capital programme has been delivered successfully for the last two years. For reasons identified within the body of the report a shortfall has emerged. This report explains why there is a shortfall and provides options. Officers have been in discussion with Welsh Government on an approach to potential match funding. Appendix Five on page 16 sets out the status of all schemes.

5.0 Additional Education Capital Programme Scheme

The Council has provided capital funding to meet the demand for extra school places across the City. Similarly the pressure for more special school places has also risen. This will be addressed by the new ASD school and a proposed new project to expand Maes Ebbw special school. By replacing the demountable accommodation and consolidating the facilities on site to deliver education in the form of 7 new classrooms, the Maes Ebbw Special School can help to meet the special school place pressures. This scheme is designed to consolidate Maes Ebbw for 148 pupils, at a cost of circa £3.312m which includes fixtures, fittings and equipment – it has an estimated delivery timeline for September 2018. The financing solution is set out in section 7.0 below under Financial Implications.

6.0 Programme Options

The overall education capital programme has been delivered successfully for the last two years as evidenced in Appendix Three on pages 13 and 14 with most projects delivered on time and within budget. As sections 2 and 3 identify however, a funding challenge exists that requires addressing either by funding, deferral or cancellation.

This section identifies the options available. Any decision to provide further funding will be followed by a submission for matched funding to WG. The current timescale allows for a submission to be made for a decision at the October WG 21CS Panel.

6.1 Option 1:

The current potential shortfall in funding is identified in Appendix Three on pages 13 and 14. This option is to defer a number of schemes into future years or even into the next financing phase (Band B) in order to reduce the funding shortfall in the first instance, with the financing for the remaining shortfall following this. The potential deferrals are split into two categories:

- Firstly, where there is the recommendation to defer;
- Secondly where a scheme can be deferred as it is not yet complete, but this is not recommended due to the level of risk if it is delayed.

Details of the budgets, actuals and projected variances for the schemes below and reasons for deferral are within Appendix Three of this report. The funding shortfall gap can be reduced by £6.575m by deferring the schemes as detailed below:

<u>Deferral Recommended</u>	Current Scheme Variance Shortfall	Variance / Budget availability if deferred	Difference to reduce shortfall	Note
	£000	£000	£000	
Caerleon Comprehensive School	431	(526)	(957)	
Bassaleg School	4,660	(106)	(4,766)	
Maesglas Primary: Nursery Provision	146	(315)	(461)	
Monnow Primary	(48)	(309)	(261)	
Primary Place Challenge contingency	(108)	(238)	(130)	
Total recommended for deferral	5,081	(1,494)	(6,575)	

A further £7.421m could be reduced by deferring the following schemes, but as these have progressed substantially and have specific risks if delayed, it is not recommended these are deferred.

<u>Deferral can occur but not recommended</u>	Current Scheme Variance Shortfall	Variance / Budget availability if deferred	Difference to reduce shortfall	Note
Pentrepoeth	249	(388)	(637)	
Caerleon Lodge Hill	909	(4,476)	(5,385)	
Langstone Primary	47	(1,352)	(1,399)	*£577k is S106 so may be ring-fenced
Total deferrals that could occur	1,205	(6,216)	(7,421)	

If the schemes recommended for deferral are agreed, this would reduce the funding shortfall by £6.575m to £12.747m. This is on the basis that financing currently earmarked for schemes would be able to be transferred to continuing schemes. If the Council is able to secure 50% match funding from WG - which is detailed in the next section – then the remaining shortfall required to be funded by the Council could be financed from the following options:

1. Use of current earmarked reserves set aside for Capital Expenditure;
2. Undertake borrowing.

The implications of both of these are discussed further below in the financial implications section.

At the same time, an additional item is suggested to be included on the education capital programme in respect of capacity building at Maes Ebbw Special School with a 7 classroom extension – the financial implications are set out in section 7.0 and do not disturb the deferral recommendations above.

6.2 Option 2:

The other option available to Cabinet is to fund the entirety of the current education capital programme to support delivery of intended programme schemes within the Band A period 2014 – 2019. If option 2 was to be chosen, it is unlikely that the shortfall would be deliverable from current earmarked reserves, and

substantial additional borrowing would be required. This would be subject to further analysis on the impact subject to WG funding.

7.0 Financial Implications

As highlighted in the report the current education capital programme has a funding shortfall which needs to be addressed. The report has set out the option of deferring projects into future years, therefore reducing the current funding shortfall. Any decision made on funding the remaining shortfall would be subject to discussions with WG on securing 50% match funding for the remaining schemes.

Initial discussions have indicated that WG would welcome a further capital extension for the schemes which have increased since the 2014 programme was approved. The proposals to WG for increase in schemes would be as follows:

Scheme	Original 2014 Programme	Current Required Programme	Difference	Additional WG Match Funding @ 50%	Match already inc. by NCC
WM2 & John Frost (inc. Demountable and Redevelopment)	£17m	£32m	£15m	£7.5m	£4m for redevelopment of John Frost School
Caerleon Lodge Hill	£5m	£6m	£1m	£0.5m	
ASD / Maes Ebbw Special Sector Capacity Building*	£1m	£8m*	£7m	£3.5m	£3.3m as an extension of the special sector capacity building

*The additional programme is proposed to increase special sector capacity building with a scheme at Maes Ebbw Special School to enable the match funding to be available from WG for the special needs sector.

The above table shows that the Council could secure an additional £11.5m worth of match funding from WG to assist the funding of the current capital programme.

The remaining shortfall to be funded is predicated on the schemes that are chosen to be deferred, and therefore the more schemes that are deferred the lower the immediate financial implication to the Council. However, there are a number of schemes that have progressed to a point where the cost to the Council and risk of deferring the scheme, cause a significant increase in costs or have a negative impact on the delivery of the education programme, these have been highlighted earlier in the report.

The Council has already input a significant value of the match funding required for the above projects, therefore, if a decision was made to defer the recommended projects and the capacity building including Maes Ebbw Special School brought onto the programme, the remaining amount to be funded by Newport Council would be an additional £4.55m.

7.1 Capital Implications

There are two main sources of funding available are use of earmarked reserves and undertaking further borrowing. Currently there is money set aside in earmarked reserves for capital purposes which could be used to fully fund the shortfall, this would not cause any future revenue implications, however this is one-off

funding and if used to fund the capital programme would not be available to use for other regeneration projects or revenue funding that may be required.

The second option of borrowing would have revenue implications due to the capital financing costs that would need to be funded through revenue for the prudent revenue provision (MRP) and interest cost, the benefit of this is the Council may be able to secure preferential borrowing rates for the school programme which will further reduce currently low capital costs. The revenue implications are detailed in the section below.

7.2 Revenue Implications

The education capital programme has inherent revenue implications. Firstly the expansion or building of an existing/new school needs to have revenue funding attached to it for the running cost of the school. This includes expenditure on teachers, support staff, utilities, supplies & services etc. The medium term revenue plan for 2017/18 to 2020/21 includes pressures in for the revenue implication of funding the programme. The figures currently included in the Medium Term Financial Plan (MTFP) are shown in the table below:

Project	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Ysgol Gyfun Gwent Is Coed (WM2)	712	202	271	275
New ASD School Provision	576	314	0	0
New Jubilee Park Primary School	396	389	92	90
New Llanwern Primary School	0	0	519	411
New West Glan Llyn Primary School	0	519	411	122
New Primary School at Whiteheads site	0	0	0	519
New Nursery units: Additional Nursery units have been proposed to create the 3 – 11 seamless vision on Primary School Sites, these being Mount Pleasant, Marshfield, Langstone and includes Pentrepoeth.	175	0	0	0
Maes Ebbw School capacity building	40			

The above show the current figures provided for the revenue implications for upcoming schools in the next four financial years. Taking the option to defer schools will remove the revenue implications in the highlighted projects above. The impact of special sector capacity building at Maes Ebbw has already been included in the as pupils are on site in cramped conditions, the remainder of funding is to be delivered in 2017/18 as highlighted above.

Any current capital financing cost on the existing budgeted capital programme would be included in existing revenue budgets and MTFPs. However, as explained, if the shortfall in funding was to be financed through borrowing this would have a revenue implication which would need to be added to the MTFP. The likely borrowing cost to be added to the MTFP is shown as follows:

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Additional MRP and interest cost	184	184	184	184

Considering the preferential borrowing rate that may be available for 21CS, and the current low borrowing costs, to allow flexibility of use of reserves, the recommendation would be to fund any shortfall through borrowing.

8.0 Future Programme Management

The Council must take all opportunities to maximise match funding of capital financing through WG 21CS and other grants.

All bids for capital must include an allowance for future proofing against building inflation to prevent situations arising such as where the original bid to WG 21CS was in 2011 and the programme was not implemented by WG until 2014.

A robust capital governance structure has now been in place for some six months, this will assist in ensuring full financial governance is carried out on all projects, in particular through financial reporting of major projects at individual project boards – with reports to Cabinet on progress and financial position.

A system of annual monitoring and reporting of the capital programme will now be developed to support the regular capital reporting to Cabinet.

Well-being of Future Generations (Wales) Act 2015

Capital investment is not statutory and it is possible to defer projects or make changes to the way investment takes place. However, providing high quality learning environments, in the right schools in the right location is an important focus to ensure access to education. All local authorities have a duty to strive to develop a “Prosperous Wales” by developing “skilled and well-educated population in an economy which generates wealth and provides employment opportunities.”

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?
Failure to alert Cabinet to the funding gap	H	L	Regular Cabinet reports on the capital programmes across the Council	Head of Finance
Failure to support the funding gap for the education capital programme	H	H	Take remedial measures to cover the funding gap which includes deferring or cancelling some strategic projects	Chief Education Officer
Failure to achieve additional match funding from WG 21CS	H	L	Take forward a robust case for change to request a further extension to the 21CS programme and increase in the 21CS funding envelope for NCC	Chief Education Officer

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Council Improvement Plan
Education Service Plan
21st Century Schools Strategy
Welsh-medium Education Strategy
Wellbeing of Future Generations (Wales) Act 2015

Options Available

Option 1: to defer selected projects. To add the Maes Ebbw capacity building to the education capital programme. This option will rely upon a bid to WG for match funding of the programme and also funding a reduced shortfall.

Option 2: to fund the entirety of the current education capital programme.

Preferred Option and Why

Option 1 is the preferred option for the reasons provided in section 5.1 above denoting the projects in the table for deferral recommended

Comments of Chief Financial Officer

Option 1 relies on the deferral of selected projects to reduce the funding shortfall. This option is also fully reliant on the approval of WG match funding which should be confirmed in the coming months. If the additional funding does not get approved by WG a further report would need to be brought to Cabinet with an alternative proposal. Due to the WG match funding and the way in which it operates, option 1 includes the addition of the Maes Ebbw capacity building onto the capital programme. The value of funding required by the Council to cover the remaining shortfall after deferral and addition of Maes Ebbw is £3.7m. It is proposed that this is funded through borrowing due to the discounted rate available from WG for 21st Century Schools.

All projects going forward should be closely monitored against individual budgets and as per Contract Standing Orders at first indication of a significant potential overspend of either £25k or 10% of the contract value (whichever is lowest), the appropriate Head of Service and Head of Finance shall be notified.

It is important to note that deferral of the current schemes into future years, whether that B through the Band B project or not, will need to be fully costed with as reliable estimates as possible, and include all relevant costs including Furniture, Fixtures & Equipment and revenue estimates.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report.

Staffing Implications: Comments of Head of People and Business Change

This proposal considers aspects of the sustainable development principle of the Well-being of Future Generations (Wales) Act by considering a long term plan and involving children and young people at appropriate stages of decision making.

The report states that Fairness and Equality Impact Assessments (FEIAs) have been completed for each project within the capital programme. These FEIAs should be reviewed to ensure there is no additional fairness and equality impact due to the deferring of the schemes specified.

There are no HR implications.

Comments of Cabinet Member for Education & Young People

I support the preferred option on the grounds that this is financially sound. I note it is subject to securing Welsh Government match funding. I am satisfied that there will not be detriment to those schools recommended for project deferral at this time.

Cabinet Member for Finance & Resources:

I agree with the proposals set out in Option 1 of the report. The report clearly identifies the need to defer projects in order to reduce the current funding gap, and the funding required from NCC to deliver the remainder of the programme. This is subject to WG funding and a report will need to come back to me if this funding is not secured.

Local issues

None

Scrutiny Committees

None

Equalities Impact Assessment

The democratic cycle decision making process undertaken within each project for this capital programme is supported by individual Fairness & Equality Impact Assessments, which will be updated in the case of any deferred projects.

Children and Families (Wales) Measure

Children and Young People are consulted at appropriate stages of decision making for individual projects within this capital programme.

Consultation

The original 2011 bid was the subject of a full Member consultation before submission to WG.

Background Papers

21st Century Schools Strategic Outline Programme, 2011
Band A Strategic Outline Programme Extension, 2014
Capital Programme Outturn 2015/16 Report

Dated: 12 September 2016

The current education capital programme has developed from the 2011 submission, the following tables set out that programme journey from 2011, through 2014 with the programme extension to the present day and a table setting out the additional sums to the 21CS capital programme as at July 2016.

Year	Programme Group	Schools	21CS Allocation
2011	Demountable Replacement Programme for 7 schools -	<ul style="list-style-type: none"> • Lliswerry High School • Caerleon Comprehensive • Bassaleg School • John Frost School • Mount Pleasant (nurs) • Langstone (incl nurs) • Pentrepoeth (incl nurs) 	£7m <i>(of which £4m was allocated to John Frost)</i>
	Nursery Programme for community maintained schools	<ul style="list-style-type: none"> • High Cross • Millbrook • Monnow • Malpas Park • Glasllwch • Clytha • Mount Pleasant (dem) • Langstone (dem) • Pentrepoeth (dem) 	£1m
	ASD capacity building <i>(plus add'n £2.8m Invest to Save)</i>	<ul style="list-style-type: none"> • Gaer Primary • New ASD School 	£1m
	Welsh-medium primary consolidation	<ul style="list-style-type: none"> • Ysgol Gymraeg Ifor Hael • Ysgol Gymraeg Bro Teyrnnon 	£1m
	Caerleon Lodge Hill new build	<ul style="list-style-type: none"> • Lodge Hill Primary 	£5m
Total 21CS programme as at 2011			£15m

Year	Programme Group	Schools	21CS Allocation
2014	New Welsh-medium secondary (WM2) school	<ul style="list-style-type: none"> • Ysgol Gyfun Gwent Is Coed • John Frost School 	£12m
	MCC 21CS programme contribution		£1m
			£13m
Total 21CS programme as at 2014 (£15m + £13m)			£28m

As at 2016: Additional NCC funding to the 21CS programme

Programme Group	21CS Programme as at 2014	Additional funding to date	Total as at July 2016
Demountable Replacement Programme	£7.0m	£0.7m	£7.7m
Nursery Programme	£1.0m		£1.0m
ASD capacity building (including additional ASD financing through Invest to Save and other sums)	£1.0m	£3.3m	£4.3m
Welsh-medium primary consolidation	£1.0m	£0.4m	£1.4m
Caerleon Lodge Hill new build	£5.0m	£0.1m	£5.1m
New WM2 (an additional £4m is shown within Demountable Replacement Programme against John Frost School)	£13.0m		£13.0m
John Frost School redevelopment		£4.0m	£4.0m
Primary Place Challenge		£2.1m	£2.1m
Total Education Capital Programme as at July 2016	£28.0m	£10.6m	£38.6m

The additions above include funding from Invest to Save (in relation to the ASD programme), Section106 monies, asset maintenance sums and revenue contributions. These have been approved in previous capital reports brought to Cabinet and subsequently added to the Capital Programme.

The current education capital programme is funded from the following sources:

- 21CS WG capital financing – **£28m**
- Additional financing for the **new ASD school of Invest to Save and other sums – £3.3m** not currently match funded by WG
- Additional, separate remodelling – **redevelopment of John Frost School – £4m** not currently match funded by WG
- Cabinet Members may be aware of other projects currently being scoped and in the delivery stage which are financed by a variety of **Section 106 sums** under the Housing Act. This report does not reference those projects as they are delivered under historical legal agreements to a specific criteria and support pupils emerging from local housing developments. Such projects are not able to be match funded by WG.
- Similarly there are projects being scoped and in the delivery stage which are financed purely by a **Primary Place Challenge sum of £2.1m** which is focusing on meeting the immediate and short term demands for school places across the city in the primary sector. This is entirely financed by the Council and does not have the opportunity of match funding by WG or any grant systems at the current time.

EDUCATION CAPITAL PROGRAMME AS AT JULY 2016

APPENDIX THREE

	CURRENT PROGRAMME	ACTUAL + COMMITTED TO DATE	FORECAST	VARIANCE	Project Delivery Status	Can it be deferred?	Risk/Reason for Deferral
	£000	£000	£000	£000			
<u>21C Welsh Medium Primary</u>	1,395	0	1,412	17	Project Completed - Addition funded through asset maintenance - borrowing	N/A	N/A
<u>21C Nursery Programme :</u>							
High Cross Primary	50	50	50	0	Complete	N/A	N/A
Millbrook Primary	20	20	20	0	Complete	N/A	N/A
Monnow Primary	63	63	63	0	Complete	N/A	N/A
Malpas Park Primary	301	0	301	0	Complete - final a/c to be agreed	N/A	N/A
Glasllwch Primary	405	445	445	40	Complete - final a/c to be agreed	N/A	N/A
Clytha Primary	31	0	31	0	Complete	N/A	N/A
Pentrepoeth Primary	130	0	0	-130	Now part of demountables	N/A	N/A
Mount Pleasant Primary	0	67	67	67	Now part of demountables - costs to be transferred	N/A	N/A
Langstone Primary	0	3	3	3	Now part of demountables - costs to be transferred	N/A	N/A
	1,000	647	978	-22			
<u>21C Lodge Hill</u>	5,091	615	6,000	909	Tenders have been returned - favoured contractor identified - no contract let as yet. Additional funding is via S106.	Yes	Lodge Junior premises has been identified as the worst first primary building in the education estate. £615k is sunk to date, and the benefit of this spend would be at risk if deferred.
<u>21C Demountable Replacement:</u>							
Caerleon Comp	570	44	1,001	431	Not started	Yes	Not about capacity. Demountables are in a very poor state, not replacing increasing the risk around H&S, and poor learning environment.
Bassaleg School	140	34	4,800	4,660	Not started. £2m S106 funding is critical to reducing the variance but not receivable until 2019.	Yes	Not about capacity. Demountables are in a very poor state, not replacing increasing the risk around H&S, and poor learning environment.
Mount Pleasant Primary	696	353	640	-57	On site, due for handover Sept 2016	No	N/A
Pentrepoeth Primary	601	213	850	249	Stage 1 Estimate. Additional funding is via S106.	Yes	The nursery has been legally established. Demountable replacement / Nursery classroom & facilities
Llisbury High School	322	317	322	0	On site, due for handover Sept 2016. Additional funding is via S106.	No	N/A

Langstone Primary	1,352	0	1,399	47	Stage 1 Estimate. 3 statutory legal proposals to establish nursery. Additional funding is via S106.	Yes	Significant risk if deferred, due to reputation and legal implications. Would not recommend deferring.
	3,681	960	9,011	5,330			
WM2 - YGGIC	17,000	2,820	28,145	11,145	Scheme substantially progressed	No	N/A
John Frost redevelopment	4,000	2	4,000	0	Scheme substantially progressed	No	N/A
ASD/Gaer Enabling Works	4,265	2,469	5,000	735	Substantial works progressed, final stages of delivery for January-March 2017. Additional funding is via S106 and revenue conts.	No	N/A
Primary Place Challenge:							
Rogerstone Primary	188	166	166	-22	Completed. Additional funding is via S106.	N/A	N/A
Marshfield Primary	380	281	380	0	Completed	N/A	N/A
Maesglas Primary	400	85	546	146	Not started	Yes	We would recommend deferral
Monnow Primary	500	191	452	-48	Not started	Yes	We would recommend deferral
Diswerry Primary	339	384	349	10	Completed. Additional funding is via S106.	N/A	N/A
Langstone Primary	29	400	28	-1	Completed	N/A	N/A
St Woolos Primary	6	6	6	0	Completed	N/A	N/A
Millbrook Primary	50	50	50	0	Completed	N/A	N/A
Non Allocated	238	0	130	-108	Contingency	Yes	N/A
	2,130	1,563	2,130	-22			
Developer-led New School Builds - FF&E Requirement:							
Jubilee Park Primary	0	0	615	615	Started, school to be established for Sept 2017	No	School Places required
West Glan Llyn Primary	0	0	615	615	Imminent, school to be established for Sept 2018	No	Developer determines build schedule
	0	0	1,230	1,230			
Total	38,562	9,077	57,863	19,322			

A separate financing spread sheet is set out in Appendix Three, indicating the current cost estimates, budget allocation and forecast funding gap, the five highlight pressures are:

1. Demountable Replacement (£8.6m against a £3m allocation)
2. New Welsh-medium Secondary School site (£32.1m against a £21m site allocation)
3. Caerleon Lodge Hill Primary new build (£5.6m against an original £5m allocation)
4. New ASD School with enabling works (£4.8m against an original £4.3m)
5. Fixtures, Fittings & Equipment (£1.2m additional cost to the Council)

1. Demountable Replacement:

- The original £7m set in 2011 was allocated for 7 schools.
- In 2014 the decision was taken to allocate £4m for the John Frost School demountable replacement
- This was added to the new WM2 scheme budget allocation of £13m creating a total allocated of £17m, and the essence was to maximise economies of scale and contractor efficiencies working on one expansive site, delivering two schools build schemes.

Leaving a demountable replacement programme balance of £3m for 6 remaining schools:

- 1 straightforward project – Lliswerry High
- 2 complex as they also incorporate provision of nurseries, complex financing but so far affordable – Langstone and Mount Pleasant
- 1 complex as it incorporates replacement of one demountable classroom as part of the delivery scheme to also create an essential nursery which has been legally established through statutory consultation – Pentrepoeth
- 2 very complex projects predictably high cost being Caerleon Comprehensive and Bassaleg
- Forecast to be £8.6m
- Funding gap of £5.6m

2. New WM2:

- Original allocation to this scheme was £13m
- Existing demountable replacement sum of £4m allocated to John Frost School
- Site also benefitting from the additional separate £4m for John Frost School redevelopment
- Total allocation has therefore been £21m
- Not straightforward, complex and emerging very high cost
- Forecast to be £32.1m
- Funding gap of £11.1m

3. Caerleon Lodge Hill:

- The original £5m set in 2011 was allocated for a new build
- Recent tenders received at circa £3.5m
- NORSE review and risk planning set true cost at potentially circa £6m
- The cost certainty can only be gained by appointment of a Contractor and detailed Design
- Forecast to be £5.6m
- Funding gap of £0.9m

4. New ASD School:

- As a result of considerable numbers of contract variations and budgetary inflation it is predicted this project will be underfunded
- Forecast to be £5.0m
- Funding gap of £0.7m

5. Fixtures, Fittings & Equipment:

- Two new schools are being built – Jubilee Park for September 2017 and West Glan Llyn for September 2018, the original Section 106 agreements did not include for the provision of Fixtures, Fittings & Equipment
- Forecast to be £1.2m
- Funding gap of £1.2m

Programme (Project) Status

APPENDIX FIVE

This appendix is intended to provide some detail and status on the projects, a review of appendix three denotes the financial position of each project:

1. Demountable Replacement Programme is still in scoping phase, costs are therefore estimated particularly for Caerleon Comprehensive and Bassaleg Schools – this programme group of projects also intended to incorporate the inclusion of nurseries at Mount Pleasant, Pentrepoeth (including a nursery) and Langstone (also including a nursery), providing for a complex financing base.
2. Nursery Programme – most projects to deliver community maintained nurseries are now completed, other than Mount Pleasant, Pentrepoeth and Langstone having the benefit of demountable replacement financing.
3. ASD capacity building – construction on the Gaer site is well underway – the enabling works (at Gaer Primary) are expected to conclude by September 2016 and the new ASD school site and premises is to emerge in the spring 2017.
4. Welsh-medium primary consolidation – concluded works on two primary school sites, both schemes are completed, achieved within budget.
5. Caerleon Lodge Hill new build – ready to move to appointment of Contractor to determine Design and cost certainty.
6. New WM2 – this is not a straightforward project, it is running late, has endured complex enabling works and flood management consequential issues.
7. John Frost School – this additional separate redevelopment project has not been straightforward as it has been targeted investment with a focused scope, it is running late, was never intended to represent a complete remodelling or total refurbishment of this school. This is unmatched by WG.
8. Primary Place Challenge cash sums have been made available by NCC with which to inject urgent investments in specific areas of the city to meet the demand for primary school places. Not all projects are achievable as the budget sum is constrained and unmatched by WG.

Summary, the following table sets out all projects in three categories of status:

Project	A: Completed or expected to complete shortly	B: Consider for deferral	C: Recommend for deferral
Demountable Replacement	Lliswerry High; Mount Pleasant;	Bassaleg; Caerleon Comp; Pentrepoeth Langstone;	Bassaleg; Caerleon Comp;
Nursery Programme	High Cross; Malpas Park; Glasllwch; Millbrook; Mount Pleasant;	Pentrepoeth Langstone;	
ASD capacity building	Gaer Primary; New ASD School	New ASD School	
Welsh-medium primary	Ysgol Gym Ifor Hael; Ysgol Gym Bro Teyrnnon		
Lodge Hill new build		Caerleon Lodge Hill	
New WM2		Ysgol Gyfun Gwent Is Coed	
John Frost		John Frost School	
Primary Place Challenge	Rogerstone; Marshfield; Lliswerry; St Woolos; Millbrook;	Maesglas; Monnow	Maesglas; Monnow

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Report

Cabinet

Part 1

Date: 12th September 2016

Item No:

Subject **Capital Programme Monitoring and Additions July 2016**

Purpose To submit to Cabinet for approval, requests for new capital schemes to be added to the Council's Capital Programme.

To update Cabinet on current spending against the Capital Programme schemes highlighting the forecast outturn position for the programme as at July 2016.

Author Senior Finance Business Partner (Capital)

Ward All Wards

Summary The report requests that new schemes be added to the programme.

The report also updates Cabinet on the capital expenditure forecast position and the current position regarding capital receipts.

Proposal **To approve the additions to the Capital Programme requested in the report.**

To note the capital expenditure forecast position as at July 2016.

To note and approve the allocation of in-year capital receipts.

Action by Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service
- Accountancy teams for relevant service areas
- Relevant Service Area Project Managers
- NORSE Property Services

Signed

Background

- In February 2014, the Council approved a four year Capital Programme to cover the financial years 2014/15 to 2017/18 totalling £80.551 million. We are now in the third year of the four-year programme, and over time changes have been made to the programme to revise the total budget to £116.138 million. The table below summarises the changes made to date:

Report	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	Total £000's
	Budget	Budget	Budget	Budget	
Original Programme	42,619	12,222	11,414	14,296	80,551
	Actual	Budget	Budget	Budget	
Capital Programme Outturn Report 14/15	27,197	39,993	27,813	20,063	115,066
	Actual	Actual	Budget	Budget	
Capital Programme Outturn Report 15/16	27,197	25,783	42,137	18,198	113,315
This Report	27,197	25,783	46,823	18,198	118,001

- The changes to the capital programme identified in this report have increased the overall size of the remaining two year programme by £4,686k. The resulting changes to the funding of the capital programme are:
 - Increase in external grant – £2,167k
 - Increase in S106 and other contributions – £2,079k
 - Increase in direct revenue contributions – £258k
 - Use of capital receipts – £55k
 - Increase in unsupported borrowing – £127k
- As 2017/18 will be the final year of the existing four-year programme, proposals in line with the Council's strategic and corporate priorities will now need to be considered by directorates and bids for projects formulated and submitted for inclusion in the Capital Programme from 2018/19 onwards. It is proposed that the Council now move to a *rolling* four-year programme rather than a 'fixed' format, for consistency with financial planning for revenue budgets and to allow borrowing implications to be forecast into the medium term at all times. This is also generally accepted best practice amongst other Local Authorities.
- Cabinet will note the content of the separate Education Capital Programme report presented at this meeting and be aware that the budget position summarised above is likely to be subject to significant change depending on the decisions to be made to address the current capital budget issues with the Education Capital Programme and is subject to approval of additional funding from Welsh Government.

Changes to the approved Capital Programme

- New schemes are listed in Appendix A and are requested to be added to the capital programme. Appendix B of this report shows the revised 2016/17 programme, including the proposed schemes. A summary of the key programme changes are outlined in the following paragraphs.
- New ASD Facility (£443k)** – additional budget, via asset maintenance and revenue contributions, has been identified to help reduce the forecast project funding shortfall. A shortfall of circa £535k remains and forms part of the separate Education Capital Programme report presented at this meeting.

- **Schools Challenge Cymru (£70k)** – Welsh Government have approved this allocation for 2016/17, with the schools benefitting from an improved teaching and learning environment being Llisbury High and St Julians School.
- **Flying Start (£699k)** – WG grant to remodel and refurbish the Bridge Centre to create a Flying Start base which provides 120 childcare places, a base for the multi-agency team, and accommodation for parenting, early language and health intervention.
- **ENABLE Support for Independent Living (£187k)** – grant funding made available by WG for the delivery of housing adaptations, which will supplement the existing NCC-funded Disabled Facilities Grant and Safety at Home schemes.
- **Vibrant & Viable Places (£1,864k)** – the budget for this, the final year of VVP, is now adjusted following the most recent revised expenditure profile received from Welsh Government and the incorporation of the recycled loan repayments from the Kings Hotel development that took place in Years one and two.
- **Youth Offending Service Relocation (£55k)** – due to the closure and impending disposal of the Helyg Centre, the YOS is relocating to the Old Brynglas Hostel. The required refurbishment works will be funded via use of proceeds from the Helyg Centre disposal.
- **Langstone Community Hall Works (£60k)** – S106 monies made available within the Langstone ward are to be used to allow the Community Council to undertake required building works to the Village Hall.
- **Waste Disposal Site Access Road Extension (£127k)** – the road infrastructure servicing the asbestos cell is unsuitable for any vehicles other than off-road dumper trucks and work lorries. The proposed improvements, funded via unsupported borrowing, are needed in order to meet minimum standards and attract more users to the site.
- **Local Transport Fund (£179k)** – WG have awarded grant funding of £11k for Active Travel Mapping and £168k for Active Travel Northern Corridor under the LTF umbrella for 2016/17. Expenditure will be in line with requirements of the Active Travel (Wales) Act 2013.
- **Road Safety Capital (£12k)** – the scheme proposed for 2016/17 will involve roundabout safety improvements at Duckpool Road/ Church Road/ Christchurch Road.
- **Development of Travel Plan (£26k)** – an extension to this scheme into 2016/17 has recently been approved by WG.
- **Waste Collection Collaborative Change Programme (£734k)** – WG have awarded grant funding to support sustainable waste and recycling objectives via the purchase of specialist vehicles and equipment as well as site alterations at the Household Waste Recycling Centre.
- **Pill Tidal Risk Management Projects (£360k)** – grant funding has been awarded by WG for project appraisal studies assessing flood risk management options for Pillgwenlly (£260k) and Pillmawr Farm (£100k). This will include flood risk modelling, ground investigations, and design development.
- **Reduction in schemes (–£130k)** – five grant funded Streetscene & City Services schemes which underspent by £121k in 2015/16 had been slipped into 2016/17 internally, but we are still waiting for WG confirmation that this slippage will be permitted on a case by case basis. Until this confirmation is received it is prudent to remove them from the capital programme. Also to be removed are some S106 monies in Streetscene (£6k) and Education (£3k) where schemes have completed marginally under budget.

2016/17 Capital Expenditure Position as at July 2016

- The 2016/17 capital programme allocation now totals £46,823k. Capital expenditure incurred up to the end of July 2016 totalled £3,351k. An update on the headline/ high value schemes is provided in the next section; Appendix B summarises the progress on the remainder of this year's programme.
- The online Budgetary Management System has been rolled out this month for capital schemes, so for the first time the onus has been placed on budget holders to input their forecasts directly, as they do for revenue budgets. The forecast outturn position for the 2016/17 programme is currently estimated to be £36,609k as detailed in the table below. Project managers will continue to progress their schemes and monitor them closely to ensure accurate forecasting continues.

Service Area	Approved Budget 2016/17	Forecast Outturn	Variance: Slippage	Variance: (Under)/ Over Spend
	£000's	£000's	£000's	£000's
Education	24,144	18,614	(5,947)	417
Regeneration, Investment & Housing	11,971	11,374	(597)	0
Customer Services & Digital Innovation	1,014	580	(151)	(283)
People & Business Change	3,185	0	(1,085)	(2,100)
Law & Regulation	179	0	(179)	0
Adult & Community Services	233	233	0	0
Children & Young People Services	55	55	0	0
Streetscene & City Services	6,042	5,753	(289)	0
TOTAL	46,823	36,609	(8,248)	(1,966)

Update on Headline/ High Value Schemes

Education

- The current budgetary issues surrounding the 21st Century Schools (21CS) programme are explained in detail in the separate report presented to Cabinet at this meeting. While the majority of the schemes completed to date, including 6 nurseries and 2 Welsh-medium primary schools, have successfully been within budget, there are pressures within projects that are currently in progress and budget shortfalls will need to be addressed.
- The main project that is affected by the issues in this financial year is the New ASD Facility at Gaer Primary, as construction is on schedule to complete by December 2016. Others that are significantly affected include the Caerleon Lodge Hill Primary and the Welsh Medium Secondary projects, which need to complete within the next two financial years. The provision of furniture, fixtures and equipment in all new build and renovation schemes is another cost pressure across the schools programme.
- Decisions now need to be made based on the recommendations set out in the Education Capital Programme Report presented at this Cabinet meeting. These decisions will impact on the forecast outturn position.

- The current slippage forecast of £5,947k is mostly due to the delays in progressing the 21CS schemes for Caerleon Lodge Hill and various Demountable Replacements, particularly given the current issues across the programme being reported.

Regeneration, Investment and Housing

- The majority of the 2016/17 (Year 3) Vibrant & Viable Places allocation is assigned to the redevelopment of 123-129 Commercial Street. This project has encountered significant delays which have required the Council to approve use of powers of compulsory purchase in order to proceed. It is unlikely that any of the £3.1m allocated to this project will be defrayed until early 2017. Large scale projects at Griffin Island and Cardiff Road are nearing completion, which will accelerate financial expenditure over quarters 2 and 3. As noted earlier in this report, the repayable loan issued in Year 1 to the King's Hotel Development is due to be fully received this month and is now recycled into the remaining budget for this year as specified by WG in the original grant award.
- Newport Norse continue to work to their schedule of priority works under the Asset Management programme, and currently forecast slippage on delivery of around £442k which will need to be added to the 2017/18 allocation.
- Gypsy/ Traveller Site Development – the Council's commitment of £1,277k for preparatory works including surveys and archaeological digs is forecast to be fully spent by the end of the year, by which time a detailed bid will be made to WG to secure grant funding for the actual construction of the development to commence in early 2017.
- The Renovation Grants budget, currently split between Disabled Facilities Grants (£1,136k) and Safety at Home (£300k) but can be flexed as necessary, is forecast to be fully spent this year in accordance with demand. The DFG budget will be aided by the additional resource offered by the ENABLE Support for Independent Living grant recently awarded by Welsh Government.

Customer Services and Digital Innovation

- The IT System & Equipment Replacement Programme remains ongoing, but full spend of this year's allocation of £709k is unlikely due to the potential move to the Shared Resource Service model. Future years' allocations will then be reviewed accordingly.
- Superconnected Cities Broadband Voucher Scheme – this scheme will shortly be coming to an end following the previous deadline extensions by DCMS. Final spend is likely to be much lower than the budget available, and final grant drawdowns are being prepared for submission within the revised deadline.

People and Business Change

- Implementation of HR Self-Serve – a review is currently being undertaken by the Business Improvement Team to establish what can be done with the remaining budget of £85k to achieve the most advantageous conclusion to this scheme.
- The capital programme amount earmarked for Scheme Preparation (£100k) currently does not have any schemes identified against it, but proposals may come forward before year-end. The Change & Efficiency (£3,000k) budget is unlikely to be required for 2016/17 at this stage. It is proposed to treat £1,000k as slippage into 2017/18 with the remainder being underspend.

Law and Regulation

- CCTV Monitoring Service – this scheme remains in progress. Service Managers are currently awaiting detailed costings from Newport Norse for the building works required in order for the service to relocate. It is currently not possible to estimate how much of the remaining budget of £179k will be spent by 31st March 2017.

Adult and Community Services

- Both the Telecare Service Equipment and GWICES schemes are progressing as planned, with Substance Misuse Action Fund due to have a budget increase approved shortly.

Children and Young People Services

- The project to relocate the Youth Offending Service to the Old Brynglas Hostel will now commence following approval for it to be added to the Capital Programme earlier in this report. Detailed costings are being prepared by Norse.

Streetscene and City Services

- Fleet Replacement Programme – planned vehicle purchases for 2016/17 are forecasting full spend against the budget allocation of £1,880k.
- Waste Disposal Site Finishing & Development – works are ongoing at the site, while options are currently being considered for future operational delivery. Necessary works (£127k) will now commence on the access road to the asbestos cells identified earlier in this report, so that income generation from users can be maximised.
- Schemes have been identified under the sub-headings of road safety, street-wide improvements and lighting column replacement, within the £674k budget for Highways Capital Maintenance. Full spend is anticipated for 2016/17, with a number of carriageway resurfacing schemes planned.

Update on Capital Receipts

- The current position on capital receipts is shown below. The value of receipts earmarked as match funding for the 21CS Programme Band A has exceeded its original target of £7.5m. As identified in the 2015/16 Capital Outturn Report approved by Cabinet, further capital receipts now need to be maximised given the cost pressures currently being faced as discussed earlier and in the separate report presented at this Cabinet meeting. Capital financing forecasts currently being worked on by officers now assume a target of £9.5m (of which £311k has been spent in previous years) in order to reduce the borrowing requirement on the Welsh Medium Secondary School project. Norse Property Services anticipate that a further £1.3m of capital receipts on property disposals should be achieved by the end of the financial year, in addition to the sums already received as per the table below.

Asset Disposed	Receipts Balance b/f	Receipts Received in Year	Total Available Receipts 2016/17	Receipts Earmarked For:	
				21st Century Schools	Fleet Replacement Programme
	£	£	£	£	£
Balance b/f 2015/16	7,449,724		7,449,724	7,427,574	22,150
Reevesland Industrial Estate Plot C		160,000	160,000	160,000	
Land at Colinda 112 Marshfield Rd		10,500	10,500	10,500	
New Willows 9 Tennyson Avenue		251,000	251,000	251,000	
Land south of Drenewydd Reen, Wentloog		55,000	55,000	55,000	
Vehicle Disposals		29,994	29,994		29,994
TOTAL NCC RECEIPTS	7,449,724	506,494	7,956,218	7,904,074	52,144

- The table below shows capital receipts held for Newport Unlimited, which are attributable to the previous joint arrangement between Newport City Council and Welsh Government. As reported previously, we are still awaiting a decision by Welsh Government as to clarification of what regeneration projects these funds can be used for.

Capital Receipts Held for Newport Unlimited	Balance b/f	Receipts Received in Year	Balance c/f
	£	£	£
Balance b/f 2015/16	609,376		609,376
TOTAL NU RECEIPTS	609,376		609,376

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?
Overspend against approved budget	M	L	Regular monitoring and reporting of expenditure in accordance with the timetables set by Cabinet/Council should identify any issues at an early stage and allow for planned slippage of spend.	Corporate Directors / Heads of Service / Head of Finance
Programme growing due to unforeseen events	M	M	Good capital monitoring procedures and effective management of the programme should identify issues and allow for plans to defer expenditure to accommodate urgent works. Priority asset management issues are now being dealt with through a specific programme allocation.	Corporate Directors / Heads of Service / Head of Finance

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

- The programme supports a large number of the Council's aims and objectives.

Options Available

- To approve the changes to the Capital Programme and note the monitoring position as set out in the report.
- The Cabinet has the option not to put forward some or all of the changes to the Capital Programme set out in the report.

Preferred Option

- To approve the changes to the Capital Programme and note the monitoring position as set out in the report.

Comments of Chief Financial Officer

The report shows a number of areas that need to be addressed by services areas. It is important that projects are monitored robustly and forecast overspends (and slippage requests) informed to the Head of Finance at the earliest opportunity. The decisions in relation to the Education Capital Programme will be key to the monitoring position and the overall capital programme detailed above. The programme needs to be as realistic as possible and slippage kept to a minimum, as this impacts on budget forecasting.

The forecast outturn position will continue to be monitored as this informs the Council's borrowing forecasts and MRP pressures in the Medium Term Financial Plan.

Comments of Monitoring Officer

There are no legal issues arising from this report.

Staffing Implications: Comments of Head of People and Business Change

There are no direct HR implications associated with the report.

Comments of Cabinet Member

N/A

Local issues

As the report deals with the Capital Programme for the Authority as a whole, there are no local issues.

Scrutiny Committees

N/A

Equalities Impact Assessment

N/A

Children and Families (Wales) Measure

N/A

Consultation

As set out in the early part of the report.

Background Papers

Capital Programme 2014/15 to 2017/18 – February 2014
Capital Programme Monitoring and Additions Report – July 2014
Capital Programme Additions Report – October 2014
Capital Programme Monitoring Report – November 2014
2015/16 Budget & Medium Term Financial Plan – February 2015
Capital Programme Monitoring and Additions Report – February 2015
Capital Programme Outturn 2014/15 – June 2015
Capital Programme Additions Report – July 2015
Capital Programme Monitoring Report – October 2015

Capital Programme Monitoring and Additions Report – January 2016
2016/17 Budget & Medium Term Financial Plan – February 2016
Capital Programme Outturn 2015/16 – June 2016

Dated: 2nd September 2016

APPENDIX A – Changes to the Approved Capital Programme

Scheme	Total Cost £000	S106 / Other Cont. £000	External Grant £000	Prudential/ Unsupporte d Borrowing £000	Revenue Contrib'n £000	Capital Receipts £000	Comment/ Revenue Budget Implication
New ASD Facility	443	205			238		
Schools Challenge Cymru	70		50		20		Lliswerry HS to contribute £20k match funding from their delegated budget
ENABLE Adaptations	187		187				
Flying Start	699		699				
VVP Grant	1,864	1,823	41				Recycled grant money returned as Cont.
YOS Move to Brynglas	55					55	
Langstone Community Hall	60	60					
Waste Disposal Site Access Road	127			127			Will result in £3k p.a. MRP charge
Development of Travel Plan (S Nichols)	26		26				
ATF Active Travel	179		179				
Road Safety Grant	12		12				
Collaborative Change Programme	734		734				
Hill Tidal Risk Management	360		360				
REDUCED: Active Travel Network (North)	(10)		(10)				No grant c/f unless confirmed by WG
REDUCED: Active Travel Network (South)	(57)		(57)				No grant c/f unless confirmed by WG
REDUCED: Newport Rapid Transit	(3)		(3)				No grant c/f unless confirmed by WG
REDUCED: Sustainable Access Public Footbridge	(41)		(41)				No grant c/f unless confirmed by WG
REDUCED: Road Safety Grant 15/16	(10)		(10)				No grant c/f unless confirmed by WG
REDUCED: Lliswerry Rec Changing Rooms	(6)	(6)					Reduction of insurance contribution funding
REDUCED: Caerleon Lodge Hill S106 Project	(2)	(2)					S106 monies fully spent, scheme complete
REDUCED: Marshfield Primary S106 Project	(1)	(1)					S106 monies fully spent, scheme complete
TOTAL	4,686	2,079	2,167	127	258	55	

APPENDIX B – Capital Expenditure as at July 2016

SCHEME	BUDGET 2016/17 £000	ACTUAL 2016/17 £000	FORECAST OUTTURN £000	TOTAL VARIANCE £000	SLIPPAGE £000	(UNDER)/ OVER SPEND £000	COMMENT
EDUCATION							
STEP	359	0	0	(359)	(359)	0	STEP manager waiting to collate data regarding spend for the financial year.
New ASD Facility	2,901	1,018	3,401	500	0	500	Scheme progressing, due to be complete by December. Waiting for Final Valuation of costs from Chandlers as additional funding will be required to meet overspend.
Installation of a Catering Cashless System in all Primary Schools	50	6	50	0	0	0	Scheme progressing as planned, full spend anticipated.
Replacement Hartridge High School	28	26	27	(1)	0	(1)	Scheme complete, retention paid this year, no further costs.
St Andrews Primary 3FE Works	839	(4)	839	0	0	0	Scheme underway, phasing has begun with the car park, all works due to be completed March 17.
21st Century Schools - Nursery Education Provision	65	(32)	0	(65)	0	(65)	All Nursery projects complete. Remaining budget due to be vired to Demountables projects.
21st Century Schools - School Reorganisation - Lodge Hill New Build	4,018	70	500	(3,518)	(3,518)	0	Design and tender should commence in Sept 16, minimal construction work on site anticipated before year end.
Welsh Medium Secondary School	10,298	695	10,298	0	0	0	Scheme in progress, anticipated full spend, monthly progress meetings to monitor and resolve issues.
21st Century Schools - Capacity Building Replacement of Demountable	2,380	343	1,138	(1,242)	(1,242)	0	Langstone and Liswerry nearly complete, other schemes undergoing feasibility studies and may be delayed.
Primary Place Challenge	1,119	163	291	(828)	(828)	0	Two of the larger schemes within this allocation have been delayed, Marshfield due to be completed Sept 16.
S106 – Improvement works to Bassaleg School	17	(3)	0	(17)	0	(17)	Project complete awaiting final costs from contractor.
Duffryn - Additional Funding	2,000	0	2,000	0	0	0	Scheme commenced, asbestos removal begun and further works will be phased throughout the life of the project.
Schools Challenge Cymru	70	0	70	0	0	0	WG grant award recently confirmed.
Subtotal Education	24,144	2,282	18,614	(5,530)	(5,947)	417	
REGENERATION, INVESTMENT & HOUSING							
Education through Restoration - 14 Locks	21	0	0	(21)	(21)	0	Scheme complete, budget this year for any residual costs however none anticipated.
Gypsy/ Traveller Site Development	1,277	9	1,277	0	0	0	Scheme progressing, costs may increase due to security issues.
Peterstone Sewage Scheme	68	0	0	(68)	(68)	0	Issues still with Legal, likely that budget will need to be deferred into 17/18.
City Centre Redevelopment CPO Schemes	84	7	18	(66)	(66)	0	Advised by Norse of two CPOs completing this year, two more anticipated but held up in legal proceedings.
Renovation Grants (DFGs)	1,436	374	1,436	0	0	0	Rolling programme, full expenditure anticipated, approving in response to demand.

ENABLE Adaptations Grant	187	0	187	0	0	0	WG grant award recently confirmed.
Vibrant & Viable places Grant	5,787	(167)	5,787	0	0	0	Year 3 starting to progress now with majority of spend on 123-129 Commercial Street, other sub schemes to be completed.
Asset Management	1,955	163	1,514	(442)	(442)	0	Programme of works received for financial year.
Flying Start	49	(56)	49	0	0	0	Remaining funds due to supplement 16/17 grant scheme.
Flying Start Grant 16/17	699	11	699	0	0	0	Scheme is progressing, majority of spend to be seen in Q2, 3 and 4
Rivermead MUGA Fence	80	0	80	0	0	0	The MUGA is due to be delivered September /October to the budget figure i.e. full spend of available capital
Central Library Structural Safety Works	328	(6)	328	0	0	0	A full survey at the Central Library/Museum has been carried out and a list of remedial works recommended. Norse are currently developing this programme to go out to market. We will not fully understand the cost implications until tenders are returned. However, full spend of the capital allocation is anticipated.
Subtotal Regeneration, Investment & Housing	11,971	335	11,374	(597)	(597)	0	
CUSTOMER SERVICES & DIGITAL INNOVATION							
IT System & Equipment replacement	709	6	558	(151)	(151)	0	Equipment purchases ongoing, not anticipating full spend as restricted due to potential move to SRS
Superconnected Cities Broadband Voucher Scheme	293	3	10	(283)	0	(283)	Due to complete soon not anticipating much more spend as uptake was slow.
Corporate EDMS Roll Out	12	0	12	0	0	0	Scheme remains ongoing, full spend anticipated.
Subtotal Customer Services & Digital Innovation	1,014	9	580	(434)	(151)	(283)	
PEOPLE & BUSINESS CHANGE							
Implementation of HR Self-Serve	85	0	0	(85)	(85)	0	Review currently being done by Business Improvement Team to establish what needs to be completed with regard to this scheme.
Preparatory Works Allocation	100	0	0	(100)	0	(100)	No schemes identified as yet.
Amount Reserved for Change & Efficiency Programme areas still to be confirmed.	3,000	0	0	(3,000)	(1,000)	(2,000)	No schemes identified as yet.
Subtotal People & Business Change	3,185	0	0	(3,185)	(1,085)	(2,100)	
LAW AND REGULATION							
CCTV - 24/7 Team - Development of CCTV Monitoring Service	179	0	0	(179)	(179)	0	Scheme progressing, cameras purchased, full spend anticipated but waiting for costings from Norse to determine timing.
Subtotal Law & Regulation	179	0	0	(179)	(179)	0	

ADULT & COMMUNITY SERVICES							
Telecare Service Equipment	28	14	28	0	0	0	Equipment to be ordered, full spend anticipated.
Appliance/Equipment for Disabled	165	0	165	0	0	0	Annual allocation spent/ complete.
Substance Misuse Action Fund Capital Grant	40	40	40	0	0	0	Schemes approved, drawdowns commenced. Further schemes in the process of being approved.
Subtotal Adult & Community Services	233	54	233	0	0	0	
CHILDREN & YOUNG PEOPLE SERVICES							
YOS Move to Old Brynglas Hostel	55	0	55	0	0	0	New Scheme approved, works due to commence September and should be complete in November.
Subtotal Children & Young People Services	55	0	55	0	0	0	
STREETSCENE & CITY SERVICES							
Fleet Replacement Programme	1,880	168	1,880	0	0	0	Scheme ongoing, some orders placed, full spend anticipated.
Waste Disposal Site Finishing & Development Works	737	259	650	(87)	(87)	0	Works ongoing, including proposed improvements to access road for asbestos cell.
Bus Station - City Centre Redevelopment	366	52	366	0	0	0	Scheme complete, awaiting final costs.
Development of Travel Plan (Simon Nichols)	26	15	26	(0)	(0)	0	Position extended until end of October, full spend anticipated.
Flood Risk Regulation Grant	73	43	73	0	0	0	Full spend anticipated, satisfying the requirements of the Flood and Water Management Act 2010.
Pill - PAR	260	0	260	0	0	0	WG grant award recently confirmed.
Homefarm Drive - PAR	100	0	100	0	0	0	WG grant award recently confirmed.
Pye Corner Railway Station Development Works	26	0	0	(26)	(26)	0	Remaining money being used to treat Japanese Knotweed over next year, followed by landscaping.
Highways Local Government Borrowing Initiative - Final	69	53	69	0	0	0	Projects identified to achieve full spend.
Active Travel Northern Corridor	168	-3	0	(168)	(168)	0	Scheme commenced, new funding acquired recently from WG.
Active Travel South Central Corridor	0	74	0	0	0	0	Scheme commenced, need to resolve funding gap.
Road Safety Grant - VASSs A48, Chepstow Rd, Catsash Rd	9	3	0	(9)	(9)	0	All schemes complete budget remains for some final costs
Highways Capitalised Maintenance (Annual Sums)	674	(5)	674	0	0	0	Schemes Identified and budgets set for road safety, streetwide imp and Column replacement

Liswerry Recreation Ground Changing Rooms	223	0	223	0	0	0	Scheme progressing as planned
Graig Ward Play Facilities	101	10	101	0	0	0	Scheme progressing going out to tender
Maplewood Play Area	416	0	416	0	0	0	Scheme progressing as planned
George Street/ Lower Dock Street Junction Improvements	97	1	97	0	0	0	Final remaining works currently progressing.
Road Safety Grant - Duckpool Rd / Church Rd / Christchurch Rd Roundabout.	12	0	12	0	0	0	Scheme progressing full spend anticipated
Active Travel Mapping - Integrated Network Maps	11	0	11	0	0	0	Scheme being determined, full spend anticipated.
Waste Collection Collaborative Change Programme	734	0	734	(1)	(1)	0	New grant recently awarded
Langstone Community Hall	60	0	60	0	0	0	Scheme to be commenced by local community council who will be drawing down funds.
Sub total StreetScene & City Services	6,042	670	5,753	(289)	(289)	0	
TOTAL COST OF PROGRAMME	46,823	3,351	36,609	(10,214)	(8,248)	(1,996)	



Report

Cabinet

Part 1

Date: 12 September 2016

Item No: Insert item number here

Subject **Housing (Wales) Act 2014: Council Tax Premiums: Long-Term Empty Dwellings**

Purpose The purpose of the report is to seek Cabinet approval of the general principles regarding the introduction of Council Tax Premiums from 1 April 2017, before commencing consultation with the public and stakeholders.

Authors Head of Finance and Head of Regeneration, Investment & Housing

Ward All

Summary The Housing (Wales) Act 2014 empowers Councils to introduce discretionary council tax premiums in respect of certain long-term empty dwellings. By a resolution of Council, billing authorities may dis-apply the statutory 50% discount on vacant dwellings that are not exempt and then impose a premium of up to a 100% of the standard rate of council tax, thereby charging up to 200%. The first time that the premiums may take effect is 1 April 2017. The discretion has been allowed with the intention of providing a tool to assist with bringing empty homes back into use; increasing the supply of affordable housing; and enhancing the sustainability of local communities. Councils will be able to retain additional funds raised from the premiums, and are encouraged by the Welsh Government to use it to help meet local housing needs.

The Council's Local Housing Strategy 2012-17 sets out its priorities for action on housing-related services over a five-year period. It is informed by a detailed assessment of the local housing market, following guidelines and methodology laid down by the Welsh Government and used by local authorities throughout Wales. The current Local Housing Market Assessment, updated in 2015, finds that each year Newport is likely to have a shortfall of around 900 affordable homes. While not all empty homes would necessarily be affordable for people in housing need it is important that, given the current pressures on housing, there is good use of the existing housing stock. The longer a home is empty, the more likely it is to suffer the deterioration that will become a real obstacle to its re-occupation. While there are surely no owners who want their property to remain empty indefinitely, it is far easier than most people envisage for an empty home to slip into long-term disuse.

The Welsh Government guidance on this matter recommends that Councils should engage and consult with stakeholders, including the local electorate, before taking a decision regarding the charging of premiums. It must also carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011.

Proposal It is proposed that the general principles set out in this report - that council tax premiums on long-term empty dwellings be implemented from 1 April 2017, as in Option 2(a) (for such dwellings that have been empty for a period of at least 2 years) - be put to public and stakeholder consultation and the results, along with the appropriate equality impact assessments, reported back to Cabinet with a view to making a recommendation to Council.

Action by Head of Finance and Head of Regeneration, Investment and Housing

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Cabinet Member for Adult Social Services and Housing
- Head of Law and Regulation

Signed

Background

1. The Housing (Wales) Act 2014 makes provision for various local authority housing functions, including at Part 7 the empowerment for Councils to introduce council tax premiums for certain long-term empty dwellings. The 2014 legislation amends the Local Government Finance Act 1992 (LGFA) in respect of statutory council tax discounts for vacant dwellings that are not exempt. The amendment is contained in housing legislation with the specific intention of providing local authorities with an additional tool to tackle empty dwellings, with a view to encouraging owners to bring properties back into use for sale or rent to increase local housing supply.
2. Councils will be able to retain the additional revenue generated by the premiums for their own purposes, although the Welsh Government is currently consulting on Tax Base and Revenue Support Grant implications. (The implementation of premiums necessarily entails the dis-application of the 50% discount currently allowed for long-term empty dwellings and that at least does have implications for the Tax Base calculations).
3. The Housing (Wales) Act 2014 also provides for council tax premiums to be charged on second homes. These are dwellings that are no-one's sole or main residence but are substantially furnished. There are currently 19 such dwellings recorded for council tax purposes and because second homes are not an issue in Newport it is not proposed to take any action on this part of the provisions to charge premiums. These second homes are subject to 100% council tax charges, the Council having resolved in 2002 to dis-apply the statutory 50% discount normally allowable on furnished dwellings that have no residents.

Current Council Tax Exemptions and Discounts for Vacant Dwellings

4. When a dwelling is vacant (substantially unfurnished and no-one's sole or main residence), a number of statutory exemptions from council tax apply. The full range is shown at Appendix 1, but the most common classes are:
 - dwellings that require or are undergoing structural repairs or major works to make them habitable (Class A: up to 12 months exemption);
 - vacant for less than 6 months (Class C: up to six months exemption);
 - where the liable person has their sole or main residence in a nursing home, hospital, or hostel (Class E: no time limit);
 - where the liable person is deceased and no grant or probate or letters of administration have been made (Class F: no time limit), or less than 6 months have elapsed since such a grant was made (Class F: up to 6 months after probate, etc.);
 - where a mortgage lender is in possession (Class L: no time limit).

Council tax premiums may not take effect during the periods when any of the statutory exemptions apply.

5. When a vacant dwelling ceases to be exempt because a maximum period has expired, the current position is that Section 11(2)(a) of the LGFA provides for a charge to be applied at a 50% discounted rate.

Provisions for Council Tax Premiums to be Charged

6. Section 139 of the Housing (Wales) Act 2014 inserts a new section 12A in the LGFA. For any financial year, a billing authority may by determination provide that if a dwelling is a long-term empty dwelling:
 - (a) the discount under section 11(2)(a) (referred to in point 5 above) does not apply, and
 - (b) the amount of council tax payable is increased by up to 100%, as may be specified in the determination.

A determination must be made before the beginning of the financial year to which it applies and published in at least one newspaper circulating in the Council's area within 21 days. The Council can then make, vary or revoke a determination for subsequent financial years, but only before the beginning of the relevant year.

7. In operation, this means that once a dwelling is classed as long-term empty the current 50% discount is dis-applied, bringing the council tax to the standard 100% level. A premium of up to a further 100% may then be added, bringing the maximum charge to 200%. At the 2016/17 Band D annual charge of £1,194.67, a long-term empty dwelling would currently receive a discount of 50%, leaving £597.34 to pay. A determination to apply a maximum 100% premium would result in an un-discounted council tax charge of £1,194.67 to which a maximum 100% premium could be applied, making a total of £2,389.34 to pay, an increase of £1,792.00.

What Constitutes a Long-Term Empty Dwelling?

8. Section 12A (11) of the LGFA defines a 'long-term empty dwelling' as a one that has been unoccupied and substantially unfurnished for a continuous period of at least 1 year. This definition is effective from 1 April 2016, so 1 April 2017 is the first date from which premiums may be charged.
9. The occupation or furnishing of a dwelling for one or more periods of six weeks or less during the year will not affect its status as a long-term empty dwelling. So, a dwelling's long-term empty status may not be changed by taking up residence or installing furniture for short periods.

Exceptions to Council Tax Premiums on Long-Term Empty Dwellings

10. The amendments to the LGFA provide for Welsh Ministers to prescribe classes of long-term empty dwellings on which premiums may not be charged – 'exceptions' to the premiums. The exceptions that have been prescribed in the Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015 are:
 - Class 1:** dwellings being marketed for sale on the market at a reasonable price, including where an offer has been accepted, but not yet completed: time limited to 1 year after the premium would otherwise have taken effect;
 - Class 2:** dwellings being marketed for let at a reasonable rent, including where an offer to rent has been accepted, but the tenancy has not yet started: time limited to 1 year after the premium would otherwise have taken effect;
 - Class 3:** annexes forming part of, or being treated as part of, the main dwelling;
 - Class 4:** a dwelling that would be someone's sole or main residence, but it is unoccupied because that person resides in armed forces accommodation.

Other Council Tax Considerations

11. Taxpayers may appeal against their liability for a premium, in the same manner as appeals are lodged against other liability issues. However, the Welsh Government has specified clear rules regarding the types of dwellings that may be exceptions to the premiums, as noted above, so collection of the sums due will be subject to the normal administration and enforcement processes.

Factors to Consider in Making a Determination to Apply Premiums

12. Bearing in mind that the discretion to charge premiums has been given the local authorities with the intention of assisting in bringing homes back into use and supporting sustainable communities, the Welsh Government has issued guidance on the factors that could help inform Councils in making a determination. These are listed below, with comments:

a) Numbers and percentages of long-term empty homes or second homes in the area

As at 1 May 2016, there were 66,134 dwellings on the Council Tax Valuation List. 2,516 (3.8%) were recorded as vacant. Of this figure, 1,412 were exempt. Of the remaining 1,104 dwellings, 755 (30.0% of the vacant dwellings and 1.1% of the total number of dwellings) had been vacant for more than twelve months.

Premiums could potentially be applied to the council tax charges for the 755 dwellings referred to above, subject to the exceptions noted at paragraph 10. For the purposes of estimating income, this figure is representative of the number of long-term empty dwellings that exist at any date in the year. However, it is not known how many would be exceptions from the premiums because they are for sale or for let. The experience of empty homes enquiries suggests that few dwellings do fall into the excepted categories, once they have been vacant for more than 12 months, but to avoid over-estimating income from premiums a reduction of 10% should be applied to allow for such circumstances.

b) Distribution of long-term empty homes or second homes and other housing throughout the authority and an assessment of their impact on property values in particular areas

The Local Housing Market Assessment for Newport groups wards into 6 sub-market areas:

- Inner core, low value
- Inner core, high value
- Outer area, low value
- Outer area, high value
- Central
- Rural hinterland

There is no simple cause-and-effect between the number of empty homes in an area and the average property price but there is a correlation because when values are low:

- there is less incentive for owners to sell so they may leave properties empty hoping for an upturn in the market;
- owners have lower equity to finance improvements so properties are more likely to fall into disrepair;
- potential rental income is also low, so there is less incentive to let;
- there is likely to be a high proportion of HMO's and flat conversions because investors can buy older, larger properties at relatively low prices;
- a high proportion of private rented accommodation can mean a higher turnover of residents and a less stable community.

The table below, taken from the Local Housing Market Assessment 2015-2020, shows average property prices by sub-market area and ward (data from Hometrack, January 2015) with the level of long-term empty homes at the time of the Assessment.

Average property price	Market area	Ward	No. of long-term empties	% of long-term empties
*£155,667	Inner core LV	Pillgwenlly	80	12.3%
£110,570	Inner core LV	Victoria	75	11.5%
£198,247	Inner core HV	Allt-yr-Yn	61	9.4%
£141,667	Inner core HV	Stow Hill	59	9.0%
£127,841	Central	St. Julians	54	8.3%
£118,208	Central	Liswerry	49	7.5%
£142,568	Outer area LV	Alway	33	5.1%
£189,505	Outer area HV	Caerleon	33	5.1%
£132,990	Outer area LV	Beechwood	28	4.3%
£123,007	Central	Gaer	26	4.0%
£255,655	Rural hinterland	Marshfield	22	3.4%
£289,488	Rural hinterland	Langstone	21	3.2%
£194,425	Outer area HV	Rogerstone	20	3.1%
£102,083	Central	Shaftesbury	17	2.6%
£218,184	Rural hinterland	Graig	16	2.5%
£128,690	Outer area LV	Ringland	16	2.5%
£135,460	Outer are LV	Malpas	15	2.3%
£124,073	Outer area LV	Bettws	13	2.0%
£164,442	Rural hinterland	Llanwern	10	1.5%
£128,211	Rural hinterland	Tredegar Park	4	0.6%

* Pillgwenlly's average property price was the lowest, at £97,100, prior to the development of over 500 new homes within the ward, at Mon Bank

Clearly, property prices will always vary between areas but, where they are low, areas will be vulnerable to the combined impact of the kind of factors outlined above. In addition, where individual empty homes have a visual impact on the street scene, particularly where they are the focus for anti-social behaviour, they will have a direct impact on the resale value of adjacent properties. In Autumn 2015 the charity Empty Homes published a report, 'Empty Homes in England'. The report concluded that, in England, there are higher percentages of long-term empty homes recorded in local authorities with lower house prices and that, if data were analysed at neighbourhood level, a stronger link would be seen. The data above demonstrates that analysis for the Newport area. A council tax premium on empty homes would go some way towards addressing this, by acting as a disincentive to those who might otherwise fail to put their property to use within a reasonable period of time.

c) Potential impact on local economies and the tourism industry

Newport's Single Integrated Plan 2013-2016, 'Feeling Good About Newport', notes that in the City area 'neighbourhoods with some of the country's highest levels of social deprivation sit next to some of those with the greatest affluence.' The document calls for a focus on

narrowing this gap. A House of Commons briefing paper, 'Empty Housing (England)', published in May 2016, acknowledged that 'high levels of empty properties are recognised as having a serious impact on the viability of communities'. Older areas of the city like Stow Hill and Pillgwenlly, where low property values combine with high numbers of empty dwellings, are also the areas with a long and rich local history, where key historical buildings are located. Newport has played a significant role on the world stage and has a history which is of international interest, and can make an important contribution to the city's future, provided that local economies and neighbourhoods are not left to decline.

d) Patterns of demand for, and availability of, affordable homes

A local housing authority has a statutory duty to produce and maintain an up to date Local Housing Market Assessment (LHMA) for its area. The LHMA is a crucial evidence base for the Local Housing Strategy and the Local Development Plan.

Newport's Local Housing Market Assessment for 2015-2020 finds that there is an annual net housing need of around 1,000 homes, which falls to 925 when adjusted for the turnover of different property types. Newport City Council holds a common housing register of all those households seeking affordable housing in the area, of whatever tenure. As of April 2016, there were 6,155 households with active applications on the register. Analysis of applicants' preferred areas and of properties offered through the Common Housing Register shows that there are few affordable housing opportunities in the areas where people would prefer to live, but there are empty homes in those areas:

Area requested	Number of homes empty for at least 12 months at April 2016 with 50% council tax discount	Ward	% of applicants on the Housing Register who chose this area (May 2016)
Beechwood	41	Victoria	41%
Gaer	40	Beechwood	21%
Chepstow Road	46	Chepstow Road	21%
Maindee	98	Maindee	20%
St Julians	72	Gaer	19%

e) Potential impact on local public services

The existence of large numbers of long-term empty dwellings is a drain on the Council's resources, for example, in dealing with complaints and carrying out emergency repairs in default (when owners fail to maintain them properly). The council tax premiums could provide funds for assistance in dealing with these issues, and, if the overall aim of bringing properties back into use is achieved, the burden on the public purse would be reduced.

f) Potential impact on the local community

In some areas, there is a combination of older housing in relatively poor condition, low property values and low demand for some property types, so there is little incentive for owners to invest in their properties. When there are high numbers of empty properties in an area, it can have a detrimental effect on the local community through falling trade for local shops and businesses, visible deterioration of the built environment, an increase in anti-social behaviour, which means that people in the local community feel less safe.

Introduction of council tax premiums would ensure that leaving a property empty is not a low-cost option for owners, while the local community suffers the effects.

g) Other measures that are available to authorities to increase housing supply

The Local Development Plan for Newport 2011-2026, adopted in January 2015, aims to ensure that there is an adequate and continuing supply of land to meet future housing needs. The measures available to the council to increase the supply of affordable housing include:

- provision through Social Housing Grant;
- planning gains through section 106 agreements;
- self-funded Registered Social Landlord housing schemes;
- regeneration initiatives with a housing element, such as Vibrant & Viable Places.

h) Other measures that are available to authorities to help bring empty properties back into use

In 2012, the Welsh Government launched its 'Houses into Homes' loan scheme, offering interest-free loans to the owners of empty properties, to help them return empty dwellings to occupation or convert non-residential premises into homes. The Gwent region was allocated a total of £3,545,524 which is allocated on a first come, first served, basis and can offer a loan of up to £25,000 per property, provided there is sufficient equity. To date, the scheme has brought around £1,000,000 of funding into Newport for the rehabilitation of empty properties.

Where applicable, local authorities can take the following kinds of enforcement action to help bring empty homes back into use:

- Empty Dwelling Management Orders (EDMO's), under the Housing Act 2004;
- exercise the power of sale to recover statutory charges, under the Law of Property Act, 1925;
- apply for a court judgement ordering the sale of a particular property to recover unpaid charges e.g. council tax;
- apply for an individual Compulsory Purchase Order.

However, all of the above are significant interventions which are resource-intensive and take a considerable time to achieve so they will always be a last resort, to be used in specific individual cases, rather than a solution for numbers of empty homes. Unlike these, the council tax premium offers an opportunity to adopt a measure that will discourage empty homes across the board before they become a problem that requires the kind of enforcement action outlined above.

Reasons for Implementing Council Tax Premiums

13. Taking into account all of the factors in sections 12(a)-(h) above, it is considered that the adoption of premiums would be of significant assistance as a tool in Housing Strategy. There would be three main aims in implementing the premiums:

- to encourage owners of long-term empty dwellings to bring them back into use by increasing the costs of leaving them unoccupied;
- to provide funds to assist the Council in implementing its Housing Strategy in respect of empty homes;
- eventually to ease the burden on the Council's resources by reducing the number of long-term empty dwellings;
- to aim to increase the supply of affordable housing in the city area.

Newport has a disproportionately high number of empty private homes. It has 25% of all the private housing in Gwent but, in 2014/15, it had 34% of the region's empty private housing. Compared to Cardiff, Newport had less than half the overall number of private homes but almost as many empty private homes. Therefore, there is good reason to be concerned about the possible impact of empty homes in Newport. The Council adopted a five-year Empty Homes Strategy in 2010 and, while the number of empty homes across Gwent rose by almost 18% from April 2011, in Newport the rise has been lower, at 11.5%. Nevertheless, there are over 50 houses which have been empty for more than 10 years and another 91 that have been empty for more than 5 years, which current policy and practice have not been able to bring back into use.

It is important to recognise that there is only a small range of possible interventions, outlined in 12(h) above, open to the local authority and, in some cases, none of these can be used. Moreover, with the Council's resources becoming increasingly limited, it may be timely to ask that owners bring their property into use within a reasonable period of time or pay the higher council tax rate to reflect the additional strain that empty homes can place on the community, and on public services, and their overall impact on the city. Public consultation and, if the premium is applied, notification to owners and general promotion of public awareness is likely to prompt a number of owners who are not currently taking effective steps to return their properties to use, to start taking those steps. Thereafter, the premium would surely discourage owners from seeing it as a viable option to leave properties empty for long periods.

A further consideration is that, should other authorities implement the council tax premium for empty homes before Newport has done so, the city would be more at risk of attracting those investors or would-be developers who see 'bricks and mortar' as a safe investment without necessarily intending to use the property, simply waiting until it suits them to sell. While it is difficult to quantify, this is undoubtedly a factor in the issue of empty homes, particularly at the lower end of the property market. Genuine developers should not be deterred by the premium as they will want to go ahead with their development as quickly as possible and will have the resources to do so. The Houses into Homes loan scheme can also offer loans for the redevelopment of homes to sell or let, where there is sufficient clear equity in the property.

It has been stated that *'Empty homes are an affront to people who cannot get a foothold on the housing ladder'*¹. At a time when it has become so much more difficult to obtain a mortgage, with growing demand for decent private rented homes, this is more the case than ever.

Options for the level of Premiums

14. In considering the options, it is useful to know why homes are left empty. In terms of empty dwellings that are not exempt (that is, those currently paying a 50% council tax charge), the more commonly encountered situations are:

- the property needs renovation or improvement and the owner does not have the time/knowledge/money to carry out the work;
- the owner is emotionally attached to the property and finds it difficult to clear out personal effects, or to make a decision about future plans;
- the owner has died intestate and no-one has applied for probate or taken responsibility for administering the late owner's estate.

¹ Baroness Andrews, 'Foreword, A Cure for Empty Homes,' Improvement & Development Agency, 2006

In many cases, there are other factors contributing to these barriers, such as a family dispute, relationship breakdown, illness or bereavement. Resolving these issues can be a lengthy process, even where the owner is committed to doing so. Where the property needs investment to make it habitable, the owner could apply for a loan under the Council's Houses into Homes scheme, but not all properties qualify as there must be at least 20% unencumbered equity to secure the loan. Few owners wilfully leave properties empty indefinitely but it can take them some time to realise that they must change their plans, consider other options, and make the necessary arrangements.

15. The maximum percentage premium is 100%, which would result in the owner of a long-term empty dwelling receiving a total council tax bill of 200%. The maximum premium may be applied as soon as the dwelling falls into the 'long-term empty' category, but Section 12A (2) of the LGFA permits different percentages to be applied incrementally for different time periods. However, generally, council tax is intended to be a straightforward tax, cost effective to administer and collect and easily understood by taxpayers. Therefore, an incremental approach may not be the best. The more straightforward approach would be to continue the current 50% discount and apply the full premium after a certain period. Although the new legislation allows the Council to apply the premium after 12 months, it may wish to allow a longer period in order to recognise the difficulties, outlined above, which owners can face. This would enable owners to cope better with the expenses of bringing properties back into use. However, once this period has expired, there would be no discount and the full premium would become payable. This would send a clear message that the Council wishes to discourage the practice of allowing properties to fall into long-term disuse but owners would have a period in which to address any personal, legal or financial issues preventing the re-occupation of the property. This approach is set out at Option 2 below.

16. The options are:

Option 1

Take no action, retain the 50% discount for empty dwellings and do not apply any premium.

Option 2

Continue to allow the 50% discount when a property is empty but end this, and also apply the 100% premium (resulting in a 200% council tax charge), after the property, as at 1 April 2017, has been empty for at least:

- a) 2 years (470 dwellings affected) or
- b) 3 years (322 dwellings affected) or
- c) 4 years (256 dwellings affected) or
- d) 5 years (178 dwellings affected)

Effect of Charging Premiums

17. In England, local authorities were permitted to charge a 50% council tax premium on long-term empty homes (more than 2 years empty) from April 2013 and many have done so. In terms of the impact on empty homes, officers have reported a number of effects, both positive and negative:

- a spate of 're-occupation' as owners claim that properties are now lived in, in order to avoid the premium;
- in some areas, an immediate reduction in the *number* of empty homes due to owners claiming they are no longer empty;
- increased contact from owners contacting the council to keep them informed of their circumstances and enquire about information, advice or assistance;

- owners making quicker progress on refurbishment projects;
- complaints from owners about the introduction of the premium;
- collection of the premium can be difficult and require active debt management over and above current volumes.

18. The Welsh Government's guidance to local authorities on implementation of the premium for empty homes says that 'authorities are encouraged to use any additional revenue generated to help meet local housing needs, in line with the policy intentions of the premiums.' As the re-use of empty homes can help to meet local housing need, and implementation of the premium is a potentially important tool in encouraging the re-use of empty homes, it is proposed that the extra revenue collected from the premium only should be used as a resource fund to support implementation of the premium. The additional revenue is not fixed and depends upon the number of homes subject to the premium and on the successful collection of the additional sums. Therefore, it could be used to fund additional costs, such as investigation or legal costs, over and above the usual budget constraints.
19. Caution should be exercised regarding the expectation of additional income from premiums. If the policy intention of encouraging owners to bring dwellings back into use is successful then income would reduce. In terms of resources, it is not recommended that additional staff be funded from that income, since this may not be sustainable beyond the short term. Investigation and legal costs would therefore be incurred on an ad-hoc basis.

Tax Base and Income Collection Considerations

20. The application of a premium entails the dis-application of the 50% discount currently allowable when a dwelling ceases to be exempt. This has implications for the Tax Base calculations carried out each November to determine council tax levels for the forthcoming financial year. The removal of the discount creates additional council tax to be collected, rather than premiums. This must be allowed for in the calculation of tax raising capacity and, based on the calculations for the 2016/17 Tax Base, the disapplication of discounts for the 755 dwellings referred to in 12(a) above would have increased the number of Band D equivalent dwellings by around 360. There may be implications for the Council's Revenue Support Grant, and the effect will be considered in conjunction with the details of a technical consultation currently being conducted by the Welsh Government on premiums and the tax base, and reported back to Cabinet along with the results of the public consultation.
21. In terms of the income from the premium element, informal information from the Welsh Government indicates that this will be excluded from Tax Base calculations, since it may be earmarked for particular use in bringing dwellings back into use. However, this will be confirmed in the next report.
22. An analysis of potential annual income from the disapplication of the 50% discount and the application of premiums has been done on the dwellings currently classed as long-term empty, as at 1 May 2016, based on 2016/17 council tax charges. This is related to the options outlined in 17 above. It must be noted that the figures are maximums, and will be significantly reduced, should large numbers of dwellings be brought back into use.

Option 2(a)

Discontinue the 50% discount for long-term empty dwellings and charge a premium of 100% after a period of 2 years (as at 1 April 2017) being unoccupied and substantially unfurnished, provided they are not excepted from the premium. (470 dwellings affected).

Base Revenue @ 50% discounted Council Tax (current situation) (£)	Additional Council Tax raised from cancellation of 50% discount (£)	Additional income raised by applying a premium of 100% (£)
265,178	265,178	530,357

Reduce premium income by 10% to allow for excepted dwellings – **£477,321**

Option 2(b)

Discontinue the 50% discount for long-term empty dwellings and charge a premium of 100% after a period of 3 years (as at 1 April 2017) being unoccupied and substantially unfurnished, provided they are not excepted from the premium. (322 dwellings affected).

Base Revenue @ 50% discounted Council Tax (current situation) (£)	Additional Council Tax raised from cancellation of 50% discount (£)	Additional income raised by applying a premium of 100% (£)
175,843	175,843	351,686

Reduce premium income by 10% to allow for excepted dwellings – **£316,517**

Option 2(c)

Discontinue the 50% discount for long-term empty dwellings and charge a premium of 100% after a period of 4 years (as at 1 April 2017) being unoccupied and substantially unfurnished, provided they are not excepted from the premium. (256 dwellings affected).

Base Revenue @ 50% discounted Council Tax (current situation) (£)	Additional Council Tax raised from cancellation of 50% discount (£)	Additional income raised by applying a premium of 100% (£)
138,038	138,038	276,077

Reduce premium income by 10% to allow for excepted dwellings – **£248,469**

Option 2(d)

Discontinue the 50% discount for long-term empty dwellings and charge a premium of 100% after a period of 5 years (as at 1 April 2017) being unoccupied and substantially unfurnished, provided they are not excepted from the premium. (178 dwellings affected).

Base Revenue @ 50% discounted Council Tax (current situation) (£)	Additional Council Tax raised from cancellation of 50% discount (£)	Additional income raised by applying a premium of 100% (£)
97,313	97,313	194,626

Reduce premium income by 10% to allow for excepted dwellings – **£175,163**

23. In terms of accounting for the additional income, it is proposed to set a 'Net Nil' budget within the Council's accounts. This means that as funds from premiums are collected they will be allocated against particular housing regeneration activities, offset by administrative, monitoring and enforcement costs. This is to avoid the risk of a anticipating a source of income which may then reduce, as dwellings are brought back into use and the premiums cease to apply, which, ultimately, is the intention of this initiative.

Workload and Staffing (Regeneration, Investment & Housing (RIH) and Finance service areas)

24. The Housing Strategy & Development team in RIH is responsible for the Empty Homes Strategy. Current practice is to write to owners after 2 years, sending a questionnaire and information leaflet, followed by casework such as tracing owners and, where necessary, working with other statutory services to address the problems caused by empty homes. In 2015, there was also a mass mailshot to those owners whose properties had been empty for 6–18 months. If the Council decides to apply an empty homes premium, we would in future need to write to owners on a rolling basis to make them aware that they will be liable for the premium if the property continues to be empty after the deadline.
25. In RIH, there would be an increased administrative requirement for writing to owners and, depending on the response rate, updating records and sending out information. There could also be increased demand for advice about empty homes loans, and more loan applications, generating an increased workload for the housing team. However, some of the follow-up work that has, to date, been undertaken within the housing team could be outsourced to enquiry agents, as outlined at 18 above, paid for by the extra revenue. Some very long-term and problematic empty homes are a recurring cost to council resources across several services, usually Housing, Planning, and Environmental Health. In these cases, it would be sensible to consider using any extra revenue from council tax premiums to buy in expertise on a case by case basis, where this could lead to a resolution through negotiation or enforcement. This would bring housing back into use, improve the neighbourhood for residents and reduce the burden on council services.
26. In Finance, the issues will revolve around owners of empty dwellings claiming that they are occupied and therefore should not be subject to the premiums. There are no resources internally for property inspections to be carried out, so it is likely that the Council's enforcement agents (who currently carry out routine vacant dwelling inspections at no charge) would have to be approached to carry out detailed inspections on a fee basis. Alternatively, the engagement of short-term agency hire staff could be considered, along with the selective use of overtime. Income from premiums could be used to fund these activities.

27. More generally, there is likely to be an increase in debt recovery for non-payment. This will be handled as part of the statutory processes for council tax debt recovery, including referrals to enforcement agents.

28. The Welsh Government Guidance note indicates that further advice will be provided to assist with administration and enforcement of the premiums, particularly in respect of excepted dwellings, such as those being marketed for sale or let. As part of the report back to Cabinet following public consultation further consideration will be given to resources required, in the light of such guidance.

Monitoring and Reporting

29. The Welsh Government will require local authorities to make information on the premiums available to local taxpayers and will be issuing guidance on monitoring and reporting procedures. This is likely to include:

- the number of properties liable for premiums;
- the additional income raised from implementing the premiums;
- how additional income has been used;
- the number of empty homes which have been brought back into use.

Financial Summary

This table cannot be completed until the Welsh Government’s technical consultation has taken place.

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

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?
Anticipated income from premiums will be less than expected.	M	M	An income target will not be formally set within the Accounts. Funds will be allocated for regeneration use as they are collected.	Head of Finance
Taxpayers will resist paying the premiums.	M	M	Use statutory enforcement procedures, as for council tax generally.	Head of Finance
Information on potential avoidance may be difficult to obtain.	M	M	Consider further guidance to be issued by the Welsh Government; use income from premiums to carry out reasonable investigations.	Head of Finance and Head of RIH

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan 2012-17
Local Housing Strategy 2012-17
Local Development Plan 2011-26
Single Integrated Plan 2013-16
Newport 2020

Options Available

The options available, prior to consulting with the public and stakeholders, are:

Option 1 – no action. The Council is under no obligation to apply premiums; the decision to do so is discretionary, so the option is available to take no action.

Option 2 – continue to allow the 50% discount allowed when a property is empty but end this, and also apply the 100% premium after the property, as at 1 April 2017, has been empty for at least:

- (a) 2 years or
- (b) 3 years or
- (c) 4 years or
- (d) 5 years

Preferred Option and Why

Option 2(a) is preferred. As outlined above, Newport suffers from a comparatively high level of empty homes, which are a concern for local residents, and a shortage of housing. Adoption of the council tax premium has the potential to reduce the problems associated with empty homes, support the housing supply, and provide extra revenue to help meet housing need. The continuation of the 50% council tax discount currently allowed, up to the expiry of the minimum 2 year empty period, would provide some financial relief to owners for a limited time after which, if there had been no change, they would pay the premium in recognition of the extra financial, economic and social costs often arising from an empty property.

The application of a premium after a 2 year period is also consistent with the Council's current approach in regarding that time span as the trigger for taking action, although it is recognised that owners of empty dwellings must be made aware of the impending application of premiums well before that period expires.

In the interests of clarity, the operation of this proposal would mean that any dwelling that had already been 'long-term empty' for at least 2 years as at 1 April 2017 would be liable for the full 200% charge from 1 April 2017. Only such dwellings that had been empty for shorter periods would continue with a 50% discounted charge until the 2 year period had expired.

Comments of Chief Financial Officer

As indicated in the report there is a number of elements to the introduction of Council Tax premiums of long-term empty dwellings which will impact on the Councils funding and finances. Firstly the discontinuation of the 50% discount on the long-term dwellings will impact on the tax base of the Council, increasing the level of funding that it will achieve from Council Tax due to reducing the level of discounts provided.

The second element of the premiums will increase the income that the Council receives, however this will be offset by expenditure on administration and enforcement costs, and regeneration activities that the premium is intended to fund, so as to have a net nil impact on budgets. Costs will need to be flexible and/or one-off in nature; we should see the income source reduce over time as properties are brought back into use and costs should be adjusted accordingly to maintain a net-nil position. Given that the

exact income levels will not be known and subject to on-going change, costs, other than those linked to implementation/enforcement should be incurred retrospectively, once we know what funds are available.

Comments of Monitoring Officer

The proposed action is in accordance with the Council's statutory powers under Section 139 of the Housing (Wales) Act 2014 and s12A of the Local Government Finance Act 1992. The Council can make a determination to dis-apply the provision within the 1992 Act for 50% council tax discount in relation to long term empty dwellings and can apply an additional premium of up to 100%, either immediately once the minimum 1 year period has expired, on a phased basis, or after a longer time period. The Council has a discretion as to whether or not to make such a determination. In exercising that discretion, the Council must have regard to Welsh Government Guidance and the objectives of the legislation, which is to bring long-term empty properties back into meaningful occupation and to provide affordable accommodation where there is an existing housing need. It is not intended as a means of increasing council tax revenue but to secure the improvement and re-occupation of empty dwellings. Therefore, the Council must consider whether this is a reasonable and proportionate way to address the issue of empty properties in Newport. However, the Report sets out the housing case for the proposal and the determination is consistent with the Council's Local Housing Strategy and existing strategies for dealing with empty properties. Any determination can only take effect after 1st April 2017 following 21 days public notice and, before taking any final decision, there has to be a period of public consultation and engagement with key stakeholders. The Council must also give due consideration to its statutory duties to carry out equality impact assessments under the Equality Act 2010 and the Welsh Public Sector Equality Duties 2011. The Final determination under section 12A of the 1992 Act must be made by full Council. Therefore, Cabinet can decide to go out to public consultation on the proposals and undertake an equality impact assessment, but the final decision will need to be referred to full Council. Any determination can be revoked or modified by the Council before the beginning of any subsequent financial year.

Staffing Implications: Comments of Head of People and Business Change

The report details options for implementing Council Tax premiums for long term empty dwellings and, clearly, there are a variety of resourcing issues, dependent on the approved option. The options of implementing premiums after any of the time periods mentioned in the report will have resource implications. Sections 25 to 30 outline a range of potential impacts and opportunities but for all options (apart from do nothing) there will be workload issues which Cabinet will need to consider in more detail following public consultation.

Comments of Cabinet Members

The Leader of the Council (standing in for the Cabinet Member for Finance and Resources) and the Cabinet Member for Adult Social Services and Housing have been consulted and have approved the Report for consideration by Cabinet.

Local issues

n/a

Scrutiny Committees

n/a

Equalities Impact Assessment

An Equalities Impact Assessment is required and it is proposed to complete this after public consultation and report back to Cabinet.

Children and Families (Wales) Measure

n/a

Consultation

The proposals require public and stakeholder consultation, following the establishment of the general principles by Cabinet.

Background Papers

The Local Government Finance Act 1992, as amended; available at <http://www.legislation.gov.uk/ukpga/1992/14/contents>

The Housing (Wales) Act 2014; available at <http://www.legislation.gov.uk/anaw/2014/7/contents/enacted>

The Council Tax (Exceptions to Higher Amounts) (Wales) Regulations 2015; available at <http://www.legislation.gov.uk/wsi/2015/2068/schedule/paragraph/1/made>

Guidance on the Implementation of the Council Tax Premiums on Long-Term Empty Homes and Second Homes in Wales; available at <http://gov.wales/topics/localgovernment/finandfunding/council-tax-wales/long-term-empty-homes-second-homes/?lang=en>

Local Housing Strategy 2012-17; available at <http://www.newport.gov.uk/documents/Strategies/Local-Housing-Strategy-2012-2017.pdf>

Single Integrated Plan, 'Feeling Good About Newport', 2013-2016; available at <http://onenewportlsb.newport.gov.uk/documents/One-Newport/SIP-2015-16-FINAL.pdf>

'Empty Homes in England' (Autumn 2015); report of the charity, Empty Homes; available at <http://www.emptyhomes.com/wp-content/uploads/2011/05/Empty-homes-in-England.pdf>

House of Commons briefing paper: 'Empty Housing (England)', (May 2016), available at <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN03012>

Newport Local Housing Market Assessment 2015-2020; available at <https://democracy.newport.gov.uk/documents/s2579/CM%20-%20Npt%20Local%20Housing%20Mkt%20Assessment-%20Aug%202015.pdf>

Welsh Government 'Houses into Homes' Scheme; available at <http://gov.wales/topics/housing-and-regeneration/housing-supply/empty-homes/houses-into-homes/?lang=en>

'A Cure for Empty Homes', Improvement and Development Agency (2006), available at https://www.nue.org.uk/wp-content/uploads/2015/11/empty_homesAgencyNewGuide.pdf

Dated: 3 August 2016

APPENDIX 1

The following table lists classes of dwellings which are statutorily exempt from council tax, as provided by the Local Government Finance Act 1992 and supporting regulations. Premiums may not apply to a dwelling that falls into any of the classes.

Exemption Class	Description of Dwelling (summarised)	Maximum Duration of Exemption
A	Substantially unfurnished, unoccupied, and requiring major works to make it habitable	12 months
B	Unoccupied: owned by a body established for charitable purposes	6 months
C	Substantially unfurnished; unoccupied for less than 6 months	6 months
D	Unoccupied: last occupied by a person detained in a prison, hospital, etc.	Unlimited
E	Unoccupied: last occupied by a person who now resides in a nursing or care home, hospital, hostel, etc.	Unlimited
F	Unoccupied: resident has died; no grant of probate has been made, or less than 6 months has elapsed since a grant of probate	Unlimited; or limited to 6 months after probate
G	Unoccupied: occupation prohibited by law	Unlimited
H	Unoccupied: held vacant for a minister of religion	Unlimited
I	Unoccupied: last occupied by a person who is receiving care, other than in a nursing or care home or hospital, hostel, etc.	Unlimited
J	Unoccupied: last occupied by a person who is providing care elsewhere	Unlimited
K	Unoccupied: last occupied only by a student or students	Unlimited
L	Unoccupied: mortgagee is in possession	Unlimited
M	Hall of Residence occupied mainly by students	Unlimited
N	Occupied by full time students only	Unlimited
O	Owned by Ministry of Defence	Unlimited
P	Occupied by member of a visiting force	Unlimited
Q	Unoccupied: liable person is bankrupt	Unlimited
R	Unoccupied pitch or mooring	Unlimited
S	Occupied only by persons under 18	Unlimited
T	Unoccupied annex which may not be let separately	Unlimited
U	Occupied only by persons who are severely mentally impaired	Unlimited
V	Occupied by a person with diplomatic privilege or immunity	Unlimited
W	Annex occupied by a dependent relative	Unlimited



Report

Cabinet

Part 1

Date: September 2016

Item No: See above

Subject Work Programme

Purpose To agree a work programme for 2016 - 2017

Author Head of Democratic Services

Ward All Wards

Summary The Corporate Assessment suggests to the Council that it should consider strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

In response to that suggestion Cabinet agreed that each month the Head of Democratic Services will ask Chief Officers to update the Cabinet work programme and this update will be reported to Cabinet

A work programme suggested by Chief Officers is attached. This is, of course, a working document and will be subject to change.

It is important that the work programme for Cabinet and, in the case of Scrutiny Committees, the work programme for those committees are owned and prioritised by members. Regular reports on the programme will provide more opportunities for that to be done.

Proposal To agree the proposed programme

Action by Head of Democratic Services

Timetable Immediate

This report was prepared after consultation with:

- Chief Officers
- Monitoring Officer
- Head of Finance
- Head of People and Business Change

Background

As mentioned in the summary above, the Corporate Assessment suggested to the Council that it should consider strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

In response to that suggestion cabinet agreed that each month the Head of Democratic Services will ask Chief Officers to update the Cabinet work programme and this update will be reported to Cabinet

This will then be used to help inform the Scrutiny Committee work programmes

A work programme suggested by Chief Officers is attached. This is, of course, a working document and will be subject to change. It is important that the work programme for Cabinet and, in the case of Scrutiny Committees, the work programme for those committees are owned and prioritised by members.

Regular reports on the programme will provide more opportunities for that to be done.

Financial Summary

There is no direct cost to adopting a programme of work

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?
No action taken	M	L	This work programming arrangements to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.	Head of Democratic Services
The process is not embraced by report authors and members	M	M	If there is proliferation of unplanned or late items, the opportunity to ensure work programming is timely, meaningful, informative, and transparent, balanced, monitored, and joined up will diminish	Head of Democratic Services

Links to Council Policies and Priorities

These proposals will help the Council provide the best possible affordable service to members and will provide information to the public and elected members

Options Available

- To adopt the process and adopt or amend the work programme
- To consider any alternative proposals raised by Cabinet members
- To take no action

Preferred Option and Why

To adopt the proposals which should help to ensure work programming arrangements are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

Comments of Chief Financial Officer

There are no financial implications in adopting a programme of work

Comments of Monitoring Officer

There are no legal implications in adopting a programme of work

Staffing Implications: Comments of Head of People and Business Change

There are no specific staffing implications in adopting a programme of work

Comments of Cabinet Member

The Chair has approved the report for consideration by cabinet.

Local issues

There are no local issues as this report relates to the Council's processes

Scrutiny Committees

Regular updates will allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny Improvement Group is developing new ways of working and reviewing the work programmes to focus more on risk and restricting the number of items on agendas by channelling information reports by way of other and ensuring committee reports are based around outcomes

Equalities Impact Assessment

These proposals need no Equalities Impact Assessment

Consultation

All Chief Officers are consulted on the programme

Background Papers

Corporate Assessment

Dated: 24 August 2016

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**CABINET WORK PROGRAMME
2016-2017**

Cabinet Meeting	Items for provisional agenda	Lead Officer	For Scrutiny / Date	Council
April 2016	<p>Improvement Plan 16-18</p> <p>Risk Register Update *** (removed – prepared last month)</p> <p>Regional Governance Requirements, Social Services and Wellbeing Act 2014 – Added as a Statutory Requirement by the Director of Social Services</p> <p>Work Programme Update (regular item)</p>	<p>Head of People & Business Change</p> <p>Head of People & Business Change</p> <p>Director of Social Services</p> <p>Head of Democratic Services</p>		<ul style="list-style-type: none"> • Improvement Plan 2016/17 • Treasury Management • Members Remuneration for the coming year • Pay and Reward Policy
May 2016	<p>Contract Standing Orders (Added as part of the review of the Constitution)</p> <p>Financial Regulations (Added as part of the review of the Constitution)</p> <p>*Play Sufficiency Assessment (statutory obligation for Newport City Council).</p> <p>Work Programme Update (regular item)</p>	<p>Head of Finance</p> <p>Head of Finance</p> <p>* Head of Regeneration, Investment and Housing (Cabinet member decision)</p> <p>Head of Democratic Services</p>		Meeting cancelled

June 2016	Improvement Plan Update Risk Register Update Welsh Language Scheme – Annual Report Contract Standing Orders (Added as part of the review of the Constitution) Financial Regulations (Added as part of the review of the Constitution) Capital Outturn Revenue Outturn Treasury management Work Programme Update (regular item)	Head of People & Business Change Head of People & Business Change Head of People & Business Change Head of Finance Head of Finance Head of Finance Head of Finance Head of Finance Head of Democratic Services		
July 2016	Director of Social Services Annual Report Budget Consultation and engagement timetable Certificate of Compliance Updated Commissioning agreement for the Education Achievement Service (EAS) Work Programme Update (regular item)	Director of Social Services Head of People & Business Change and Head of Finance ** To be cabinet member report Head of People & Business Change Added by Chief Education Officer Head of Democratic Services		<ul style="list-style-type: none"> • Annual Report by the Director of Social Services • Annual report by the Democratic Services Committee • NNDR Rate relief Scheme
Sept 2016	City Deal Improvement Plan Review Improvement Plan Quarter 1 Risk Register Update Equalities Plan – Annual Report Performance Reporting Framework WFG Act Update MTRP Update	Chief Executive Head of People & Business Change Head of People & Business Change Head of People & Business Change Head of People & Business Change Head of People & Business Change Head of People & Business Change Head of Finance		<ul style="list-style-type: none"> • Improvement Plan Review • Annual Report by the Scrutiny Committees • Annual Report by the Standards Committee

	<p>Council Tax Premiums: Long-Term Empty Dwellings Revenue Budget Monitor* Rescheduled by Head of Finance</p> <p>Capital Monitor & Additions * Rescheduled by Head of Finance</p> <p>School Organisation * Rescheduled by Chief Education Officer * (Now for rescheduling)</p> <p>Education capital Programme (added by Chief Education Officer)</p> <p>Work Programme Update (regular item)</p>	<p>Head of Finance</p> <p>Head of Finance</p> <p>Head of Finance</p> <p>Chief Education Officer</p> <p>Chief Education Officer</p> <p>Head of Democratic Services</p>		
Oct 2016	<p>City Deal update</p> <p>Year-end Performance Analysis for 2015/16 (Added in line with new agreed reporting arrangements)</p> <p>Work Programme Update (regular item)</p>	<p>Chief Executive</p> <p>Head of People & Business Change</p> <p>Head of Democratic Services</p>		
Nov 2016	<p>Education and Pupil Performance data</p> <p>Work Programme Update (regular item)</p>	<p>Chief Education Officer</p> <p>Head of Democratic Services</p>		Gambling Act – Statement of Principles Update
Dec 2016	<p>Revenue Budget and MTFP Improvement Plan Update</p> <p>Risk Register Update</p> <p>Certificate of Compliance – letter 2</p> <p>Work Programme Update (regular item)</p>	<p>Head of Finance</p> <p>Head of People & Business Change</p> <p>Head of People & Business Change</p> <p>Head of People & Business Change</p> <p>Head of Democratic Services</p>		

Jan 2017	Improvement Plan 2017- 2018 Reduction in Council Tax Scheme Revenue Budget Monitor Capital Budget Monitor Work Programme Update (regular item)	Head of People & Business Change Head of Street Scene and City Services Head of Finance Head of Finance Head of Democratic Services		<ul style="list-style-type: none"> • Council Tax Reduction Scheme • Nomination of the Mayor • Schedule of meetings
Feb 2017	Budget and MTFP Capital Budget Treasury Management Work Programme Update (regular item)	Head of Finance Head of Finance Head of Finance Head of People & Business Change Head of Democratic Services		<ul style="list-style-type: none"> • Budget and MTFP • Capital Budget • Treasury Management
March 2017	Improvement Plan update Budget Monitoring Treasury Management Pay and Reward Policy Work Programme Update (regular item)	Head of People & Business Change Head of Finance Head of Finance Head of People & Business Change Head of Democratic Services		
April 2017	Improvement Plan 16-18 Risk Register Update Work Programme Update (regular item)	Head of People & Business Change Head of People & Business Change Head of Democratic Services		<ul style="list-style-type: none"> • Pay and Reward Policy

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