

# Agenda



## Cabinet

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Date: Monday, 17 October 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.

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Item		Wards Affected
1	<u>Agenda Welsh Version/ Cymraeg</u> (Pages 3 - 4)	
2	<u>Apologies</u>	
3	<u>Declarations of Interest</u>	
4	<u>Minutes</u> (Pages 5 - 14)	
5	<u>WAO Corporate Assessment - Review of Progress and Corporate Assessment Follow-up Recommendations 2015-16</u> (Pages 15 - 68)	All Wards
6	<u>WAO Financial Resilience Review</u> (Pages 69 - 98)	All Wards
7	<u>Year-end Performance Analysis for 2015/16</u> (Pages 99 - 114)	All Wards
8	<u>5 Year Welsh Language Strategy</u> (Pages 115 - 142)	All Wards
9	<u>Work Programme</u> (Pages 143 - 148)	All Wards
10	<u>Exclusion of the Press and Public</u>  To consider whether to exclude the press and public during consideration of the following item on the grounds that its consideration involved the likely disclosure of exempt information as defined in the Local Government Act 1972 and the exemption outweighs the public interest in disclosure	
11	<u>City Centre Regeneration Update</u>	All Wards

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Date of Issue: 10 /10/ 2016

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# Agenda

## Cabinet

Dyddiad: 17/10/16

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>	
4 <u>Cofnodion</u>	
5 <u>SAC: Asesu corfforaethol</u>	Pob Ward
6 <u>SAC: Gwydnwch ariannol</u>	Pob Ward
7 <u>Dadansoddiad o berfformiad</u>	Pob Ward
8 <u>Strategaeth iaith Gymraeg</u>	Pob Ward
9 <u>Rhaglen Waith</u>	Pob Ward
10 Rhan 2: <u>Eitemau eithriedig neu gyfrinachol</u>	Pob Ward
<p>I ystyried a ddylid gwahardd y wasg a'r cyhoedd wrth ystyried yr eitem(au) canlynol ar y sail y bydd yr ystyriaeth yn debygol o gynnwys datgelu gwybodaeth eithriedig neu gyfrinachol fel y'i diffinnir yn Atodlen 12 A o Ddeddf Llywodraeth Leol 1972 a bod y gwaharddiad yn gorbwyso budd y cyhoedd o ran datgelu</p>	
11 <u>Adfywio canol y ddinas</u>	Pob Ward

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# Minutes



## Cabinet

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Date: 12 September 2016

Time: 11.00 am

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

In Attendance: Mr W Godfrey (Chief Executive); Mr M Nicholson and Ms B Owen (Strategic Directors) ; Mr G Price ( Head of Law & Standards) Mr M Rushworth ( Head of Finance) ; and Mr R Cornwall (Head of People & Business Change)

Apologies: Councillors R Jeavons and M Whitcutt

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### 1 **Declarations of Interest**

There were no declarations of interest by Cabinet Members

### 2 **Minutes**

The minutes of the meeting of the Cabinet held on 11 July 2016 were confirmed as a true record by the Cabinet and signed by the Chair

### 3 **City Deal - Update and Memorandum of Understanding**

The Chief Executive presented a report informing Cabinet that 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.

The Chief Executive stated that there was still a long way to go and the Council would need to consider carefully whether the investment will deliver value for money and outcomes which meet the needs of our communities. However it was important at this point to continue our involvement in the process and work with other partners to secure the best deal possible.

The Chief Executive informed Cabinet that all authorities had been asked to sign up to a memorandum of understanding (MOU), which outlines the work required and seeks a commitment to work together to bring the deal to a conclusion. Each authority was also asked to provide some further funding to provide the necessary resource to complete this work. The Chief Executive stated that a programme office had been established. 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 had already agreed to set this money aside as part of the consideration of the year- end report for 2015/16.

The Chief Executive stated that any final proposal will require sign off by Council and it was anticipated this will take place before the end of the 2016/17 financial year.

**Decisions:**

- I. To endorse the work to date on the city deal and support the ongoing work to its conclusion.
- II. To agree the updated Memorandum of Understanding between the 10 authorities and authorise the Chief Executive to sign on behalf of the Council.

**4 Annual Review of the 15/16 Improvement Plan**

The Leader of the Council introduced a report informing Cabinet that under the Local Government Measure 2009; Local Authorities have a duty to make arrangements to secure continuous improvement and to account for it.

A report prepared by the Head of People & Business Change provided details of progress in delivering the Improvement Objectives described in the Improvement Plan 2015/16. The 2015/16 Improvement Plan was based on the key themes that form the Corporate Plan 2012/17; the change this year had been that there are ten Improvement Objectives spread across the themes. Their performance was summarised in the report.

Cabinet was informed that overall progress against the 15/16 plan was 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'. There remained room for improvement and the increasingly difficult environment provided challenges to the Council, its staff and its services. The Leader referred to some of the details behind the report and stated that there were many positive aspects of the report to be promoted. It was noted that targets were being made more difficult to achieve and that the overall aim was to provide the best possible outcomes for the city.

**Decisions:**

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

**5 Improvement Plan 16-18 Update for Quarter 1**

The Leader of the Council introduced a report informing Cabinet that in April 2016 the Council approved the eight Improvement Objectives in the Improvement Plan for 2016-18.

A report prepared by the Head of People & Business Change provided details of progress towards delivering the actions set out in the plan and the performance measures that support those actions in 16/17.

The positive working alongside Health was drawn out as a good initiative for the City. Good progress was welcomed. The improvements in outcomes in education were also welcomed.

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

**Decisions:**

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

**6 Corporate Risk Register Update**

The Leader of the Council introduced a report providing the Cabinet with the latest update of the Corporate Risk Register.

A report prepared by the Head of People & Business Change informed Cabinet that there were eight risks identified in the register, and all were medium risks. Cabinet was informed that since the last update five risks remained unchanged, one had increased, one had reduced and one was a new risk in relation to Brexit.

**Decisions:**

To note the contents of the Corporate Risk Register and request a further update at the December 2016 meeting

**7 Performance Management Reporting Framework**

The Leader of the Council introduced a report informing Cabinet that 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 Council's performance to other Local Authorities.

A report by the Head of People & Business Change stated that, 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 had been questioned by the Wales Audit Office in their Corporate Assessment report 2013.

Although the Council has collectively improved the level of challenge and accountability since this Corporate Assessment Report, a new performance management reporting framework was proposed. Cabinet was informed that the new framework would demonstrate more clearly how performance is challenged and how current information is shared across the Council. Details of the new framework arrangements were set out in the report. The success of the new arrangements would be reviewed and assessed in due course

**Decisions:**

To endorse the proposed Performance Management Reporting Framework

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

The Leader of the Council referred to a recent successful meeting with the Commissioner and introduced a report informing Cabinet that the Wellbeing of Future Generations (Wales) Act was 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.

A report by the Head of People and Business Change stated that significant work has been ongoing and progress was already being made across the organisation to meet the requirements of the Act, with further work scheduled over the next few months.

Progress was set out in detail in the report as were the next planned steps. The Council must set and publish Wellbeing Objectives and a Wellbeing Statement by 31<sup>st</sup> March 2017. This work would need to take into account the timescales, existing policies and decision making processes, and the local government elections in May 2017. To this end a detailed work programme was presented to Cabinet. It was noted that good work had already been undertaken in Newport with the ward profiles, and those ward profiles will be further developed and refined to become community well-being profiles. This will incorporate the previous valuable work undertaken within the ward profiles and also meet the needs of the WFG Act.

**Decisions:**

To note progress of the Wellbeing of Future Generations Act and agree the next steps

**9 Strategic Equality Plan - Annual Report 2015-16**

Councillor Gail Giles, cabinet member for Education & Young People and the previous Chair of the Strategic Equalities Group, introduced a report (in the absence of the Cabinet Member) informing Cabinet that public authorities have to produce an annual report and publish it within a year of the year end at 31<sup>st</sup> of March. A report was prepared by the Head of People and Business Change for April 2015 to March 2016.

Cabinet was informed that 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. The Plan set out how the Council applies the law to the Council's work, and commitments to make progress on five equality objectives; Engagement; Accessible services; Community cohesion and tackling hate crime; Domestic abuse; and Worklessness

Excellent progress and innovative work on these objectives was reported in detail by Councillor Giles and was welcomed by the Cabinet.

The report presented to the Cabinet demonstrated 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.

The Head of People and Business Change stated that 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.

**Decisions:**

To endorse the report and progress made against the Equality Objectives.

**10 Update to Medium Term Financial Strategy**

The Head of Finance introduced the annual report informing Cabinet that 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 Head of Finance stated that 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 had 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.

Cabinet was informed that 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.

The Head of Finance stated that the current estimate of the funding gap for the coming year was in the region of £6m at this stage. Work was continuing to manage the gap. It was pointed out that this Council still spends some £7.5m below its SSA. This was put into context when compared to other Local Authorities, some of whom were spending above SSA. It emphasised the differences in historical funding of local authorities.

The report by the Head of Finance updated 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 Council s medium term financial plan to update the resulting budget challenges, over the medium term.

The report then informed Cabinet of 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.

#### **Decisions:**

- I. 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.
- II. To note and approve the current working strategies officers are working under to provide budget solutions to the current level of budget challenge,
- III. 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.
- IV. To note the Head of Finances comments and observations on the current risks facing the budget, how they are being managed and financial resilience issues.
- V. To note the current level and projected use of reserves and how these are utilised in the context of the Medium Term.

#### **11 Revenue Budget Monitor**

The Head of Finance introduced a report informing Cabinet that as at July 2016, the Council s revenue budget is projecting overspending of £1.18m. He stated this primarily relates to overspends within service areas of £2.81m (exc. Schools) as set out in detail in the report

This was partially offset by non-service underspends on Council tax benefit rebates (£889k) and Council tax surplus (£655k).

Cabinet was informed that this position excludes schools, which is currently reporting a deficit position of £2.88m. The overall service position (including 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 Head of Finance stated that 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£300,000 underspend currently. He stated that there was 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. It was hoped that the position would improve in time for the November monitoring report

The Cabinet Member for Education and Young People pointed out the difficulties in relation to out of area placements and the fact that expenditure in this respect was impossible to predict or avoid. The Cabinet member for Adult Social Services and Housing stated that costs that arise in relation to vulnerable adults and arising from the changing demographics were also difficult to assess with little recognition from the Central Government.

Cabinet was informed by the Head of Finance that, given the context, chief officers should not underestimate the need to improve on this position as much as possible and to manage within budget. The Chief Executive also stated that he was confident the position will improve. In terms of the overall budget, the predicted overspend was relatively small but everything would be done to address the figure reported. Resilience was good enabling challenges to be identified earlier.

The Leader stated that she would write to Chief Officers setting out concerns about the current position and asking for progress to be made to address the position in relation to the potential overspending as reported

#### **Decisions:**

- I. To note the forecast 2016/17 revenue budget position and the key risks identified at this stage;
- II. To ask Cabinet Members, Directors and Heads of Service to maintain on-going strong financial management, and People and Place directorates to confirm a comprehensive set of actions to reduce their overspending;
- III. To note the planned reserve movements and revised balances at the end of the year.

## **12 Education Capital Programme**

The Cabinet Member for Education & Young People introduced a report which described to Cabinet the development of the education capital programme since 2011 to the present day and sets out how a funding challenge has now emerged.

The report by the Head of Finance stated that a new scheme is introduced as the Maes Ebbw extension of 7 classrooms, as an addition to the current programme. The report

presented Cabinet with options for funding the education capital programme either by deferring some projects into future years, or by funding the entirety of the programme.

Cabinet Members were informed that a review of the current and potential programme had confirmed the challenges were: building inflation; fixtures, fittings and equipment; and the demountable replacement project

The report highlighted 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 current potential shortfall in funding was identified in the report

Two options were discussed:

Option one was 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 were set out in the report. The funding shortfall gap could be reduced by £6.575m by deferring the schemes as detailed in the report.

The Cabinet Member for Education and Young People stated that she had asked for the possibility of refurbishment of demountable classrooms awaiting replacement to be examined, should this option be adopted.

The other option available to Cabinet (Option 2) was 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.

The report discussed all financial implications; revenue and capital implications and future programme management.

Members considered that the best option was the deferral of selected projects to reduce the funding shortfall. The Head of Finance stated that this option is also fully reliant on the approval of Welsh Government match funding which should be confirmed in the coming months. If the additional funding does not get approved by Welsh Government, a further report would need to be brought to Cabinet with an alternative proposal.

The Leader stated that it needed to be made clear that deferral did not mean not doing the work but it was about re- positioning the spend to get a better outcome eventually

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 was important to note that deferral of the current schemes into future years would need to be fully costed with as reliable estimates as possible, and include all relevant costs including Furniture, Fixtures & Equipment and revenue estimates.

**Decisions:**

- I. To accept an additional scheme onto the current capital programme for the Council.
- II. To endorse the recommendations for future management of the education capital programme
- III. To adopt Option 1 – [i.e. 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] - for funding the education capital programme

**13 Capital Programme Monitoring and Additions**

The Head of Finance introduced a report informing Cabinet that 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. This was the third year of the four-year programme, and over time changes had been made to the programme to revise the total budget to £116.138 million. The changes made to date were summarised in the report.

The Head of Finance reported that the changes to the capital programme identified in the report have increased the overall size of the remaining two year programme by £4,686,000. He stated that 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 was 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.

The Education Capital Programme report discussed earlier in the meeting would impact on the position owing to the decisions made to address the current capital budget issues with the Education Capital Programme and those decisions being subject to approval of additional funding from Welsh Government.

It was requested that new schemes listed in the report be added to the capital programme. The report also showed the revised 2016/17 programme, including the proposed schemes.

The Cabinet also received an update on headline and high value schemes along with an update on capital receipts.

**Decisions:**

- I. To approve the additions to the Capital Programme requested in the report.
- II. To note the capital expenditure forecast position as at July 2016.

III. To note and approve the allocation of in-year capital receipts.

#### 14 **Council Tax Premiums: Long-Term Empty Dwellings**

The Head of Finance reported to Cabinet that 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.

Members were informed that 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.

Cabinet Members spoke in favour of the proposals and agreed that consultation should take place on the proposals for further consideration by cabinet before a final recommendation was made to Council later in the year.

#### **Decisions:**

To agree the general principles set out in this report - that Council tax premiums on long-term empty dwellings be implemented from 1 April 2017, 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.

#### 15 **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 13:15



# Report

## Cabinet

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### Part 1

Date: 7<sup>th</sup> October 2016

Item No:

**Subject** Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations 2015/16

**Purpose** To present Cabinet with the Wales Audit Office Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations 2015/16

**Author** Chief Executive

**Ward** All

**Summary** The Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations presents the Wales Audit Office assessment of the Council's progress in addressing recommendations made in the full Corporate Assessment of the Council in 2013 and the Review that took place in 2014/15.

The full Corporate Assessment 2013 examined the council's capability to deliver its priorities and improved outcomes for citizens. In the Corporate Assessment Review 2014/15 the Wales Audit Office considered whether the council had made good progress in addressing the Recommendations and Proposals for Improvement made since the full Corporate Assessment report was published.

The review of progress made in 2015/16 has reduced the number of recommendations to 4 and there are 3 proposals for improvement. The WAO has determined that 'The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report, but some further work remains to ensure these are addressed fully'

This report also contains the WAO's final report (appendix 2) as well as the Council's Statement of response to the Recommendations made in the Corporate Assessment required under section 20 of the Local Government Measure 2009. Proposed accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement are also included (appendix 1).

**Proposal** Cabinet are requested to:

- Accept the findings of the Auditor General in his Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations
- To endorse the Statement of Response to the Recommendations
- To endorse the accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement

- To receive quarterly monitoring reports on the progress towards recommendations and proposals for improvement

**Action by** Chief Executive, Strategic Directors and Head of Service

**Timetable** immediate

This report was prepared after consultation with:

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

**Signed**



## **Background**

The Corporate Assessment Review presents the Wales Audit Office findings of progress following the full Corporate Assessment of the Council in 2013.

The full Corporate Assessment 2013 examined the council's capability to deliver its priorities and improved outcomes for citizens.

### **Corporate Assessment Review**

During 2014/15 the Wales Audit Office reviewed the progress that the Council had made in implementing the Recommendations and Proposals for Improvement from the full Corporate Assessment in 2013. The Corporate Assessment Review contained seven recommendations.

The overall conclusions from the Corporate Assessment Review were:

"The Council has made improvements in some aspects of its arrangements, however in other areas the scale and pace of change required has not been achieved, and longstanding governance weaknesses remain"

### **Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations**

During February 2016 the WAO completed fieldwork and a document review to assess the progress made against the recommendations made in the original 2013 Corporate assessment as well as the 2014/15 review.

The 2015/16 Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations contains four recommendations which is a reduction from the seven recommendations in the 2014/15 review.

### **Accountability and Monitoring Arrangements**

Quarterly updates will be provided to Cabinet to monitor progress made against the recommendations and proposals for improvement.

### **Statement of Response**

As part of the requirements of the Local Government Measure 2009 the council must respond to the Recommendations made by the Wales Audit Office within 30 working days. Included within this report are the council's Statement of Response and associated actions planned and timescales.

## **Financial Summary**

- There are no direct financial implications associated with this report

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

The Corporate Assessment Review links to all of the Council's key plans.

## **Options Available**

The options available are:

- a) To accept the findings of the Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations and to endorse the Statement of response and the accountability and monitoring arrangements.
- b) To disregard the information set out in this report and the appended Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations

## **Preferred Option and Why**

The preferred option is a). The Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations is an important aspect of the Local Government Measure and as such, informs the Council's wider improvement programme.

## **Comments of Chief Financial Officer**

There are no direct financial implications arising from this report. Separate comments on the Corporate Assessment Review are included in the Statement of Response.

## **Comments of Monitoring Officer**

There are no direct legal implications arising from this report. Separate comments on the Corporate Assessment Review are included in the Statement of Response.

The Council is required to formally respond to the statutory Recommendations set out in the Report within 30 days in accordance with the requirements of the Local Government Measure 2009.

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

There are no direct staffing HR implications arising from this report. Separate comments on the Corporate Assessment Review are included in the Statement of Response.

## **Comments of Cabinet Member**

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

## **Background Papers**

Cabinet Report "Corporate Assessment" (21/10/13)

Appendix One: Statement of Response to the Corporate Assessment Review

Appendix Two: Wales Audit Office Corporate Assessment Review

Dated: October 2016

## Appendix One

### Statement of Response to the Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations

September 2016

#### Recommendations

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
The reference numbers relate to the recommendations made the Corporate Assessment follow-up report.							
R1	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.	Decisions and scrutiny are based on consideration of up to date and accurate information. Decisions are accurately recorded on a timely basis on the Council's decision making tracker so the public are able to easily find and understand what decisions have been taken and by whom.	✓	✓	Chief Officers will view all Decision making reports and conclude on whether they are of sufficient quality before submission to the decision making and scrutiny processes.  Heads of Service will ensure that appropriate quality assurance processes are implemented within their service areas to ensure that reports are of an acceptable quality and standard before submission for inclusion in the decision – making or scrutiny	March 2017	Chief Executive  Head of Law & Regulation

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
					<p>processes</p> <p>All Cabinet, Cabinet Member and delegated officer decisions are properly recorded, including background information, options and reasons for those decisions, in accordance with the Council's constitution and legislative requirements. Minutes of Council and Committee meetings are also recorded accurately, approved at subsequent meetings and published in a timely manner. All decisions, background reports and minutes are published on the Council's web site, with a search engine to enable decisions to be tracked and easily found.</p>		

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
R2	The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:		✓	✓			Head of Law & Regulation
	<ul style="list-style-type: none"> <li>strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;</li> </ul>	The areas of focus of each of the committees is clear, linked to corporate priorities, regularly updated and considered in an open forum.		✓	<p>To develop the use of Committee pre-meetings in order to focus challenge more effectively and improve the quality of questioning. (Scrutiny AR Action 1)</p> <p>To introduce an effective system for scrutiny of the Public Services Board, in response to the statutory duty placed on scrutiny by the WFGA (Scrutiny AR Action 2)</p> <p>To introduce a new</p>	<p>By April 2017</p> <p>By April 2017</p>	Head of Law & Regulation

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
					<p>report template to improve the quality and focus of the information that is presented to Committees (Scrutiny AR Action 3)</p> <p>To continue to develop the links between Scrutiny and Auditors / Inspectors / Regulators, in particular to support work programming and training (Scrutiny AR Action 4)</p> <p>To continue implementation of the Public Engagement Strategy agreed in 2015 (Scrutiny AR Action 5)</p> <p>Cabinet work programmes are presented to each cabinet meeting</p>	<p>By November 2016 meeting cycle</p> <p>Ongoing</p> <p>By April 2017</p>	

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> <li>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;</li> </ul>	The Council's constitution accurately reflects existing arrangements and clearly sets out roles and responsibilities.		✓	The Democratic Services are reviewing the various elements of the Constitution	Ongoing	Head of Law & Regulation
	<ul style="list-style-type: none"> <li>empowering Members to be more proactive and accountable for their roles and responsibilities;</li> </ul>	Members are able to fulfil their roles effectively and are held to account for these roles.		✓	<p>To develop the use of Committee pre-meetings in order to focus challenge more effectively and improve the quality of questioning. (Scrutiny AR Action 1)</p> <p>To introduce a new report template to improve the quality and focus of the information that is presented to Committees (Scrutiny AR Action 3)</p>	<p>By April 2017</p> <p>By November 2016 meeting cycle</p>	

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> <li>strengthening scrutiny arrangements to more 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; and</li> </ul>	Scrutiny is used effectively to inform policy development and hold Cabinet Members and officers to account for performance.		✓	<p>To develop the use of Committee pre-meetings in order to focus challenge more effectively and improve the quality of questioning. (Scrutiny AR Action 1)</p> <p>To continue regular meetings of the Chairs of Scrutiny, the Scrutiny Officer Team and leading Members of the Executive, to ensure a positive relationship continues, and workloads are coordinated effectively (Scrutiny AR Action 6)</p> <p>To develop an appropriate role for Scrutiny within the new arrangements for managing performance, and building on the existing measures for service plan monitoring (Scrutiny AR Action 7)</p>	<p>By April 2017</p> <p>Meetings already diarised</p> <p>By December 2016</p>	Head of Law & Regulation



Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> <li>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.</li> </ul>	Members and officers are equipped and supported to undertake their roles.		✓	<p>To update and deliver the training and seminar programme for Members, including training to support:</p> <ul style="list-style-type: none"> <li>- Budget scrutiny</li> <li>- Performance scrutiny</li> <li>- Implementation of the Wellbeing of Future Generations Act (Scrutiny AR Action 8)</li> </ul> <p>To work with current Members to develop an effective scrutiny induction programme for Elected Members after the 2017 election. (Scrutiny AR Action 9)</p>	<p>By April 2017</p> <p>By April 2017</p>	Head of Law & Regulation

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
R4	The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should:		✓	✓			Head of People & Business Change
	<ul style="list-style-type: none"> <li>continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion; and</li> </ul>	The Council has effective workforce planning arrangements in place, which will help it deliver its vision and priorities.		✓	<ul style="list-style-type: none"> <li>Creation of a workforce plan review group</li> <li>Publication of workforce plan</li> <li>Second version of workforce plan in place for 2016/17</li> <li>HR Business Partners to meet with HoS to discuss workforce objectives for 2016/17</li> <li>2016/17 objective for workforce planning set in</li> </ul>	<p>February 2016</p> <p>June 2016</p> <p>June 2016 onwards</p> <p>May 2016</p>	Head of People & Business Change

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
					<p>both service planning and individual objectives</p> <ul style="list-style-type: none"> <li>• Carry out self-assessment audit to assess current performance and identify future priorities</li> <li>• Conduct enhanced training on workforce planning for all HR/OD officers</li> </ul>	<p>December 2016</p> <p>December 2016</p>	
	<ul style="list-style-type: none"> <li>• in the absence of a formal approach to 360-degree feedback for all staff, address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance.</li> </ul>	Staff appraisals are consistently undertaken and to a good standard and these are used to inform staff development.		✓	<ul style="list-style-type: none"> <li>• Feedback to managers on quality of appraisals sampled</li> <li>• Options to review current processes are investigated to bring about technology in the PM cycle</li> </ul>	<p>October 2016</p> <p>October 2016</p>	Head of People & Business Change

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
					<p>and modernize the system</p> <ul style="list-style-type: none"> <li>• Review of Coaching for Performance course and recommendations made on future procurement</li> <li>• Solutions identified to offer both coaching and mentoring ILM qualifications</li> <li>• Creation of action learning set network</li> </ul>	<p>August 2016</p> <p>August 2016</p> <p>October 2016</p>	

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
R5	To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:	Members are given accurate and timely information to enable them to challenge performance and progress against improvement objectives effectively. Remedial action is identified and taken forward.	✓	✓	<p>New Performance reporting framework in place ensures more information is provided to scrutiny and Cabinet Members in a timelier manner.</p> <p>New performance management system will allow information on performance to be more visible and readily available around the authority.</p>	<p>Framework agreed by Cabinet and Scrutiny Chairs September 2016</p> <p>New System Implemented April 2016 Further development continues.</p>	Head of People & Business Change

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
	<p>Enable Members to effectively challenge and scrutinise service performance:</p> <ul style="list-style-type: none"> <li>– ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance; and</li> </ul>	<p>Performance is frequently discussed and challenged by scrutiny and members have sufficient time to do so.</p>		✓	<p>Exception dashboards and reports for service plans highlight key areas.</p> <p>Performance reports that go to Cabinet now go to the Scrutiny Chairs for Information.</p> <p>Heads of Service have regular briefing meetings with Cabinet Members who in turn brief the Leader of the Council.</p>	<p>Scrutiny Committee Meetings</p> <p>Framework agreed by Cabinet September 2016</p> <p>Framework agreed by Cabinet September 2016</p>	<p>Head of People &amp; Business Change</p>

Ref	Recommendation	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
	– provide training on effective challenge and scrutiny for Members.	Members have the necessary skills to challenge and scrutinise effectively.		✓	We have put in place a training and seminar programme for Scrutiny Members, and we have also introduced pre-meetings to improve the focus and challenge of Member questions. We are also developing the new induction programme for May 2017 which will include focus on effective challenge.	Systems in place and in ongoing development  Induction programme from May 2017	Head of Law & Regulation

### Proposals for Improvement

Ref	Proposal for improvement	Intended outcome/ benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
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The Council should:

Ref	Proposal for improvement	Intended outcome/benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
P1	Provide Cabinet with a more detailed update of progress in addressing our Corporate Assessment and its Follow-up recommendations to facilitate more active discussion and challenge of progress.	Cabinet are able to challenge and monitor progress against the Corporate Assessment action plan and understand reasons for delay and to identify further actions as necessary. There is open discussion of progress during public meetings so that public and members can see the progress being made.		✓	<p>The Action plan will be reported as a separate report in its own right; this will raise its profile with Members as it will be an agenda item.</p> <p>The action plan will provide a more detailed update of progress made.</p>	<p>The first report will go to cabinet on 17<sup>th</sup> October.</p> <p>January 2017</p>	Head of People & Business Change



Ref	Proposal for improvement	Intended outcome/benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
P2	Review the timespan for completion of return to work interviews.	Return to work interviews are undertaken on a more timely basis for mutual benefit to the Council and the employee.		✓	<p>Newport is in the second quartile for sickness absence based on 2015/16 data, and is joint 7<sup>th</sup> based on the number of days lost per FTE.</p> <p>Our policy uses best practice of 7 calendar days for RTW's to be completed and whilst we do not achieve 100% submission, we do not believe that reducing the time frame will ensure greater submission response rates.</p> <p>However, we will look to move from a paper based system to an online one in an attempt to improve submission rates as we believe that completing paper documentation has a greater impact on delayed submission rates.</p>	March 2017 for review of paper based submission	Head of People & Business Change

Ref	Proposal for improvement	Intended outcome/benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
P3	Review whether it has appropriate capacity and capability within its People and Business Change service area to strengthen workforce planning.	The Council has the confidence that it has the necessary resources and support to address workforce planning to meet its priorities and vision.		✓	<p>Workforce planning has been a theme of the HR service plan for the last year and officers have been identified as leads for enabling workforce planning to become an integral function of the HR service. We have visited the Vale of Glamorgan, Swansea and RCT Councils to learn from their best practice and apply this knowledge at Newport. We intend to undertake the WAO self-assessment audit tool to review our progress and identify priorities for the future.</p> <p>Officers will be effectively trained on workforce planning</p> <p>There is a risk in terms of capacity within the HR/OD team as Newport has considerably fewer HR</p>	Review and training to be completed by February 2017	Head of People & Business Change

Ref	Proposal for improvement	Intended outcome/benefit	High priority (✓)	Accepted	Management response	Completion date	Responsible officer
					FTE than comparable Councils and priorities will need to be assessed accordingly.		

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# Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations

## **Newport City Council**

**Audit year:** 2015-16

**Issued:** August 2016

**Document reference:** 403A2016

# Status of report

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This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [info.officer@audit.wales](mailto:info.officer@audit.wales).

The team who delivered the work comprised Urvisha Perez, Avril Watkins and Sara-Jane Byrne under the direction of Alan Morris and Anthony Veale.

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# Summary report

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## The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report, but some further work remains to ensure these are addressed fully

1. In September 2013, the Auditor General published his report on the full Corporate Assessment at Newport City Council (the Council). This report concluded at that time 'the Council is at a pivotal point as it begins to address longstanding weaknesses in arrangements that underpin improvement and, with wider ownership and strengthened capacity, it has the potential to achieve the scale and pace of change required'. The Corporate Assessment report made six Statutory Recommendations and seven Proposals for Improvement.
2. During November and December 2014, we reviewed the progress that the Council had made in implementing the recommendations and proposals for improvement made in our Corporate Assessment. We found that the Council had made improvements in some aspects of its arrangements, however, in other areas the scale and pace of change required had not been achieved, and longstanding governance weaknesses remained. We came to this conclusion in 2014 because:
  - longstanding governance weaknesses still remained, and there was a lack of collective leadership between Members and officers to drive improvement;
  - financial management arrangements had improved, but medium-term financial plans needed to be developed in more detail so they are balanced over a longer timeframe and some capacity issues in the finance department needed to be addressed if improvements were to continue;
  - progress in resolving weaknesses in people management arrangements was evident and plans were in place to begin addressing workforce planning issues, however, initiatives to reduce staff sickness required further evaluation;
  - the Council had made progress in addressing our recommendations on ICT, but there were still weaknesses in some governance arrangements and uncertainty on its plans for continuity should an unforeseen event occur; and
  - there had been some enhancements to the Council's improvement planning and performance management arrangements, but the scrutiny of performance was not sufficiently challenging to consistently drive improvement.
3. At the time, we found that two of the statutory recommendations that were made in the original Corporate Assessment report of September 2013 were still applicable. We updated four other statutory recommendations to reflect the Council's progress since then. In addition, we added two new statutory recommendations. The full list of recommendations is listed in [Appendix 1](#).

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4. As part of our 2015 Audit Plan, we identified that we would assess the Council's progress in implementing recommendations from our previous work. As part of this progress review, we stated we would seek assurance that the Council had appropriate corporate processes for responding to our reports, tracking implementation of our recommendations, and reporting this to the appropriate committee. We said we would do this by undertaking specific follow-up work to determine progress in addressing the recommendations made in our Corporate Assessment and its Follow-up.
  5. During February and March 2016, we assessed the Council's progress in addressing our recommendations. Other work we have undertaken at the Council in 2015-16 also informed our assessment. This included our reviews of data quality, financial resilience and waste management. We found that the Council has made progress against all the recommendations made in our Corporate Assessment follow-up, but some further work remains to ensure these are addressed fully.
  6. We came to this conclusion because:
    - there has been a good demonstration of collective leadership in responding to our corporate assessment findings and other challenges facing the Council;
    - the Council has arrangements in place to address, monitor and report our recommendations, although more active challenge and discussion of progress at Cabinet would strengthen these arrangements;
    - the quality of information provided to Members to enable them to challenge and take decisions has improved but scope remains to ensure this is consistent;
    - the Council has started to improve its governance arrangements, however, the value of scrutiny is not yet being maximised;
    - the Council has strengthened its financial arrangements, but more work is required to deliver a balanced medium-term financial plan and to improve the clarity of financial information reported to Members;
    - the Council does not yet have a strategic approach to workforce planning, but the results of its recent employee engagement survey shows that the Council has increasingly engaged employees, which provides it with good foundations to strengthen its workforce planning; and
    - the Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition.

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## Recommendations

7. The recommendations made in our Corporate Assessment follow-up are set out in [Appendix 1](#). We feel some further work is needed by the Council to address the following recommendations fully.

R1 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.

R2 The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:

- strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;
- 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;
- empowering Members to be more proactive and accountable for their roles and responsibilities;
- strengthening scrutiny arrangements to more 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; and
- 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.

R4 The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should:

- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion; and
- in the absence of a formal approach to 360-degree feedback for all staff, address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance.

R5 To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:

- Enable Members to effectively challenge and scrutinise service performance:
  - ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance ; and
  - provide training on effective challenge and scrutiny for Members.

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## Proposals for improvement

8. We have also made some proposals for improvement in our waste, financial resilience and data quality review reports, which are relevant to this review. In addition, set out below are some further proposals for improvement.

### **The Council should:**

- P1 Provide Cabinet with a more detailed update of progress in addressing our Corporate Assessment and its Follow-up recommendations to facilitate more active discussion and challenge of progress.
- P2 Review the timespan for completion of return to work interviews.
- P3 Review whether it has appropriate capacity and capability within its People and Business Change service area to strengthen workforce planning.

# Detailed report

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The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report but some further work remains to ensure these are addressed fully

There has been a good demonstration of collective leadership in responding to our corporate assessment findings and other challenges facing the Council

9. There has been a good demonstration of collective leadership at the Council during 2015-16 and some notable achievements for the Council. This includes the opening of Friars Walk, the new shopping and leisure scheme in the City Centre in November 2015 and the signing of a £1.2 billion City Deal across the Cardiff Capital Region in March 2016.
10. Officers and Members interviewed as part of our review were able to provide a number of examples where the Council had demonstrated collective leadership. These include the Leader and Chief Executive presenting together at the Newport on the Rise and City Deal events; and the City Regeneration joint officer and Cabinet sub-group; as well as Cabinet and Senior Leadership Team working together on the 2016-17 budget, and addressing the challenges facing the Duffryn Welsh Medium School proposal.
11. Our review also found that officers and Members have demonstrated collective ownership for addressing our Corporate Assessment follow-up recommendations. The relationship between Scrutiny and Cabinet has improved, and this can be attributed in part to the quarterly meetings between scrutiny chairs and the Cabinet.
12. Officers and Members have a close working relationship. Heads of Service regularly attend scrutiny committee meetings and meet with Cabinet Members on a fortnightly basis.
13. Newport 2020 sets out the future challenges and provides a future direction for the Council, building on the ward profile work already undertaken. The Council's senior management recognises that the Council needs to review its future approach to service delivery and to embrace the opportunities for transformation and digitalisation. The Chief Executive is now chairing the Council's New Ways of Working group, and management is exploring opportunities for innovation.
14. A new Council Leader has recently been appointed. She has quickly communicated her priorities for the Council and appointed Cabinet Members. Following the resignation of the Director of Place, the Council also now needs to consider its senior management options. Together, this provides an opportunity for the Council to strengthen its collective leadership further.

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**The Council has arrangements in place to address, monitor and report our recommendations, although more active challenge and discussion of progress at Cabinet would strengthen these arrangements**

15. Following the publication of our Corporate Assessment follow-up report in May 2015, the Council updated its Corporate Assessment action plan setting out a series of actions to address each of the recommendations made in our Corporate Assessment follow-up. The action plan sets out Cabinet Member and officer responsibilities, and timescales for completion.
16. Cabinet and senior management jointly presented the action plan to representatives from the Wales Audit Office in October 2015. The Council also engaged with the Welsh Local Government Association in the development of the action plan. Cabinet approved the action plan in November 2015.
17. The Council has identified arrangements for monitoring progress against recommendations and proposals for improvement made by the Wales Audit Office and the Council's key external regulators, including progress against the Council's Corporate Assessment action plan.
18. The Council's Corporate Assessment action plan updates are considered at officer and member forums, specifically:
  - reported to Cabinet every quarter;
  - discussed at Corporate Management Team and Senior Leadership Team monthly;
  - reported to Audit Committee twice a year;
  - actions are reflected in relevant service plans which are reviewed twice a year by Scrutiny;
  - the Cabinet Member briefing template includes a section on regulatory recommendations and Cabinet Members are updated on progress at their fortnightly briefings; and
  - scrutiny related recommendations are monitored and progressed through the Scrutiny Improvement Group.
19. There was consensus amongst those Members and officers interviewed as part of this review that the Council had made progress in addressing our recommendations. Both emphasised that the Council had established relevant processes and procedures, and they accept that the Council now needs to embed these.
20. The Corporate Assessment action plan was reported to Cabinet in December 2015 and March 2016. At both meetings, the action plan was included as an appendix to the 2015-16 Improvement Plan updates.
21. We observed the Cabinet meeting on 14 March 2016. Cabinet did not discuss progress against its Corporate Assessment action plan set out in the appendix. The appendix did not clearly highlight progress or identify corrective actions and next steps.

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- 22.** We reviewed the Council's evaluation of progress against its Corporate Assessment action plan as set out in the appendix to the Improvement Plan 2015-16 quarter three update. We found that of the 50 plus actions identified by the Council to address our recommendations, about 50 per cent were identified as in place or completed. However, the appendix did not contain a detailed update of progress. The Council has not provided any detail for those actions in its Corporate Assessment action plan which it has not completed in line with the timescales identified and agreed by Cabinet in November 2015. For instance, the Council identified that it would develop an organisational development strategy by November 2015, but the progress update to Cabinet in March did not provide any commentary for this.
  - 23.** The Council has not identified progress against the Council's Corporate Assessment action plan as a specific item on the Cabinet's 2016-17 work programme.
  - 24.** The Corporate Assessment action plan was included as part of a report to the Audit Committee on 26 March 2016, which provided an update on the regulatory reports received by the Council. However, this report also lacked a detailed update of progress. This is in contrast to the progress updates previously provided to the Audit Committee on the original Corporate Assessment recommendations.
  - 25.** Scrutiny committees receive brief updates on progress against those Corporate Assessment recommendations, which are relevant to their remits but full Council does not receive progress updates against the Council's Corporate Assessment action plan. However, as Cabinet papers are available on the Council's website, papers including the Corporate Assessment action plan are available for all Members and Members of the public to view.

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**The quality of information provided to Members to enable them to challenge and take decisions has improved, but scope remains to ensure this is consistent**

- 26.** In our Corporate Assessment Follow-up report published in May 2015, we made the following recommendation:
- ‘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. This includes the consideration of:
- Options appraisals.
  - The implications of the options, recommendations and decisions.
  - Fully costed business cases prior to initiating major programmes to support change. The financial 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.’
- 27.** We have found that the Council has made reasonable progress in addressing this recommendation, but further work remains to address it fully.
- 28.** The Council has improved the format of its reports. The report template includes detailed sections to prompt officers to include budget breakdowns, risk assessment and consideration of the Council’s priorities and policies. It also quotes our recommendation to remind officers to include all options to be considered when seeking a decision. Our review of a sample of reports found that they contained options for Members to consider and recommended a specific option and this was a key improvement.
- 29.** The quality of the reports we reviewed varied. The better examples used the template to its full potential, which made the reports easy to understand and allowed Members to focus on the key issues, and the appended information was clear and concise. We also reviewed reports where the information was not presented in a way that allowed Members to consider the information fully or easily. For example, large volumes of data were presented without analysis.
- 30.** Our recent waste review also identified a number of examples of inaccurate performance information reported to Members. This does not facilitate effective management and monitoring of performance. Providing accurate and clear information to Members is vital to enable them to make appropriate and informed decisions and to challenge performance effectively. We have issued a separate report to the Council following our waste review.
- 31.** Generally, Members thought the reports they receive are of a good quality, although they sometimes felt the reports are unnecessarily long and not written in plain English. All Council reports are in the public domain and should be easily accessible and clear to Members and the public alike. The Council needs to consider how it can improve the quality and consistency of reports, and to adopt a plain English policy for public documents.



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32. The Council has refined its quality assurance process for Cabinet and decision-making reports. The Head of Finance, Monitoring Officer, relevant director, and the Senior Leadership Team review such reports. Senior officers informed us that because of this quality assurance process, reports that are deemed to be of insufficient quality are withheld and returned to the officer for improvement. The quality assurance process does not apply to reports going to scrutiny committees; our review of a sample of scrutiny reports suggests this is necessary.
  33. The Council also now has a separate Cabinet Member briefing template, which officers use for fortnightly Cabinet Member briefings. This facilitates a consistent approach across the organisation with standard items including updates against savings plans and progress against statutory recommendations. Cabinet Members and officers welcomed the consistent approach now being used.
  34. The Council has updated its business case template. Our 2015 Financial Resilience review found that the level of detail contained in the business cases for 2016-17 is much improved on prior years, but they are not yet consistently robust. Mechanisms are in place to challenge the quality of draft business cases before the Council publishes them, and it has a business improvement team that provides ongoing support and challenge to directorates on the development of business cases. Nevertheless, the Council recognises that there is scope to improve the quality of the business cases further.

## The Council has started to improve its governance arrangements, however, the value of scrutiny is not yet being maximised

### The effectiveness of scrutiny is improving but the pace of improvement has been slow

35. In our Corporate Assessment Follow-up we recommended that, 'The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:
  - strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;
  - 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;
  - empowering Members to be more proactive and accountable for their roles and responsibilities;
  - strengthening decision-making arrangements to ensure transparency and appropriate safeguards are in place;

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- strengthening scrutiny arrangements to more 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;
  - 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; and
  - addressing information security and business continuity arrangements.’
- 36.** Our review has found that the Council is beginning to address our recommendation to strengthen scrutiny, and the effectiveness of scrutiny has improved but the status and value of scrutiny remain limited. The majority of the Council’s actions to address our recommendations are considered to be ‘ongoing throughout the year’ and do not have defined timescales for completion. The Council recognises that it needs to undertake further work to strengthen scrutiny.
- 37.** The creation of the Council’s Scrutiny Improvement Group underlines the Council’s commitment to improve scrutiny. The group provides a good mechanism to consider how scrutiny can be strengthened. It has a clear improvement agenda set out in the group’s terms of reference and detailed scrutiny improvement action plan. The group consists of all scrutiny chairs and two other representatives from each scrutiny committee. Both Members and officers interviewed as part of our review agreed that scrutiny has improved over the past year.
- 38.** Pre-meetings are now taking place before scrutiny committee meetings, providing an opportunity for Members to structure questions and focus on key areas.
- 39.** Scrutiny involvement in policy development has improved particularly through the use of Policy Review Groups (PRGs). Members and officers cited a number of examples of PRGs to support this, such as the ICT review group. It is also evident that scrutiny committees are now more engaged in the consideration of the Council’s improvement objectives.
- 40.** As part of this review, we observed the meetings of the Council’s three scrutiny committees during February 2015. In general, we saw strong chairing skills and there was generally good challenge of the agenda items, which included the draft Improvement Plan 2016-2018. However, it was evident that the Council still needs to strengthen the work programming of its scrutiny committees as Members did not have sufficient time to consider all the agenda items in detail at the meetings we observed.

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41. Discussing the work programme is a standing agenda item on all scrutiny committee meeting agendas. Two of the three scrutiny committees discussed their work programme at their meetings in February 2016. The Street Scene, Regeneration and Safety Committee did not discuss their work programme because they ran out of time; neither did the scrutiny committee discuss the work programme at its meeting in January 2016. This supports our view that the Council needs to continue to strengthen its scrutiny work programming and how it is co-ordinated with the Cabinet and Council work programme to ensure timely input and challenge to key decisions by each relevant scrutiny committee. It is encouraging that the Council is developing composite work programmes to align with scrutiny and Cabinet work programmes.
  42. Officers consider that the Street Scene, Regeneration and Safety Committee provides a good level of challenge. Our observations found that the Street Scene, Regeneration and Safety Committee was better at challenging than the other scrutiny committees, but it needs to be more organised and proactive to ensure timely input and challenge to key decisions. The Council is sensibly using this scrutiny committee to champion scrutiny improvement.
  43. The Council has a decision-making tracker where the Council can log key decisions, including those made by Cabinet Members and officers via their delegated authority. This tracker is available on the Council's website. However, the online decision tracker is not user friendly and Members and officers have mixed awareness and understanding of it. Members tend to rely on the emails they receive notifying them of decisions taken.
  44. There is also a lack of clarity of ownership and responsibility for recording decisions on the tracker. The Council is not using the tracker consistently to record decisions. For example, there have been no officer-delegated decision recorded on the tracker and we noted that some Cabinet Member decisions were recorded a few months after the decision had been taken. The Council needs to assure itself that it records and publishes its decisions in a timely manner and in line with the Local Government Act so that such decisions can be open for call-in by scrutiny as required.
  45. In our Corporate Assessment follow-up report, we also recommended that the Council strengthened and mandated 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. Members interviewed as part of our review spoke positively about their induction, but said they had received little training since. The Council has not mandated member and officer learning and development programmes.
  46. The Council's Corporate Assessment action plan to address our scrutiny related recommendations states that 'Personal Development Plans for all Scrutiny Members were due to be completed by April 2016.' However, the Council has not yet done this.

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47. It is positive that the Council has developed a programme of seminars for Members, which contains updates on new policies and legislation, plus updates from partners, for example registered social landlords and the health board. Since October 2015, the Council has held three seminars, but member attendance is variable.
48. The Council is in the process of reviewing its constitution and this was scheduled to be completed by April 2016. The Council's Democratic Services Committee has been engaged in this process. We understand the Council is also currently reviewing its scheme of delegation to clarify lines of responsibility and accountability but that this has been put on hold pending the outcome of the report on senior officers' pay, which is due to be considered by the Council in June. The Council would also benefit from clarifying the roles and distinctions between the Corporate Management Team and Senior Leadership Team.

There are sound arrangements in place to monitor progress of improvement objectives at a Cabinet and officer level, but there remains insufficient oversight by Scrutiny to address poor performance in a proactive and timely way

49. In our Corporate Assessment follow-up report, we recommended that the Council should 'strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:
- Enable Members to effectively challenge and scrutinise service performance:
    - clarify the respective roles of the performance board and scrutiny;
    - ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance in both; and
    - provide training on effective challenge and scrutiny for Members.
  - Improve target setting to better reflect the service/performance standards the Council wants to achieve.'
50. We made a similar recommendation in our Corporate Assessment report of 2013 that the Council should 'Put in place arrangements that enable the Council to formulate, scrutinise, approve, and publish its improvement objectives in a timely way to meet its statutory obligations under the Measure.'
51. Our recent review found that the Council has made some progress in addressing our recommendation and it recognises that it needs to undertake further work to strengthen arrangements to scrutinise its improvement objectives. It has started to take steps to do this, but progress has been slow.
52. Improvement plan updates are reported quarterly to Cabinet, the Change and Efficiency Board, Portfolio Boards, and previously to the Performance Board, which has recently been disbanded by the Council. These updates include progress against improvement objectives. Cabinet Members also receive updates at their fortnightly briefings with heads of service.
53. These reporting and monitoring arrangements are contributing to an improving picture of performance. The Council's performance in 2014-15 against the National Strategic Indicators and the Public Accountability Measures shows that the Council's

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improvement was the third best in Wales. The Council performed better in 71 per cent of the indicators in 2014-15 compared to its performance in 2013-14. The Council performed worse in 26 per cent of the indicators and stayed the same for two per cent of the indicators. The Council was amongst the better performing Welsh councils for 19 per cent of the indicators and amongst the poorer performing councils for 31 per cent of the indicators.

54. The Council improved its performance in seven of the 11 education measures in 2014-15 but when compared to other Welsh councils, its performance was below average in nine of the 11 indicators and average or above in two. The Council's performance in the children's social care indicators improved in nine of the 11 indicators in 2014-15 from its reported performance in 2013-14. Its relative performance when compared to other Welsh councils, shows that in 2014-15 Newport was ranked at the Welsh average or above for five of the 11 indicators and below the Welsh average for the remaining six indicators in 2014-15.
55. The Performance Board, which comprises Members of the Cabinet, focuses on performance of two improvement objectives at each of its meetings. This enables the Performance Board to undertake a more thorough examination of performance and to challenge officers and Cabinet Members about performance. Cabinet Members felt that the Performance Board was having a positive impact on performance citing the examples of improvements in reducing delayed transfers of care and timeliness of provision of disabled facilities grants.
56. As part of this review, we observed the meeting of the Performance Board in March 2016. We found there was good discussion of performance, and officers presented a candid picture of performance. There was rigorous challenge of officers and Members for performance.
57. Cabinet and most officers interviewed as part of this review were clear of the distinction between the Performance Board and scrutiny, stating that the Performance Board facilitated Cabinet Member accountability and an opportunity for an in-depth review of performance in a non-public forum. Conversely, scrutiny provided a more high-level review of service performance in a public setting. However, scrutiny Members and other officers remained unclear of the difference in the roles of Performance Board and Scrutiny.
58. The Council has not yet formally clarified the roles of the Performance Board and Scrutiny as we recommended in our Corporate Assessment Follow-up. The Council's Corporate Assessment action plan states that it will complete this by the end of the 2015-16 financial year.
59. There are no formal terms of reference for the Performance Board. The roles and responsibilities of the Performance Board are not set out in the Council's constitution and are not available on the Council's website.
60. Since our fieldwork, the Council has disbanded the Performance Board. The Council has informed us that work is in progress to redistribute the work of the Performance Board and a report that sets out the new proposed performance management reporting framework will be considered by Cabinet. As part of this work, we would urge

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- the Council to strengthen the role Scrutiny plays in managing performance and to hold Cabinet to account for performance.
61. The Council's constitution states that one of the roles of scrutiny committees is to 'Monitor the performance and success of services and the outcomes of policies.' However, progress against improvement objectives is only reported to scrutiny committees every six months through the service plan reviews. This is too infrequent to allow enough time to address areas of underperformance or inaccuracies. There are examples where scrutiny committees look at performance outside of the mid-year service plan review. For example, the Learning, Caring and Leisure Scrutiny Committee has considered the Key Stage results and school categorisation. Nevertheless, we are of the view that whilst improved, scope remains to improve scrutiny committees' ability to fulfil their role and to effectively challenge and scrutinise progress against improvement objectives.
  62. Waste and recycling performance is a good example where greater oversight of performance by scrutiny would have been beneficial. Waste and recycling is currently one of the Council's Improvement Objectives. However, our waste review, undertaken in spring 2016, found that that the Street Scene, Regeneration and Safety Scrutiny Committee does not receive regular waste and recycling performance reports other than the mid and end-of-year service plan reviews. We concluded that 'The Council has not used its governance and performance management arrangements effectively to improve performance, but more recently, the Street Scene, Regeneration and Safety Scrutiny Committee has shown that if it becomes more organised and proactive in challenging performance in a timely way, it has the potential to play a key role in driving improvement.'
  63. Our waste review also found examples of targets having been changed without following the Council's agreed target setting process, and of targets being incorrectly reported.
  64. The Council's Improvement Plan 2015-16, approved by the Council on 28 April 2015, and the Street Scene and City Services service plan 2015-16, approved by the former Cabinet Member for Street Scene and City Services on 7 July 2015, state that the target for the percentage of municipal waste sent to landfill for 2015-16 is 25 per cent. (The lower the percentage, the better the performance.) Despite there being no formal request to change this target, the Council's mid-year performance analysis report to the Council's Performance Board on 9 December 2015 stated the target was 36 per cent, a nine percentage point difference from the approved target. The report goes on to state that the actual performance of 30 per cent was better than the non-approved target and was RAG (Red, Amber, Green) rated as Green. This is misleading, as the performance did not meet the approved target of 25 per cent. This inaccurate reporting was also included in the performance report considered by the Council's Change and Efficiency board and Cabinet meetings in December 2015.
  65. The Council informs us these errors were due to software problems and server failures but given that these are key targets, we would expect officers to have quickly realised that incorrect figures had been included in draft reports and taken action to amend these, particularly if performance information is regularly considered at other

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performance mechanisms, such as the Place Portfolio Board. The correct figure has been included in end of year reporting.

66. This type of error does not facilitate effective management and monitoring of performance. Providing accurate and clear information to Members is vital to enable them to make appropriate and informed decisions and to challenge performance effectively. In these examples, inaccurate information led to incorrect evaluations of performance. These errors undermine assurance that the Council's data quality arrangements are sufficiently robust to inform effective decision-making and scrutiny. However the Council is working to correct these issues and ensure more robust and up to date data is reported. We understand that the Council is currently in the process of implementing new performance management software, which will alter the way the Council reports performance information. The new system will also enable the Council to strengthen its controls over the setting and changing of targets. Such improvements are much needed.

#### The Council is introducing a new protocol to facilitate greater Cabinet Member accountability

67. The relationship between Scrutiny and Cabinet is stronger; scrutiny chairs now meet quarterly with the Cabinet. The Council has taken steps to increase Cabinet Member attendance at scrutiny. The Council has agreed that Cabinet Members will now attend scrutiny for mid-year service plan reviews. This is a step forward for the Council and Cabinet Members are becoming more comfortable with their roles and recognition of their accountability. However, at the moment, aside from this, Cabinet Members do not frequently attend scrutiny committee meetings.
68. It is, therefore, positive that the Council has recently developed a protocol that clarifies roles and accountabilities for both scrutiny and Cabinet Members. This explicitly sets out when scrutiny committees can invite Cabinet Members to attend scrutiny meetings and what the role of the Cabinet Members will be. The Council has not yet formally approved the protocol and the timescales to do this are unclear. If implemented well, the protocol represents a key step forward and gives scrutiny committees more opportunity to challenge and hold Cabinet Members to account.

#### The Council has taken steps to improve its information and business continuity arrangements but recognises that this remains an area for improvement and is exploring options to rectify this

69. The Council has made progress in addressing our recommendation to address information security and business continuity arrangements.
70. Our 2015 Information Management and Governance follow-up review highlighted that one person held the roles of Senior Information Risk Owner (SIRO), Head of Customer and Information Service, and chaired the Information Governance Group. The same person overseeing both scrutiny and service delivery presented a conflict of interest. This issue has now been resolved. The Director of Place rather than the SIRO now chairs the Information Governance Group and the SIRO is the Head of Law and Regulation.

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71. In December 2015, the Council undertook an IT disaster recovery test and the outcome was reported to the Senior Leadership Team. The Council has prioritised its business critical systems but it recognises that it needs to review this prioritisation as it has identified most systems as high priority.
  72. The issue that both of the Council's server rooms, which regularly back up the Council's critical systems, are in the same building remains; the Council still does not have off-site server facilities available to restore its systems. However, the Council is exploring options for putting in place duplicate server arrangements. It has also recently agreed in principle to develop a business case to join the Shared Resource Service (SRS)<sup>1</sup>. This would help resolve the back-up and systems recovery problem. The Council is currently getting support from a consultant to develop the business case to join the SRS.
  73. The Council's implementation of its Total Reward scheme in 2014-15, which aimed to address equal pay issues, has had an impact on the recruitment and retention of skilled IT staff at the Council. The Council is currently obtaining additional capacity through an arrangement with the SRS. It is timely, therefore, that the Council is considering its options for its future IT services.
  74. Our 2015 Information Management and Governance follow-up review found the Council has a good record of responding to information security breaches and reporting these to the Information Commissioner's Office (ICO) and had increased training and awareness of information security. However, the Council had another significant information security breach in November 2015 that it reported to the ICO. This is the third significant information security incident in the past three years. The Council has examined the issue themselves and reviewed its arrangements. It is co-operating with the ICO and is currently awaiting the outcome of the ICO's review.

**The Council has strengthened its financial arrangements, but more work is required to deliver a balanced medium-term financial plan, and to improve the clarity of financial information reported to Members**

75. The Council has made reasonable progress in addressing our recommendation made in our Corporate Assessment and Corporate Assessment follow-up reports to ensure that its arrangements for strategic financial planning and management continue to develop to meet the significant challenges that are being faced by ensuring that:
  - 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;
  - sufficient challenge is applied to ensure that savings/investment plans are delivered and any budget overspends are highlighted and addressed by early intervention;

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<sup>1</sup> SRS is a collaboration between Torfaen County Borough Council, Monmouthshire County Council and Gwent Police to deliver shared IT services to the three organisations. Blaenau Gwent County Borough Council is also in the process of joining the collaboration.



- financial plans provide clear links to improvement objectives and service plans; and
- 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.

**76.** During 2015-16, we undertook a review of financial resilience at each of the councils in Wales. We have issued the Council with our report on financial resilience. This provides further detail about our findings. Set out below is a summary of the findings of our financial resilience report for Newport Council.

**The Council's medium-term financial plan is not yet fully balanced and supported by a clear formalised reserves policy**

- 77.** The Council has strengthened some of its financial planning arrangements. This includes the development of a clear vision through its future service delivery strategy Newport 2020, improvements to its medium-term financial plan (MTFP), greater transparency about its reserves, and more detailed business cases.
- 78.** The MTFP includes key components, such as savings plans, the level of Council Tax, and the use and maintenance of reserves. However, the Council needs to set out clearly how these components are linked and utilised so that the MTFP is clearly articulated and understood. A formal reserves policy is key to this, coupled with clear statements on statutory service provision and the delivery of its corporate priorities.
- 79.** The Council's MTFP makes reference to 'Prospectus for Change' and 'Newport 2020', but the extent to which the Council's priorities have influenced the MTFP and the identification of savings proposals needs to be clearer. The 2016-17 budget and MTFP discussed by Cabinet in February 2016, simply states: 'In drawing up budget proposals, due regard has been given to key Council policies and priorities.' The business case template does not include a section relating to the Council's priorities. We understand that the Council has developed plans showing the level of resources for each of its 2016-17 improvement objectives. Whilst the development of plans for each of its improvement objectives is a step forward, we believe that further work is required to address our recommendation fully to ensure that financial plans provide clear links to improvement objectives and service plans.
- 80.** Until 2015, the Council's approach had been to focus on balancing the first year of the MTFP with a high level consideration of the next three years. The Council's MTFP has, therefore, not been fully balanced over the period of the plan. Following the Comprehensive Spending Review in autumn 2015 and a more positive settlement from the Welsh Government than had been anticipated, the Council's Cabinet reviewed and updated its MTFP in February 2016. It sets out the financial gap for each of the four years and previously agreed savings proposals for future years together with savings proposals per directorate across the timeframe of the MTFP.
- 81.** The Council acknowledges that it has not yet developed detailed and fully costed savings plans to support its longer-term savings targets. This is a similar position to many other Welsh councils. As at February 2016, the focus is still predominately on

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the 2016-17 annual budget (as the revenue support grant from the Welsh Government is set annually) and the Council's 2016-17 to 2019-20 MTFP does not yet constitute a fully detailed MTFP supported by robust business cases. We acknowledge that the lack of longer-term funding does not facilitate longer-term planning. Nevertheless, the updated MTFP is a positive step forward from what was essentially an MTFP with the first year balanced and subsequent years showing a financial 'gap'. There is good and early Cabinet Member involvement in the consideration of the Council's savings proposals, and whilst improved, business cases are not yet consistently robust

82. Cabinet Members are well engaged in the MTFP process. There have been a number of meetings between Cabinet and senior management to discuss the proposed savings plans.
83. The Council develops business cases for its savings proposals on an annual basis. Some of these proposals are planned to deliver savings beyond the first year and some over the medium term. It has recently agreed the savings proposals for 2016-17. The level of detail contained in the business cases for 2016-17 is much improved on prior years. The business case template includes sections on impact on citizens, impact on performance, staff, and high-level timescales and milestones.
84. Mechanisms are in place to challenge the quality of draft business cases before the Council publishes them and it has a business improvement team that provides ongoing support and challenge to directorates on the development of business cases. Nevertheless, the Council recognises that there is scope to improve the quality of the business cases by incorporating a specific reference to corporate priorities and ensuring that the quality of information included in the business cases is consistently clear and robust.

The Council has improved elements of its financial controls, which included a review of the unplanned underspend reported in 2014-15, but there is scope to improve its financial controls further

85. Budget reporting and monitoring take place at both a corporate and directorate level within the Council. There are quarterly budget monitoring reports to Cabinet and the Senior Leadership Team. Directors and Heads of Service also meet regularly with individual Cabinet Members.
86. The Council has established a Change and Efficiency Board and directorate portfolio boards. The position against the budget and savings proposals is monitored monthly through these mechanisms using a clear 'red amber green' (RAG) rated dashboard and highlight reports. Particular focus is placed on those areas under pressure, such as Social Services, which is currently forecasting a potential overspend. Our observation of the Change and Efficiency Board and the People Portfolio Board found that these mechanisms are sound and provide a strong basis to manage the Council's financial position. We observed robust challenge of savings proposals at risk of non-delivery, as well as consideration of the impact of savings on service users.

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The Council has a track record of underspending against its annual revenue budget and arrangements are in place to review any significant underspends

87. The Council has a track record of underspending against its budget: £5.2 million in 2014-15; £4 million in 2013-14; and £3 million in 2012-13. These figures include the Council's annual revenue contingency fund, which equated to £2 million.
88. The Council achieved the overall level of savings required for 2014-15, but it has a mixed track record of delivering its cross-cutting savings plans. The June 2015 budget monitoring report to Cabinet specifically identified a shortfall in the delivery of cross-cutting savings of £1.1 million primarily attributable to the timings of the benefit realisation.
89. In respect of the 2014-15 position, the Council exceeded its planned outturn by £5.2 million with underspends across most directorates. The level of underspend was primarily due to a variance arising from the interest in respect of the Private Finance Initiative Scheme (£2 million) and the contingency fund (£2 million) which was not utilised. We are pleased to report that the Council undertook a review of the variances in order to strengthen its forecasting and monitoring arrangements.
90. Capacity problems within the finance department meant that this underspend was not fully identified at an early stage (partly due to the overall position being offset by savings in respect of capital financing/PFI costs).
91. The Council has now addressed the capacity issues in the finance department with a number of key appointments already having a positive impact on financial management.
92. As at January 2016, the Council is forecasting an underspend in 2015-16, albeit by £400,000, but this is after it has transferred £3.2 million of its underspend into its reserves. We have noted that this has been clearly reported in the Cabinet budget monitoring reports during 2015-16.
93. The Council reviews its level of reserves annually. The Council does not have a formal reserves policy but it has stated its intention to maintain its General Reserve at a minimum level of £5 million.
94. The Council has improved the transparency and clarity around its reserves. For example, Cabinet has received reports about the different types of reserve and considered the use of its pay reserve to mitigate the risk of pay inflation. However, there should be greater clarity about its planned use of reserves and how this will influence its savings with incorporation into the MTFP.
95. The Council considers income generation and charges annually as part of its budget setting process but it does not have a defined and agreed policy.

The Council has sound financial governance arrangements at an officer level but the clarity of information provided to Cabinet and Scrutiny could be further improved to support the monitoring of agreed savings

96. It is evident that the Council's senior officers have a strong understanding of the Council's financial position and the challenges it faces. There is frequent discussion

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and monitoring of the Council's financial position at a corporate and directorate level. This includes considering monthly reports to Cabinet, to the Change and Efficiency Board, and directorate Portfolio Boards as well as being a standard agenda item for Cabinet Member briefings.

97. We understand that individual Cabinet Members meet regularly with directors and heads of service. Cabinet Member briefings are used and progress against individual savings targets relevant to their portfolios are considered.
98. Cabinet budget monitoring does provide the opportunity for Cabinet Members to hold officers and each other to account. However, the reports are quite traditional with a significant level of narrative; they do not use the same dashboards used by the Change and Efficiency and Portfolio Boards, which provide a visual indication of the Council's progress in delivering its agreed savings. The Council has recently started to use the dashboards to compile the Cabinet reports.
99. The Cabinet budget reports provide an outline of the overall baseline position and highlight key budget pressures alongside the position against agreed savings targets. Cabinet received one budget monitoring report during 2015-16, which clearly showed the position against each agreed savings plan in 2015-16. This was in January 2016. However, in 2014-15, Cabinet received regular reports showing the position against agreed savings plans. We are reassured that this is now being addressed and its approach in 2016-17 has returned to the more regular reporting cycle.
100. Scrutiny committees do not receive budget monitoring information regularly. Monitoring budgets and position against agreed savings targets is not included on scrutiny committees' forward work programmes. Aside from consideration of the annual budget and savings proposals, scrutiny committees do not have the opportunity to formally monitor and challenge the Executive on the Council's budget position.
101. It is positive that the Council has again invited the Newport Fairness Commission (NFC) to review the Council's 2016-17 budget and MTFP. The NFC praised the Council for year-on-year improvements to its budget consultation process and highlighted some key questions for the Council to consider.
102. As the Council's MTFP reflects, changes around demographics and a generally increasing population, notably an increasing ageing population, will put greater pressure on its services at a time when resources are likely to continue to reduce. Whilst the Council's financial position is relatively healthy, making sure that the Council has strong financial governance arrangements in place at all levels will be vital to ensure that the Council can demonstrate adherence to the sustainable development principles outlined in the Wellbeing and Future Generations Act, which came into force in April 2016.

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The Council does not yet have a strategic approach to workforce planning, but the results of its recent employee engagement survey show that the Council has increasingly engaged employees, which provides it with good foundations to strengthen its workforce planning

- 103.** In our Corporate Assessment Follow-up report of May 2015, we recommended that the Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should:
- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion;
  - 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 constructive and developmental appraisals to support job performance; and
  - 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.
- 104.** Our review has found that the Council has made some progress to address this recommendation but it recognises that further work remains to address the recommendation fully.

The Council developed a short-term workforce plan for 2015-16 but this has not yet been developed into a longer-term plan to support the Council's strategic priorities and plans, and workforce planning is not yet sufficiently integrated into service planning

- 105.** The Council has completed the implementation of its Total Reward scheme, which aimed to address equal pay issues. The Council's annual staff conference took place in September 2015 and the Chief Executive has continued his programme of staff and team visits over the past 18 months.
- 106.** The Council agreed a workforce plan for 2015-16 in January 2016 following referral to its Community, Planning and Development Scrutiny Committee, and review by its Scrutiny Policy Review group and employee partnership forum. This short-term plan describes key workforce aims that the Council intends to develop and includes workforce profile information. The workforce plan provides the Council with a position statement and baseline of information to move forward.
- 107.** The Council has included a more detailed action plan in the workforce plan, which sets out a range of supporting activities that will facilitate implementation of the aims. The deadlines for activities in the action plan fall between March and June 2016. However, contrary to the recommendation made in our Corporate Assessment Follow-up report, the Council has not allocated actions to named individuals. During our fieldwork, officers informed us that this information is set out in a separate document, but the Council did not provide this to us.

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108. The Council is in the process of updating its workforce plan for 2016-17 and it has set up a Policy Review Group to focus on this. The Council, therefore, does not have an up-to-date and strategic workforce plan which sets out how and what it needs to do to shape its workforce to meet its future needs, which is aligned to its MTFP and future direction, as set out in Newport 2020. Given that staff costs typically represent about 60 to 70 per cent of an overall council's costs and that we understand from the Council that its workforce has reduced by approximately 10 per cent in the past three years, currently the Council is not realising the benefits of strategic workforce planning.
109. The Council has provided a workforce template dated August 2015 for service areas to capture key data regarding their individual workforce profile information. The Council's workforce template is a useful tool to support better workforce planning in the future, but Council managers will need support and training to understand their service area workforce profile information and take appropriate action in order to achieve the overall aims of the plan for its workforce in the longer term.
110. It is not clear how the workforce information set out in the Council's workforce templates was integrated into the Council's 2015-16 service plans. Our review of a sample of completed 2015-16 service plans found that data included in the 'resource' section is inconsistent. At the time of our fieldwork, the service planning template did not include a dedicated workforce section that links with the workforce template information developed in 2015. It is positive to hear that since our fieldwork, the Council has incorporated a specific workforce section within its service planning template that aligns with the existing workforce template.
111. The Head of People and Business Change left the Council at the end of March 2016 and the Council has now appointed an interim replacement. The Council's spend on agency staff is above its target in the People and Business Change service. The Council needs to assure itself that it has appropriate capacity and capability to strengthen strategic workforce planning now that there have been changes within the Human Resource service.

**The Council's recent employee engagement survey was very positive despite a challenging period of change**

112. During December 2015 and January 2016, the Council undertook an employee engagement survey. The Council does this every two years. Given the challenging times within local government, the reduced size of the Council workforce and the recent implementation of the Council's Total Reward scheme, which aimed to address equal pay issues, the results of the staff survey are mostly positive. None of the questions received a decreased score when compared to the results of the staff survey undertaken in 2013. All questions bar three showed an improved score. Over 90 per cent of respondents agreed that they understand the aims and objectives of the organisation and their service area including the role they play as individuals in achieving the objectives.
113. There was a 30 per cent response rate to the Council's employee engagement survey. Taking account of the overall reduction in staff numbers at the Council during the

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period 2013-2015, this represents a five-percentage point increase in response rate compared to the response rate to the 2013 employee engagement survey.

114. The Street Scene and City Service area had the lowest response rate (15 per cent) to the survey. This service area has a larger number of frontline staff who will have limited access to computers. It has also suffered a prolonged period of instability as it has had a number of interim heads of service since 2013 until the appointment of a permanent head of service in February 2016.
115. Cabinet discussed the results of the employee engagement survey in March 2016. Whilst it was pleased with the overall results of the survey, it was evident from observing the Cabinet meeting in March 2016 that it was not complacent and it was keen to improve the response rate and the overall results.
116. It is encouraging that the Council is now developing a communication plan to explain the results of the survey and that it has tasked Heads of Service to develop specific action plans to respond to issues highlighted within the survey. Both the Leader and the Chief Executive have communicated the results of the survey to staff.

The completion rate of staff appraisals is increasing, but further work remains to improve the consistency and quality of staff appraisals

117. The Council identified four actions to address our recommendation made in our Corporate Assessment follow-up to address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance. The progress update of the Council's Corporate Assessment action plan provided to the Cabinet in March 2016 suggests that the Council has not yet completed any of the four actions. This includes the construction of a new Organisational Development strategy and a review of the quality of appraisal submissions to assess manager inconsistency, which the Council scheduled to complete in November and December 2015 respectively.
118. Nevertheless, the Council's employee engagement survey demonstrated that its appraisal process has helped its staff understand the organisation's aims and objectives, and staff are satisfied with development opportunities. The results of its employee engagement survey showed that there was a 98 per cent positive response to the statement 'I have the necessary skills and knowledge to do my job'. The survey also showed an increase in the number of respondents agreeing that 'I am encouraged to keep my knowledge, skills and qualifications up to date.'
119. The Council's staff appraisal process is called 'My Review' and the Council set a 75 per cent completion target for 2014-15. It is positive that, overall, the Council exceeded this target, achieving an overall completion rate of 78 per cent, an 11 percentage point improvement on its performance in 2013-14. Seven out of nine service areas achieved or exceeded the 75 per cent target. Only Adult and Children services did not achieve this target, achieving 64 per cent and 65 per cent respectively, although both results were an improvement on 2013-14 appraisal completion rates.

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120. However, our review has found that the Council still needs take action to improve the quality and consistency of appraisals. The Council appraisal template does not provide for a third person or manager's manager sign off. This would provide greater opportunity to assess the quality of the completion of appraisals and identify any common themes and issues. We are aware that some heads of service do review a sample of appraisals, but this is not consistent across the organisation.
121. We understand that staff from the Council's Human Resources team, known as Human Resources Business Partners, conduct random sampling of completed appraisals. However, it is unclear what percentage sample is taken, what criteria are being assessed, whether the criteria are consistently applied across all service areas and how the outcome of this sampling is being used to improve the quality of appraisals.
122. The Council has developed a PowerPoint presentation of "My Review" for staff. This explains clearly: the purpose of the appraisal; the individual and the line manager's role; how to set objectives using the SMART principle; links to the Council's values and behaviours; 360-degree feedback; and how to form a development plan. The presentation provides links to the appraisal template and a training directory.
123. There is limited evidence of any other action to try to improve the consistency and quality of staff appraisals, despite this being a specific action in the Council's Corporate Assessment action plan and one of our recommendations.

**Sickness absence targets have been set and are routinely monitored, but overall levels of sickness absence are not meeting the Council's targets**

124. It is positive that the Council has explored practices undertaken at other councils in Wales to address sickness absence. It has identified sickness absence targets that are in line with the target setting principles agreed by Senior Leadership Team in March 2015 in order to address our recommendation to do so.
125. Human Resources produce management-of-attendance update reports for each service, and services monitor sickness absence monthly. Directorate Portfolio Boards also monitor levels of sickness absence quarterly. The Human Resource Business Partners also support some services with fortnightly reviews of sickness absence. The management-of-attendance update reports include sickness figures and highlight the number of long-term sickness cases. However, we found performance reports produced for service areas detailed the number of long-term sickness cases but not relevant actions being taken to manage those cases to an appropriate conclusion.
126. The Council reports that it has approximately 10 per cent fewer staff than it did three years and it has taken some steps aimed at improving staff wellbeing including promoting the Council's employee assistance programme (Care First), facilitating managers meeting with Occupational Health, and workshops to train managers on managing attendance.
127. For 2014-15, the Council's sickness absence rate was 9.62 days lost per employee, which is comparable to the Welsh average, but it did not meet its own target of 8.6 days. For 2015-16, the Council has set a target of 8.66 days lost per employee and it



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has provided each service area with a specific target based on the service area's 2013-14 performance. As of February 2016, the Council's sickness absence rate was about nine days against a target of 7.8 days. However, the nine days is broken down into approximately seven days long-term sickness absence and two days short-term sickness absence.

128. As of February 2016, the Council is forecasting that the sickness absence rates of Regeneration, Investment and Housing, and Education Services are better than their sickness absence targets, with Adult and Children's services projecting performance just missing their targets. Conversely, the Council is forecasting that Finance, Law and Regulation, and Street Scene and City Services are unlikely to meet their targets, by a significant shortfall.
129. The Council's spending on agency staff is also well above spend target in its Finance, Law and Regulation, Regeneration Investment and Housing, and People and Business Change services. This indicates a requirement to back fill for positions that are either unoccupied due to vacancy or sickness absence. The Council will need to assure itself that it has appropriate capacity and capability within service areas and is managing vacancies accordingly.
130. The Council's 2014-15 target for completion of return to work interviews following a period of sickness absence was 75 per cent, but the performance reported to the Performance Board in June 2015 was 69 per cent. The Council has identified that return to work interviews should be completed within seven days of the return to work. Good practice suggests that it is of mutual benefit to the organisation and individual that return to work interviews or discussions occur promptly after the individual returns to work, ideally on the first day back. The Council should consider shortening the timespan for completion of return to work interviews, as it will reduce the likelihood of the interview being over looked.

**The Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition**

131. Our Data Quality Review undertaken in November 2015 found that the Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition. We presented the findings of our Data Quality Review to the Performance Board in March 2015.

# Appendix 1

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## Corporate Assessment Follow-up recommendations

Set out below are the recommendations we made in our Corporate Assessment Follow-up report published in May 2015. We found that two of the statutory recommendations that were made in the original Corporate Assessment report of September 2013 were still applicable. We updated four other statutory recommendations to reflect the Council's progress since then. In addition, we added two new statutory recommendations.

**R1 Updated from 2013 Corporate Assessment (2013, R1)**

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. This includes the consideration of:

- Options appraisals.
- The implications of the options, recommendations and decisions.
- Fully costed business cases prior to initiating major programmes to support change. The financial 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.

**R2 No change from 2013 Corporate Assessment (2013, R2)**

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

- strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;
- 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;
- empowering Members to be more proactive and accountable for their roles and responsibilities;
- strengthening decision-making arrangements to ensure transparency and appropriate safeguards are in place;
- strengthening scrutiny arrangements to more 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;
- 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; and
- addressing information security and business continuity arrangements.

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R3 Updated since 2013 Corporate Assessment (2013, R3)

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 by ensuring that:

- 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;
- sufficient challenge is applied to ensure that savings/investment plans are delivered and any budget overspends are highlighted and addressed by early intervention;
- financial plans provide clear links to improvement objectives and service plans; and
- 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.

R4 Updated since 2013 Corporate Assessment (2013, R4)

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

- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion;
- in the absence of a formal approach to 360-degree feedback for all staff, address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance; and
- 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.

R5 Updated since 2013 Corporate Assessment (2013, R6)

To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:

- Enable Members to effectively challenge and scrutinise service performance:
  - clarify the respective roles of the performance board and scrutiny;
  - ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance in both; and
  - provide training on effective challenge and scrutiny for Members.
- Improve target setting to better reflect the service/performance standards the Council wants to achieve.

R6 New recommendation

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.

R7 New recommendation

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.

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# Report

## Cabinet

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### Part 1

Date: 17 October, 2016

Item No: 7

### **Subject** Welsh Audit Financial Resilience Review

**Purpose** This report outlines the key findings of the above review and the action plan to address some of the findings

**Author** Head of Finance

**Ward** All

**Summary** The WAO completed a 'financial resilience' review in the Council in Spring 2016, as part of their 2015/16 performance audit and was completed in all Welsh Councils. This report highlights the key findings and recommendations and shows the action plan which has been developed from these, for Cabinet's review and approval.

**Proposal** That Cabinet:

- Note the findings coming out of the review
- Notes and approves the action Plan to address some of the key findings

**Action by** Head of Finance and Assistant Head of Finance – incorporate action plan recommendations and changes in work programmes going forward

**Timetable** As noted in Action Plan

This report was prepared after consultation with:

- Senior Leadership Team
- Cabinet Member for Finance
- Senior Finance Business Partners
- Welsh Audit Office officers
- Monitoring Officer
- Head of People & Business Change

## Background

### THE REVIEW

1. As part of the 2015/16 Performance Audit work-plan, the Welsh Audit Office have completed a review of all Welsh Local Authorities 'Financial Resilience' arrangements. This followed some of their concerns, across Wales, about the rigour and robustness of Council's Medium Term Financial Plans and ability to deliver on budgeted savings which culminated in their national report "The financial resilience of Councils in Wales" in April 2015 .

The review focussed on:

- Financial Planning arrangements
- Financial Control arrangements, including delivery of savings
- Financial Governance arrangements

For each of the above areas, the WAO gave a risk rating following their review – based on the following;

LOW	Arrangements are adequate (or better) with few shortcomings in systems, process or information. Impact on the authorities' ability to deliver its financial plan may be minimal.
MEDIUM	There are some shortcomings in systems, process or information that may affect the authorities' ability to deliver the desired outcomes of its financial plan.
HIGH	There are significant shortcomings in systems, process or information and/or there is a real risk of the authorities' financial plan not delivering the desired outcomes.

2. They undertook their assessments and reported on findings locally, across Wales and here in Newport between May 2015 and January 2016. The work focused on the delivery of 2014/15 saving plans and the 2015/16 financial planning period. Each Council in Wales has their own separate report on findings and an assessment on each of the themes above and in due course, the Welsh Audit Office will issue a national report, highlighting key, common issues and other points of interest.

The topic is also now going to be re-run each year given the importance of good financial planning and management in a period of significant financial challenge, but Councils will not be risk assessed, like this first review.

### FINDINGS

3. The full report is attached as Appendix One. In summary, the report highlights:
  - (i) on-going improvements made over the last few years, including:
    - Improved financial planning arrangements, including a clear vision through its future service delivery strategy 'Newport 2020'
    - Improvements to its medium term financial planning
    - Greater transparency on reserves
    - More robust business cases
    - Robust processes through Change/Efficiency programme and Directorate Boards on managing the financial position

- Sound financial governance arrangements at an officer level

(ii) Some weaknesses, including:

- Further work required to balance its medium term financial plan
- Strengthening the link between the financial plans / business cases and the Council's key priorities / improvement plans
- Mixed track record in delivering cross-cutting saving plans
- Development of a reserves policy to support use and maintenance of these
- Development of a policy on fees/charges
- Scrutiny committees do not receive budget monitoring information and monitoring of savings delivered to hold officers to account
- Making the budget consultation easier to engage with and easier to understand business cases
- Engagement of members, including scrutiny's earlier in financial planning process

4. In terms of the risk rating, all three areas were assessed as 'Medium'. The risk rating has been the subject of numerous conversations with Welsh Audit Office. The following are key points to note:

- (i) The lack of a *balanced* medium term financial plan means that the best rating on the financial planning area can only be a 'medium'. Following discussions, the report now acknowledges this is the position in most Welsh Local Authorities (and would also be the case across the UK) and the on-going lack of information on medium term funding support from WG is a significant barrier to this.
- (ii) In the area of financial control, the Authority has balanced, and under-spent its budget over last 3 years or so and fully understands why. It has capacity to fund change through its Invest to Save reserve and a revenue budget contingency to deal with the inherent problems in delivering significant budget savings and demand on services, if needed. Financial control processes and arrangements are robust which is recognised within the report. Reserves are in place to manage risks and enable key developments and priorities.

There are few weaknesses identified in this area within the report.

5. In saying these, a number of issues and helpful recommendations are made in the report and are noted. The report includes a summary of 'proposals for improvement' on page 6 of the main report. It is replicated in the table below.

P1 Improving financial planning by:

- a. clearly linking savings plans, the level of Council Tax and the use and maintenance of reserves, together with consideration of statutory service provision and delivery of corporate priorities to secure a balanced MTFP;
- b. developing a MTFP that is balanced over a longer term with comprehensive multi-year savings plans to cover the period of the MTFP, which incorporates the level and planned use of reserves; and
- c. continue to develop business cases that have improved clarity, quality and robustness.

P2 Improving financial control by:

- a. developing a formal policy on the use of reserves; and
- b. formalising income generation/charging policies.

P3 Improving financial governance by:

- a. maximising the role scrutiny can play in challenging the Council's financial position and performance through the provision of integrated financial and performance reports including the position against agreed savings plans; and
- b. seek to engage scrutiny members earlier in the consideration of savings proposals.

The Head of Finance and his accountancy team have considered the report, findings and the above recommendations and developed an action plan of improvements, shown in Appendix Two – a few which were ‘in progress’ anyhow and now already implemented . These have been discussed with the Cabinet Member and Senior Management Team.

## Financial Summary

N/A – the action plan have no direct financial implications but will improve overall financial arrangements

## 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?
Action plan items can't be implemented	L	L	<ul style="list-style-type: none"> <li>- Focus on delivering improvements</li> <li>- Manage progress through senior finance team forum</li> <li>- Manage through service plan process</li> </ul>	HoF / AHoF

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

Sound financial planning, management and governance are the foundations to any organisation and more so in the very challenging financial climate that the public sector faces. To that end, they support all the Council's activities and priorities.

## Options Available

Cabinet can

- Note the report but not implement the improvements shown in the Action Plan
- Note the report and implement the improvements shown in the Action, plus identify any further changes which they believe should be considered.

## Preferred Option and Why

To approve the Action Plan, including the identification of any further improvements which Cabinet feel require consideration

## Comments of Chief Financial Officer

There are no direct financial implications. Recommendations require no cashable resources as they are process / procedural changes.



Sound financial planning, management and governance are the foundations to any organisation and more so in the very challenging financial climate that the public sector faces. To that end, the action plan, alongside improvements already made in the last few years, support all the Council's activities and priorities.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the Report. The proposed action plan sets out the improvements that are required to the existing financial management and governance arrangements in order to address the weaknesses and risks identified in the WAO Financial Resilience Report.

### **Staffing Implications: Comments of Head of People and Business Change**

No staffing impacts.

### **Comments of Cabinet Member**

The Cabinet Member has reviewed the WAO report and Action Plan

### **Local issues**

N/A

### **Scrutiny Committees**

N/A

### **Equalities Impact Assessment**

N/A

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

N/A

### **Consultation**

N/A

### **Background Papers**

-Financial Resilience Report

Dated: 30 September 2016

APPENDIX 1



# Financial Resilience Assessment

## Newport City Council

**Audit year:** 2015-16

**Issued:** June 2016

**Document reference:** 296A2016

# Status of report

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This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [info.officer@audit.wales](mailto:info.officer@audit.wales).

The team who delivered the work comprised Sara-Jane Byrne and Terry Lewis under the direction of Alan Morris and Anthony Veale.

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The Council has strengthened its financial arrangements but more work is required to deliver a balanced medium term financial plan and to improve the clarity of financial information reported to members

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# Summary report

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## Summary

1. Good financial management is essential for the effective stewardship of public money and the delivery of efficient public services. Good financial management:
  - helps authorities take the right decisions for the short, medium and long term;
  - helps authorities deliver services to meet statutory obligations and the needs of local communities;
  - is essential for good corporate governance;
  - is about managing performance and achieving strategic objectives as much as it is about managing money;
  - underpins service quality and improvement;
  - is the basis of accountability to stakeholders for the stewardship and use of resources; and
  - is a key management discipline.
2. Long-term financial management is not about predicting the future; it is about preparing for it. Authorities need to understand future demand, assess the impact of probable changes, review the gap between funding needs and possible income, and develop appropriate savings strategies.
3. Well-considered and detailed long-term financial strategies and medium-term financial plans can ensure the delivery of strategic priorities by enabling appropriate financial choices. Conversely, short-term annual budget planning alone encourages an incremental and process-driven approach that can be ineffective in a period of rapid external change.
4. Financial resilience is achieved when an authority has robust systems and processes to effectively manage its financial risks and opportunities, and to secure a stable financial position.
5. Our April 2015 report **The financial resilience of councils in Wales** was based on fieldwork carried out in all Welsh local authorities. From this work, and from other available material related to aspects of financial management, we have drawn together some key characteristics of good practice to assist practitioners in developing their arrangements. These characteristics can be found in [Appendix 1](#).
6. Given the continuing pressures on funding, we have considered whether the authority has appropriate arrangements to plan to secure and maintain its financial resilience in the medium term (typically three to five years ahead). While there may be more certainty for the authority over an annual cycle, financial pressures impact beyond the current settlement period. We have considered evidence of the authority's approach to managing its finances in the recent past and over the medium term when reaching our view on the authority's financial resilience.
7. We undertook our assessment during the period May 2015 to January 2016, and followed up issues highlighted in the 2014-15 financial position work. The focus of the work was on delivery of 2014-15 savings plans, and the 2015-16 financial planning period.

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8. The work focused on answering the following question: **Is Newport City Council managing budget reductions effectively to ensure financial resilience?** In this report we also consider whether:
- **financial planning arrangements effectively support financial resilience;**
  - **financial control effectively supports financial resilience; and**
  - **financial governance effectively supports financial resilience.**
9. Overall, we concluded that the Council has strengthened its financial arrangements but more work is required to deliver a balanced medium term financial plan and to improve the clarity of financial information reported to members. We came to this conclusion based on our findings in relation to financial planning, financial control, and financial governance arrangements
10. This report gives a risk rating for each aspect: financial planning, financial control and financial governance. The descriptors for risk ratings are set out below:

<b>Low risk</b>	Arrangements are adequate (or better) with few shortcomings in systems, processes or information. Impact on the authority's ability to deliver its financial plan may be minimal.
<b>Medium risk</b>	There are some shortcomings in systems, processes or information that may affect the authority's ability to deliver the desired outcomes of its financial plan.
<b>High risk</b>	There are significant shortcomings in systems, processes or information and/or there is a real risk of the authority's financial plan not delivering the desired outcomes.

11. We rate the risk to the Council's delivery of its financial plan for each of these elements as follows:

<b>Medium Risk</b>	Financial planning
<b>Medium Risk</b>	Financial control
<b>Medium Risk</b>	Financial governance

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## Proposals for improvement

The Council should strengthen its financial resilience by:

P1 Improving financial planning by:

- a. clearly linking savings plans, the level of Council Tax and the use and maintenance of reserves, together with consideration of statutory service provision and delivery of corporate priorities to secure a balanced MTFP;
- b. developing a MTFP that is balanced over a longer term with comprehensive multi-year savings plans to cover the period of the MTFP, which incorporates the level and planned use of reserves; and
- c. continue to develop business cases that have improved clarity, quality and robustness.

P2 Improving financial control by:

- a. developing a formal policy on the use of reserves; and
- b. formalising income generation/charging policies.

P3 Improving financial governance by:

- a. maximising the role scrutiny can play in challenging the Council's financial position and performance through the provision of integrated financial and performance reports including the position against agreed savings plans; and
- b. seek to engage scrutiny members earlier in the consideration of savings proposals.



# Detailed report

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The Council has strengthened its financial arrangements but more work is required to deliver a balanced medium term financial plan and to improve the clarity of financial information reported to members

## Financial Planning

The Council's medium-term financial plan is not yet fully balanced and supported by a formalised reserves policy

12. The Council has strengthened some of its financial planning arrangements. This includes the development of a clear vision through its future service delivery strategy Newport 2020, improvements to its medium-term financial plan (MTFP), greater transparency about its reserves and more detailed business cases.
13. It has a corporate plan, 'Standing up for Newport' which sets out the Council's priorities and improvement objectives. In 2013, the Council also developed 'Prospectus for Change 2013-17', which sets out the Council's change and efficiency programme to help it meet the financial challenges it is facing. The Council is now in the process of reviewing and refining its future service delivery strategy to reflect the changing environment, both in terms of legislation and financial pressures. In its strategy, 'Newport 2020', which was agreed by Cabinet in February 2016, the Council sets out the following principles which will underpin the Council's transformation programme:
  - better use of technology;
  - ability to generate more income;
  - how it can use community capacity more effectively;
  - how it can manage demand as the city grows and resources reduce;
  - what potential alternative delivery models could it consider putting in place; and
  - what is the vision for each service by 2020 and how can it judge whether it has succeeded.
14. The MTFP includes key components, such as savings plans, the level of Council Tax and the use and maintenance of reserves. However, the Council needs to set out clearly how these components are linked and utilised so that the MTFP is clearly articulated and understood. A formal reserves policy is key to this coupled with clear statements on statutory service provision and the delivery of its corporate priorities.

The Council recognises that further work is needed to balance its medium-term financial plan

15. Until 2015, the Council's approach has been to focus on a balancing the first year of the MTFP with high level consideration of the next three years (but not fully balanced). Following the Comprehensive Spending Review in autumn 2015 and a more positive

settlement from the Welsh Government than had been anticipated, the Council's Cabinet reviewed and updated its MTFP in February 2016. It sets out the financial gap for each of the four years and previously agreed savings proposals for future years together with savings proposals per directorate across the timeframe of the MTFP.

16. In its MTFP in February 2015, the Council had assumed a reduction in funding of 2.5 per cent for 2016-17, 2017-18 and 2018-19 and nil change for 2019-20. The Welsh Government has now informed the Council that it will receive a 0.7 per cent reduction in its Revenue Support Grant (RSG) for 2016-17. The Council has subsequently changed its assumptions for reduction in the level of RSG from 2.5 per cent to 1.5 per cent for 2017-18 and 1.25 per cent in 2018-19. The Council has assumed there will be no reduction in the RSG for 2019-20. **Exhibit 1** below shows the Council's estimated budget shortfalls as set out in February 2015, revised in September 2015 and subsequently further revised in February 2016. Although the required level of savings is still significant, the current estimated budget shortfalls as at February 2016, show an improved position from the estimated budget shortfalls identified 12 months ago.

**Exhibit 1: Council's estimated budget shortfalls**

	2015-16	2016-17	2017-18	2018-19	2019-20	Total budget shortfall
<b>February 2015</b>	11.1	12.4	8.8	7.8		40.1
<b>September 2015</b>		12.1	8.3	8.4	3.8	32.6
<b>February 2016</b>		8.1	6.7	7.4	4.4	26.6

17. The Council acknowledges that it has not yet developed detailed and fully costed savings plans to support its longer-term savings targets. This is a similar position to many other Welsh councils. As at February 2016, the focus is still predominately on the 2016-17 annual budget (as the revenue support grant from the Welsh Government is set annually) and the Council's 2016-17 – 2019-20 MTFP does not yet constitute a fully detailed MTFP supported by robust business cases. We acknowledge that the lack of longer term funding does not facilitate longer term planning. Nevertheless, the updated MTFP is a positive step forward from what was essentially an MTFP with the first year balanced and subsequent years showing a financial 'gap'.

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18. The Council's MTFP makes reference to 'Prospectus for Change' and 'Newport 2020' but the extent to which the Council's priorities have influenced the MTFP and the identification of savings proposals needs to be clearer. The 2016-17 budget and MTFP discussed by Cabinet in February 2016, simply states, 'In drawing up budget proposals, due regard has been given to key Council policies and priorities.' The business case template does not include a section relating to the Council's priorities. We understand that the Council has developed plans showing the level of resources for each of its 2016-17 improvement objectives. We raised a related recommendation in our Corporate Assessment follow-up report in May 2015 to ensure that financial plans provide clear links to improvement objectives and service plans. Whilst the development of plans for each of its improvement objectives is a step forward, we believe that further work is required to address this recommendation fully.
  19. Cabinet reviewed the MTFP three times during 2015-16 and formally approves the budget each year. There is ongoing discussion of the MTFP by senior management. Budgets have been set taking into account the level of savings already identified and achieved in prior years.

There is good and early cabinet member involvement in the consideration of the Council's savings proposals and whilst improved, business cases are not yet consistently robust

20. Cabinet members are well engaged in the MTFP process and there have been a number of meetings between Cabinet and senior management to discuss the proposed savings plans.
21. The Council develops business cases for its savings proposals on an annual basis, some of which are planned to deliver savings beyond the first year and over the medium term. It has recently agreed the savings proposals for 2016-17. The level of detail contained in the business cases for 2016-17 is much improved on prior years. The business case template includes sections on impact on citizens, impact on performance, staff, and high-level timescales and milestones. However, as stated above, the template does not include a section on corporate priorities. Mechanisms are in place to challenge the quality of draft business cases before the Council publishes them and it has a business improvement team that provides ongoing support and challenge to directorates on the development of business cases. Nevertheless, the Council recognises that there is scope to improve the quality of the business cases by incorporating a specific reference to corporate priorities and ensuring that the quality of information included in the business cases is consistently clear and robust.

The Council has achieved the overall level of savings required for 2014-15 but it has a mixed track record of delivering its cross-cutting savings plans

- 22. The Council set a savings target of £10 million for the 2014-15 financial year. Given the scale of the annual savings target, there were inevitable challenges in securing the delivery of the £10 million savings target.
- 23. The June 2015 budget monitoring report to Cabinet specifically identified a shortfall in the delivery of cross-cutting savings of £1.1 million, primarily attributable to the timings of the benefit realisation. However, the Cabinet report did not in our view provide a sufficient level of detail to assess both the reason for the non delivery and whether these savings could be delivered in 2015-16 (the Council has explained that this was attributable to staff shortages at that time). We did note that the Council’s budget monitoring report to Cabinet in January 2016 provided this level of detail. However, this level of detail should have been provided within the June 2015 report to shape and support the delivery of in-year and future savings targets.

The Council has prudently increased its level of reserves but the use and maintenance of its reserves needs to be underpinned by a reserves policy and clearly set out and considered in its financial planning

- 24. As the diagram from the Council’s budget report in February 2016 shows, the Council has an increasing level of reserves.

Exhibit 2: Level of Council funds, schools funds and earmarked reserves

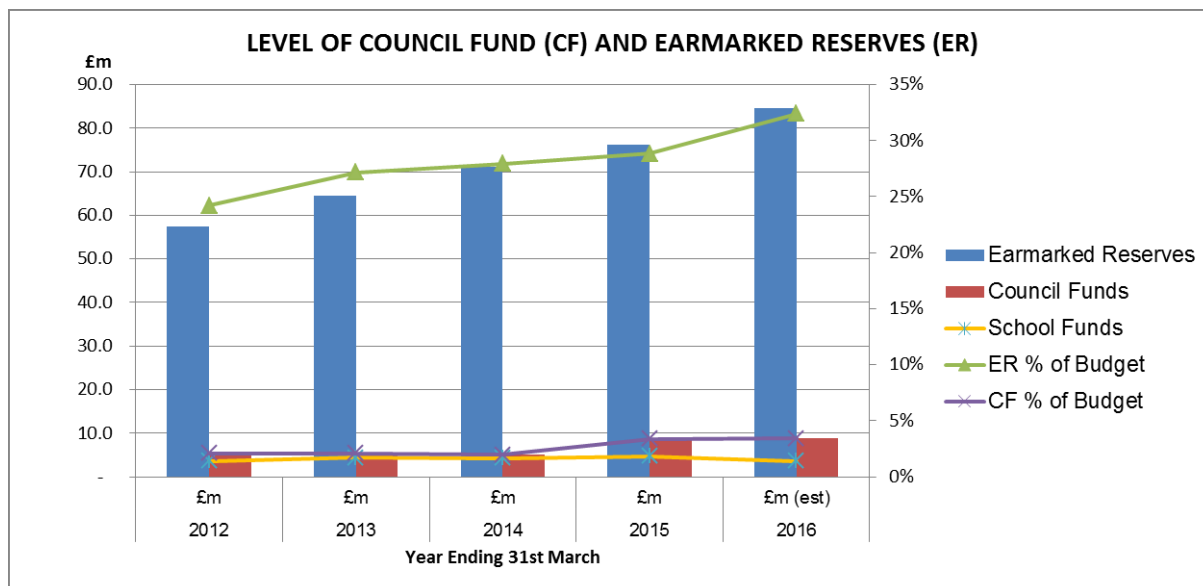


Exhibit source: Newport City Council 2016-17 budget and medium-term financial plan, 15 February 2016.

- 25. Like most councils, the Council manages a wide and complex array of reserves. It has a general fund reserve and earmarked reserves, including its ‘Invest to Save’ reserve. Further detail about the Council’s reserves is provided in paragraph 37. The Council

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continues to manage a £1.5 million contingency fund, which it uses to offset any budget overspends and non-delivery of savings proposals. The Council did not use its contingency fund in 2014-15. As at February 2016, it is also forecasting that it will not need to use its contingency fund in 2015-16.

- 26.** Transparency around the Council's use of reserves has improved. There is evidence of reports to Cabinet and Audit Committee explaining the different types of reserves, what they are for and how much is held in each. Cabinet has also considered the use of the pay reserve to mitigate potential increasing pay inflation. The Council's MTFP sets out the different types of reserves and how the Council plans to use these, primarily to offset risks.
- 27.** The Council has the flexibility to determine which reserves are earmarked and which can be used more generally. However, this is not always clear within reports to members. The Council would benefit from a clearer and strategic approach to the use of its reserves supported by an agreed reserves policy. Building up reserves to an appropriate level is prudent so that the Council can manage any future challenges and risks. However, at a time when the Council is making cuts to services and increasing Council Tax, it is vital that the Council is explicit about how it takes into account and uses its levels of reserves in considering its savings proposals throughout the year and indeed future years. It is also important that any use of reserves is considered beyond one year and linked to the MTFP so that the future impact or risks can be considered.

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## Financial control

The Council has improved elements of its financial controls, which included a review of the unplanned underspend reported in 2014-15 but there is scope to improve its financial controls further

28. The Council's constitution and scheme of delegation set out levels of responsibilities and these are supported by Financial Regulations and Contract Standing Orders. The Council has established its financial management policies over time and these are widely understood but they are not formalised in any document. For example, processes have evolved around monitoring of savings but the Council has not formally articulated these to clarify levels of accountability.
29. Budget reporting and monitoring take place at both a corporate and directorate level within the Council. There are quarterly budget monitoring reports to Cabinet and the Senior Leadership Team. Directors and Heads of Service also meet regularly with individual Cabinet Members.
30. The Council has established a Change and Efficiency Board and directorate portfolio boards. The position against the budget and savings proposals is monitored monthly through these mechanisms using a clear 'red amber green' (RAG) rated dashboard and highlight reports. Particular focus is placed on those areas under pressure, such as Social Services, which is currently forecasting a potential overspend. Our observation of the Change and Efficiency Board and the People Portfolio Board found that these mechanisms are sound and provide a strong basis to manage the Council's financial position. We observed robust challenge of savings proposals at risk of non-delivery as well as consideration of the impact of savings on service users.

The Council has a track record of underspending against its annual revenue budget and arrangements are in place to review any significant underspends

31. The Council has a track record of underspending against its budget: £5.2 million in 2014-15; £4 million in 2013-14; and £3 million in 2012-13. These figures include the Council's annual revenue contingency fund, which equated to £2 million.
32. In respect of the 2014-15 position, the Council exceeded its planned outturn for by £5.2 million with underspends across most directorates. The level of underspend was primarily due to a variance arising from the interest in respect of the Private Finance Initiative Scheme (£2 million) and the contingency fund (£2 million) which was not utilised. We are pleased to report that the Council undertook a review of the variances in order to strengthen its forecasting and monitoring arrangements.
33. Capacity problems within the finance department meant that this underspend was not fully identified at an early stage (partly due to the overall position being offset by savings in respect of capital financing/PFI costs).

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34. The Council has now addressed the capacity issues in the finance department with a number of key appointments already having a positive impact on financial management. As stated previously, it is positive to note that the Council is taking steps to strengthen its financial controls and at the end of the 2014-15 financial year, analysed the 2014-15 underspend to understand the contributing factors.
  35. As at January 2016, the Council is forecasting an underspend in 2015-16 albeit by £0.4 million but this is after it has transferred £3.2 million of its underspend into its reserves. We have noted that this has been clearly reported in the Cabinet budget monitoring reports during 2015-16.
  36. The Council reviews its level of reserves annually. The Council does not have a formal reserves policy but it has stated its intention to maintain its General Reserve at a minimum level of £5 million. The level of the Council's general reserves currently stands at £8.9 million. It has 'earmarked' reserves of approximately £85 million, which includes its PFI reserve (which is approximately 50 per cent of its earmarked reserves). It has earmarked reserves to mitigate a range of risks and to cover future expected increases in costs, such as an insurance reserve, a capital expenditure reserve, a pay reserve, and a reserve for Friars Walk. The full list of earmarked reserves is included in the 2016-17 budget report, which was considered by Cabinet in February 2016.
  37. The Council has improved the transparency and clarity around its reserves. For example, Cabinet has received reports about the different types of reserve and considered the use of its pay reserve to mitigate the risk of pay inflation. However, there should be greater clarity about its planned use of reserves and how this will influence its savings with incorporation into the MTFP.
  38. Within its MTFP and budget report for 2016-17, the Council includes performance against some key financial indicators, such as working capital and gearing ratio for current and prior years. These indicators can be used to monitor the MTFP and associated performance. The Council does not formally benchmark its financial performance with other councils.
  39. The Council considers income generation and charges annually as part of its budget setting process but it does not have a defined and agreed policy.
  40. Councils' Internal Audit service is an integral part of their governance framework that provides assurance on the financial controls in operation. The Council's Internal Audit annual report for 2014-15 concluded that the internal controls in operation were 'reasonable' (defined as – adequately controlled although risks identified which may compromise the overall control environment; improvements required). There were five 'unsatisfactory' audit opinions out of 34 issued in 2014-15, and as at quarter three of 2015-16 there had been three 'unsatisfactory' audit opinions out of the 20 reviews completed. Internal Audit are tracking the implementation of recommendations arising from the 'unsatisfactory' opinions.

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## Financial governance

The Council has sound financial governance arrangements at an officer level but the clarity of information provided to Cabinet and Scrutiny could be further improved to support the monitoring of agreed savings

41. It is evident that the Council's senior officers have a strong understanding of the Council's financial position and the challenges it faces. There is frequent discussion and monitoring of the Council's financial position at a corporate and directorate level. This includes considering monthly reports to Cabinet, to the Change and Efficiency Board and directorate Portfolio Boards as well as being a standard agenda item for Cabinet Member briefings.
42. Good mechanisms are in place at an officer level to elevate and address budgetary concerns and to take appropriate action to strengthen the Council's financial resilience. Arrangements are in place through the Change and Efficiency Board, and Portfolio Boards, to hold those responsible for managing financial performance to account.
43. We understand that individual cabinet members meet regularly with directors and heads of service. Cabinet member briefings are used and progress against individual savings targets relevant to their portfolios are considered
44. Cabinet budget monitoring does provide the opportunity for cabinet members to hold officers and each other to account. However, the reports are quite traditional with a significant level of narrative; they do not use the same dashboards used by the Change and Efficiency and Portfolio Boards, which provide a visual indication of the Council's progress in delivering its agreed savings (although recently the dashboards have started to be used to compile the cabinet reports).
45. The Cabinet budget reports provide an outline of the overall baseline position and highlight key budget pressures alongside the position against agreed savings targets. Cabinet received one budget monitoring report during 2015-16, which clearly showed the position against each agreed savings plan in 2015-16. This was in January 2016. However, in 2014-15, Cabinet received regular reports showing the position against agreed savings plans. We are reassured that this is now being addressed and its approach in 2016-17 has returned to the more regular reporting cycle.
46. The Council's progress in delivering its cross-cutting savings plans is an example where the reported position from 2014-15 to 2015-16 was not entirely clear. In the revenue budget year-end report of 8 June 2015, the Council stated that the non-delivery of corporate and cross-cutting related savings equated to £1.1 million. However, the dashboard used by the Change and Efficiency Board stated the carried-forward saving for corporate and cross-cutting related savings from 2014-15 was in the region of £0.5 million. We understand this discrepancy is due to a reallocation in the target from the 2014-15 dashboard to the 2015-16 dashboard and that the overall position for the Council's financial improvement plan did not change. Nevertheless, it is difficult to track and understand the change.
47. Furthermore, scrutiny committees do not receive budget monitoring information regularly. Monitoring budgets and position against agreed savings targets is not



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included on scrutiny committees' forward work programmes. Aside from consideration of the annual budget and savings proposals, scrutiny committees do not have the opportunity to formally monitor and challenge the Executive on the Council's budget position. Mid-year and end-of-year service plan reviews do not include information relating to the service's position against the budget and savings targets. These reviews primarily focus on performance. The Council does not report financial and performance information together to members.

48. The Council operates a highly delegated model of decision-making. However, the lack of budget information to scrutiny committees does undermine their ability to make a positive impact on service performance, which is wider than just progress against performance measures and actions, and to challenge and hold officers and Cabinet Members to account.
49. The Council undertook its 'budget conversation' process in 2014-15 to inform its 2015-16 budget. Through this process, the Council asked the public which Council services mattered to them and their ideas for how the Council could save money. Staff were also asked for their ideas about how the Council could save money. The Council has identified the lessons learnt from this process but it did not undertake the 'budget conversation' process to the same degree to inform the 2016-17 budget because it felt it had already captured the relevant information. The Council developed a budget setting/consultation timetable for the 2016-17 budget process, which was shared with Cabinet and Scrutiny.
50. The Council now publishes the full detail of its savings proposals as part of its public consultation on the budget. This is more transparent than in previous years. The Council has recently consulted the public on its proposed savings plans for 2016-17. However, there was a large number and volume, with nearly 300 pages of savings proposals for the public to consider, which did not facilitate public engagement. Whilst the savings plans were split to show those that were pure efficiency savings without an impact on services and those that did impact on services, our view is that the information could have been summarised to have more impact.
51. The Council only received 230 completed responses to its budget consultation survey. It received about 3,000 responses last year. Findings from the survey showed that in response to the question 'do you think the saving proposal is clearly explained', the majority of respondents responded 'partly' or 'not at all' with less than 35 per cent of the Council's savings proposals being considered to be fully explained.
52. It is positive that the Council has again invited the Newport Fairness Commission (NFC) to review the Council's 2016-17 budget and MTFP. The NFC praised the Council for year-on-year improvements to its budget consultation process and highlighted some key questions for the Council to consider, notably the sustainability of service cuts, managing the 'trade-offs' between different levels of vulnerability and risk of cultural deprivation as cuts to services such as events and libraries are made.
53. It is evident from the updated MTFP discussed by Cabinet in February 2016 that the Council has considered the feedback it has received from its budget consultation. Although it continues to highlight the need for caution, it has removed or deferred a number of savings that would have affected service delivery and its priorities. For example, it is not going to reduce the children services' prevention team or the

- 
- youth services' team or cease funding for Adult Educational Needs (AEN) and city events.
54. The Council held a member seminar in 2014-15 when the Welsh Government announced cuts to local government budgets. Members also had the opportunity to engage in the Council's 'budget conversation' initiative in 2014-15, which informed the 2015-16 budget. The Head of Finance presented a report to each of the three scrutiny committees in September and November 2015 outlining the 2016-17 budget process. Officers held a member training event on the Fairness and Equality Impact Assessment process in November.
  55. The Council does not routinely hold members' seminars to discuss budget and savings proposals prior to formal consideration of the budget in February. Member consultation is undertaken primarily through the Cabinet and scrutiny committee process. There is scope to engage scrutiny members earlier in the financial planning process, although we recognise some of the difficulties this would cause.
  56. The Council's Annual Governance Statement provides a fair reflection of the Council's governance arrangements. The Council did not raise any significant issues relating to its financial arrangements within its 2014-15 Annual Governance Statement.
  57. We are pleased to report that the Council has now recruited to key posts within the finance department to strengthen capacity. However, we are aware that the Council has deleted some key posts, such as a senior grants officer role, through the savings process. The Council does have concerns about the organisation's capacity and capability to manage, drive and embed change. It has identified this as a red risk in its change and efficiency dashboard. It is not clear how the Council is mitigating this risk.
  58. The Council has a Business Improvement and Change team that works closely with directorates, particularly to develop business cases. We are aware that officers hold this team in high regard. The creation of this team demonstrates the Council's commitment to driving forward its business change projects and to improving the quality of its savings proposals. Our review of the Council's savings proposals did find evidence of improvement because of the involvement of the Business Improvement and Change team and the challenge processes in place. We did also identify that there is still scope to improve the quality of the savings proposals, which is recognised by the Council.
  59. The Council's Director of Place has recently signalled her intention to retire in the next six months. The Head of People and Change also left the Council at the end of March 2016 and an Interim has recently been appointed. A new Head of Street Scene is now in place. The Council's senior management has been through a considerable period of restructure over the past two years. There are new requirements in place regarding the recruitment of senior posts. This together with potential local government reorganisation provides a range of complex issues for the Council to consider.
  60. As the Council's MTFP reflects, changes around demographics and a generally increasing population, notably an increasing ageing population, will put greater pressure on its services at a time when resources are likely to continue to reduce. Whilst the Council's financial position is relatively healthy, making sure that the Council has strong financial governance arrangements in place at all levels will be vital to ensure that the Council can demonstrate adherence to the sustainable development

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principles outlined in the Well-Being and Future Generations Act, which came into force in April 2016.

# Appendix 1

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## Key characteristics

### Key characteristics of good financial planning

The authority's budget is set in the context of a longer-term financial strategy and a medium-term financial plan covering a three to five-year horizon.

The authority has clearly identified the savings it intends to make over a three- to five-year term. The savings plan is underpinned by detailed costings and delivery plans for individual savings (including transformation/change savings).

The authority has a good track record of delivering on its savings plans.

Medium-term financial planning and annual budgeting reflect the authority's strategic objectives and priorities for the year, and over the longer term.

Assumptions around inflation, income levels, demographics, future demand for services and the costs of delivering services are modelled and based on reasonable predictions.

The authority understands its sources of income and the risks arising from these, and has reviewed its approach to fees and charges to ensure it achieves value for money.

Financial and corporate planning processes are integrated, link to risk management arrangements, and incorporate strategic planning for other resources including the capital programme and workforce planning.

The authority uses financial modelling to assess likely impacts on financial plans and required savings for different scenarios, and to help ensure short-term fixes are not achieved at the expense of long-term sustainability.

The authority models key expenditure drivers (for example, population changes and demand for services), sources of income (for example, income and government grant forecasts), revenue consequences of capital and resource requirements and balances.

The authority operates within a level of reserves and balances (including earmarked reserves and the general fund balance), approved by members, and appropriate to the strategic, operational and financial risks it faces.

If the authority is not at its target level for balances, there is planned action in place to achieve this, taking account of any associated risks to the organisation's financial position and delivery of its priorities.

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### Key characteristics of good financial control

The authority has an appropriate and effective budget management policy that clearly sets out roles, responsibilities and accountability. The scheme of delegation is clear, and processes are set out to manage budget under and overspends.

Financial monitoring and forecasting are fit for purpose and accruals based, helping to ensure a clear link between the budget, in-year forecasts and year-end position.

The authority analyses and extrapolates relevant trends, and considers their impact on the projected final out-turn.

The authority takes timely action to address any budget pressures, for example, by taking corrective action to manage unfavourable variances or by revisiting corporate priorities.

The authority has a good recent record of operating within its budget with no significant overspends.

The authority has agreed a clear policy on the use of its reserves. There is a clearly justified minimum level for its 'general fund' reserves balance. There is a clear rationale to explain transfer from, or between, reserves. Clear protocols explain how and when each reserve should be used. Decisions about reserves are underpinned by a comprehensive assessment of risk and current performance.

The reserves policy has been agreed by members and is subject to scrutiny.

The authority has a clear policy on income generation/charging. There is a register of charges across its services to help manage charges consistently. The authority has corporate guidelines on how concessions should be applied. Charges are regularly reviewed and the policy updated.

The authority monitors its key financial ratios, benchmarks them against similar bodies and takes action as appropriate.

The annual governance statement gives a true reflection of the authority.

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### Key characteristics of good financial governance

The leadership team clearly understands the significant and rapidly changing financial management challenges and risks facing the organisation, and is taking appropriate action to secure a stable financial position.

The authority has sufficient capacity and capability to promote and deliver good financial management.

The leadership team fosters an environment where there is good understanding and routine challenge of financial assumptions and performance, and a culture of transparency about the financial position.

The leadership team provides constructive scrutiny and challenge on financial matters to ensure arrangements remain robust and fit for purpose.

There is regular and transparent reporting to members. Reports include detail of action planning and variance analysis.

Members scrutinise and challenge financial performance effectively, holding officers to account.

Internal and external audit recommendations are dealt with effectively and in a timely manner.

There is effective engagement with stakeholders on budget issues, including public consultations.



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APPENDIX TWO – ACTION PLAN FOR IMPROVEMENTS

ACTION	WHO	WHEN
<b>FINANCIAL PLANNING</b>		
(1) Include forecast on reserves and information on use of / contribution into reserves in all MTFP / budget papers to show clear link between reserves and budget setting.	AHoF	Sept 16
(2) Develop and agree a reserves policy	HoF	Dec 16
(3) Continue to move towards and achieve a balanced MTFP – by the on-going development of budget strategy and in particular, Newport 2020 plans and New Ways of Working project, ensuring clear linkages to Corporate Plan / Priorities  (4) As Newport 2020 plans are agreed, develop a financial plan for each service area that identifies funding to support key issues within plans and one –off funding to implement.	SLT / CMT / CABINET	As Newport 2020 plans are developed
(5) Continue to assess funding sources and availability for Council's Improvement Objectives	AHoF	On-going
(6) Make explicit within Change/Efficiency business cases how each proposal meet Council priorities or at least confirms they do not have an adverse impact on priorities	BIP Service Manager	17/18 business cases
<b>FINANCIAL CONTROL</b>		
(7) Develop a 'fees and charges' policy	HoF	Dec 16
(8) Include forecast on 'reserves' within budget management reports to show assumptions on use of reserves and how that affects balances in going forward	AHoF	In place
<b>FINANCIAL GOVERNANCE</b>		
(9) Include budget management information alongside existing performance information in Scrutiny half-year and end of year reviews	HoF /	Mid- year reviews 16/17
(10) Implement a 'dashboard style' budget management format with emphasis on actions to deal with any budget issues, as needed.	AHoF	In place
(11) Include progress against savings plans and more detail in particular on delivery of 'cross-cutting' savings targets	AHoF	Sept 16
(12) Develop a Members information event on MTFP, Financial Management, Strategy and Resilience position, to support the financial strategy and position reported to Cabinet each year and work of Scrutiny	HoF	Oct 16

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# Report

## Cabinet

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### Part 1

Date: 17 October 2016

Item No: 4

### **Subject** Year End Performance Analysis 15/16

**Purpose** To inform the Cabinet of the year end analysis of the performance of the Council for 2015/16.

**Author** Rhys Cornwall Head of Service  
Mike Dickie Business Service Development Manager  
Rachel Kalahar Senior Performance Management Officer  
Catherine Davies Performance Management Officer

**Ward** All

**Summary** Each year analysis of our performance measures is undertaken. Performance in 15/16 show;

- 55% have performed better than target.
- 52.5% of our service plan measures have performed better than last year.
- 40% of our service plan measures have performed better than Wales average.

It is important to note that these comparator figures do not take into consideration the potential impacts of financial position, population demographics or service demands. Newport Council has historically low levels of spending. Currently, we spend £7.4m per year less than the Council 'Standard Spending Assessment' (SSA) – that amount deemed by WG required to provide 'standard' level of services to its residents. Our net budget is only 97.3% of our SSA level.

**Proposal** To note the contents of the report

**Action by** Strategic Directors, Heads of Service

**Timetable** Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors
- Heads of Service

## **Background**

For the last 10 years analysis of performance has been conducted in a similar way. The analysis detailed below gives the performance outturns for 2015/16. The analysis includes comparisons against other Welsh cities and Wales average.

This report gives highlights of performance of service areas against the indicators in their service plans for 15/16. The performance of National Strategic Indicators (NSI's) and Public Accountability Measures (PAM's) is also analysed.

Figures are correct as at 6<sup>th</sup> September 2016.

## **Financial Summary**

There are no financial implications to this report.

## **Risks**

There are no risks to this report; each measure is monitored through service planning. Each service plan identifies any risk associated with each service area.

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

This report supports the administration's priorities.

## **Options Available**

1. To note the contents of this report.
2. To ignore the contents of this report.

## **Preferred Option and Why**

Option 1) is preferred as this will ensure that all 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.

## **Comments of Cabinet Member**

## **Local issues**

No specific local issues.

## **Equalities Impact Assessment**

Equalities Impact Assessments are noted in service plans.

## **Background Papers**

Adults Service Plan 15/16

Children & Young People Service Plan 15/16

Education Service Plan 15/16

Regeneration & Investment and Housing Service Plan 15/16  
People & Business Change Service Plan 15/16  
Streetscene & City Services Service Plan 15/16  
Law and Regulation Service Plan 15/16

The above background papers are available to the public.

Dated: 29 September 2016



### NSI and PAM Wales Analysis

Each year Newport are required to submit data to the Local Government Data Unit (LGDU). The LGDU has produced an analysis tool to enable Welsh authorities to compare their performance across 40 measures in 2015/16. The analysis for each Local Authority is published in the media, including the Western Mail and on the LGDU website.

Newport has continued to improve performance in national measures despite a backdrop of budget cuts and limited resources. The improvements reflect significant efforts made in service areas within the Council. It is important to note that these comparator figures do not take into consideration the potential impacts of financial position, population demographics or service demands. Newport Council has historically low levels of spending. Currently, we spend £7.4m per year less than the Council 'Standard Spending Assessment' (SSA) – that amount deemed by WG required to provide 'standard' level of services to its residents. Our net budget is only 97.3% of our SSA level.

### Newport's Performance 2015/16

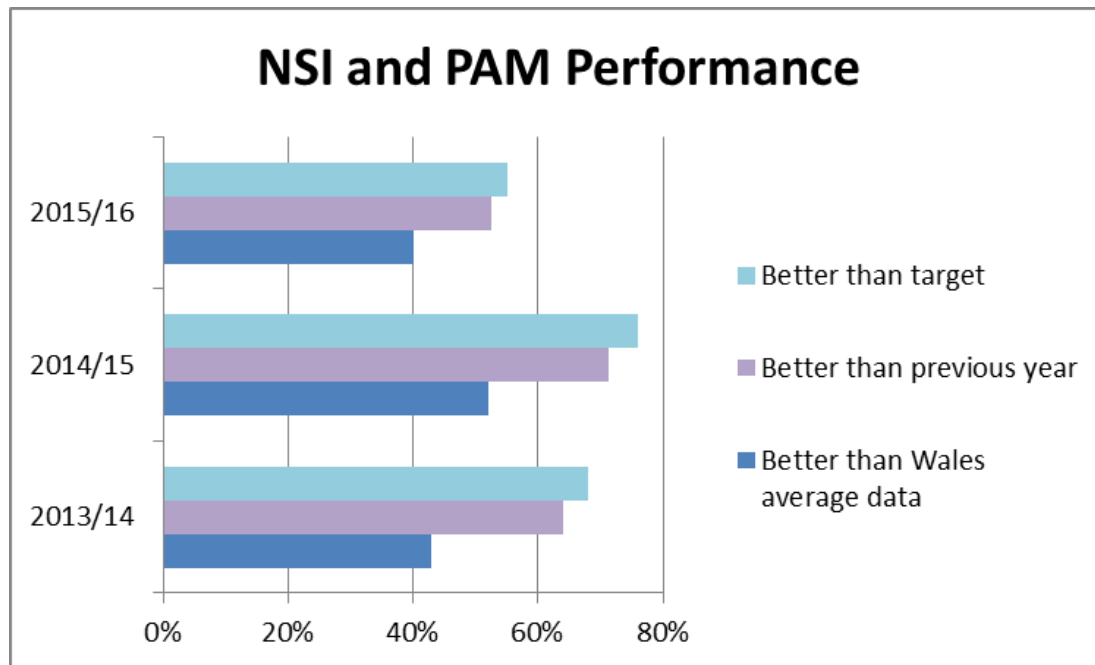
#### Overall Summary of Performance

In 2015/16 the council has continued to improve in 52.5% (21 out of 40) of national measures and 7.5% (4) measure remained the same.

These figures combined show that 60% of national measures have either improved or remained the same.

Regular monitoring of performance throughout the year by Heads of Service and Cabinet Members has delivered improved services.

NSI and PAM Performance	2013/14	2014/15	2015/16
Better than Wales average data	43%	52%	40%
Better than previous year	64%	71%	52.5%
Better than target	68%	76%	55%







## Rate of Improvement

The table below ranks Welsh authorities based on their year on year improvement relative to themselves. Although Newport has continued to improve, Newport has dropped from 3<sup>rd</sup> most improved to a mid-table position (13<sup>th</sup>).

Local Authority	% Improvement year on year (13/14)	Local Authority	% Improvement year on year (14/15)	Local Authority	% Improvement year on year (15/16)
Cardiff	73%	Pembrokeshire	78.6%	Rhondda Cynon Taf	72.5%
Rhondda Cynon Taf	68%	Monmouthshire	73.8%	Cardiff	67.5%
Torfaen	68%	<b>Newport</b>	<b>71.4%</b>	Powys	65.0%
Conwy	66%	Rhondda Cynon Taf	66.7%	Bridgend	62.5%
Neath Port Talbot	66%	Bridgend	64.3%	Merthyr Tydfil	62.5%
Caerphilly	66%	Isle of Anglesey	61.9%	Carmarthenshire	57.5%
Carmarthenshire	61%	Gwynedd	59.5%	Flintshire	57.5%
Swansea	61%	Swansea	59.5%	Conwy	57.5%
<b>Newport</b>	<b>59%</b>	Denbighshire	57.1%	Vale of Glamorgan	55.0%
Isle of Anglesey	57%	Wrexham	57.1%	Wrexham	52.5%
Powys	57%	Ceredigion	57.1%	Denbighshire	52.5%
Ceredigion	57%	Carmarthenshire	54.8%	Blaenau Gwent	52.5%
Monmouthshire	57%	Neath Port Talbot	54.8%	<b>Newport</b>	<b>52.5%</b>
Pembrokeshire	54%	Conwy	52.4%	Gwynedd	52.5%
Gwynedd	52%	Flintshire	52.4%	Isle of Anglesey	52.5%
Vale of Glamorgan	52%	Vale of Glamorgan	50.0%	Neath Port Talbot	50.0%
Merthyr Tydfil	52%	Merthyr Tydfil	50.0%	Caerphilly	50.0%
Denbighshire	50%	Caerphilly	47.6%	Swansea	50.0%
Wrexham	50%	Powys	45.2%	Torfaen	47.5%
Bridgend	50%	Cardiff	42.9%	Pembrokeshire	45.0%
Blaenau Gwent	48%	Blaenau Gwent	42.9%	Ceredigion	42.5%
Flintshire	45%	Torfaen	40.5%	Monmouthshire	40.0%

### Performance Relative to the rest of Wales

The table below shows the average rank of the NSI's and PAM's for each authority. Lower values are better because this indicates a higher proportion of top rankings. In 2013/14 our average rank was 13.77 making us 22<sup>nd</sup> out of 22. In 2014/15 our average rank improved to 12.03 making us 16<sup>th</sup> out of 22. In 2015/16 our average rank dropped slightly to 12.92 making us 21<sup>st</sup> out of 22

Position in Wales 2013/14			Position in Wales 2014/15			Position in Wales 2015/16		
Denbighshire	8.07	1	Monmouthshire	8.55	1	Vale of Glamorgan	6.21	1
Conwy	9.09	2	Vale of Glamorgan	8.83	2	Pembrokeshire	7.74	2
Powys	9.60	3	Denbighshire	8.93	3	Denbighshire	8.82	3
Gwynedd	9.63	4	Pembrokeshire	8.98	4	Flintshire	9.51	4
Torfaen	9.65	5	Ceredigion	9.08	5	Carmarthenshire	9.62	5
Vale of Glamorgan	9.70	6	Carmarthenshire	10.08	6	Monmouthshire	9.77	6
Caerphilly	9.86	7	Conwy	10.15	7	Gwynedd	9.97	7
Ceredigion	10.00	8	Gwynedd	10.20	8	Ceredigion	10.21	8
Neath Port Talbot	10.23	9	Flintshire	10.38	9	Bridgend	10.64	9
Isle of Anglesey	10.51	10	Bridgend	10.79	10	Neath Port Talbot	10.79	10
Carmarthenshire	10.67	11	Neath Port Talbot	10.85	11	Isle of Anglesey	10.86	11
Flintshire	10.81	12	Powys	10.90	12	Powys	11.13	12
Pembrokeshire	11.05	13	Torfaen	11.13	13	Rhondda Cynon Taf	11.45	13
Monmouthshire	11.12	14	Caerphilly	11.48	14	Conwy	11.51	14
Blaenau Gwent	11.16	15	Swansea	11.63	15	Merthyr Tydfil	11.62	15
Merthyr Tydfil	11.74	16	<b>Newport</b>	<b>12.03</b>	<b>16</b>	Caerphilly	11.69	16
Bridgend	11.98	17	Wrexham	12.08	17	Wrexham	12.13	17
Swansea	12.23	18	Isle of Anglesey	12.15	18	Swansea	12.18	18
Wrexham	12.65	19	Rhondda Cynon Taf	12.72	19	Cardiff	12.28	19
Rhondda Cynon Taf	13.37	20	Merthyr Tydfil	12.95	20	Torfaen	12.67	20
Cardiff	13.56	21	Blaenau Gwent	13.50	21	<b>Newport</b>	<b>12.92</b>	<b>21</b>
<b>Newport</b>	<b>13.77</b>	<b>22</b>	Cardiff	14.40	22	Blaenau Gwent	13.61	22



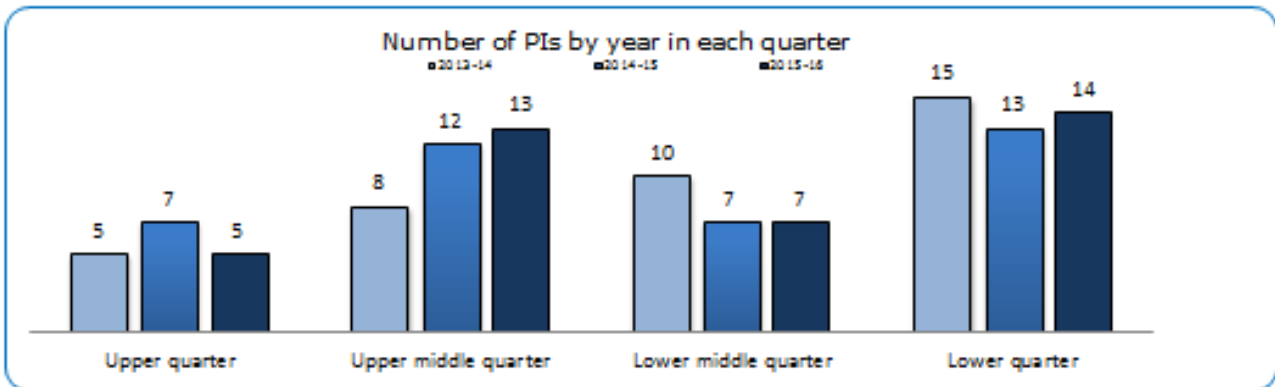
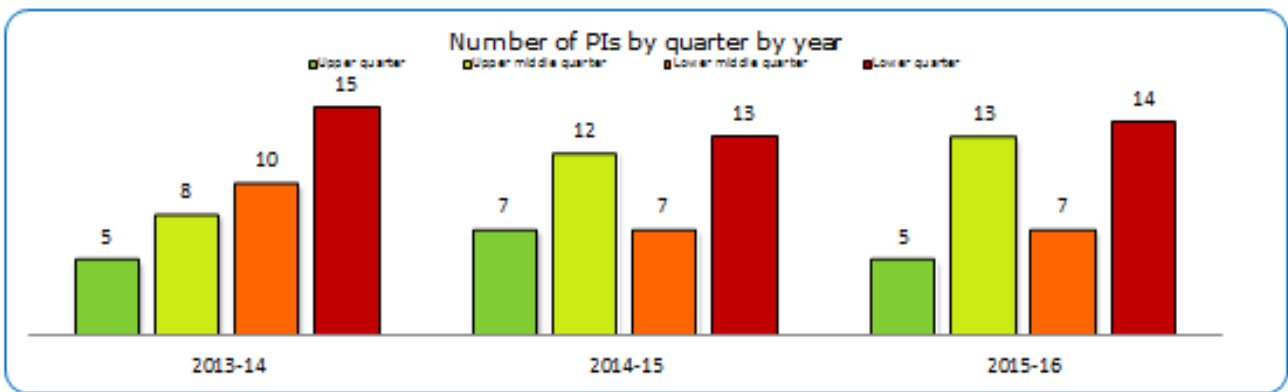
### Quartile Performance 2015/16

There has been some movement in the numbers of measures in each quartile although overall the figures have not changed significantly.

Of the 22 Local Authorities in Wales Newport had the least number of measures in quartile 1.

Year	Upper (1)	Upper Middle (2)	Total in Upper Quartiles (1+2)	Lower middle (3)	Lower Quartile (4)	Total in Lower Quartiles (3+4)
2013/14	5	8	13	11	15	26
2014/15	7	12	19	8	13	21
<b>2015/16</b>	<b>5</b>	<b>13</b>	<b>18</b>	<b>7</b>	<b>14</b>	<b>21</b>

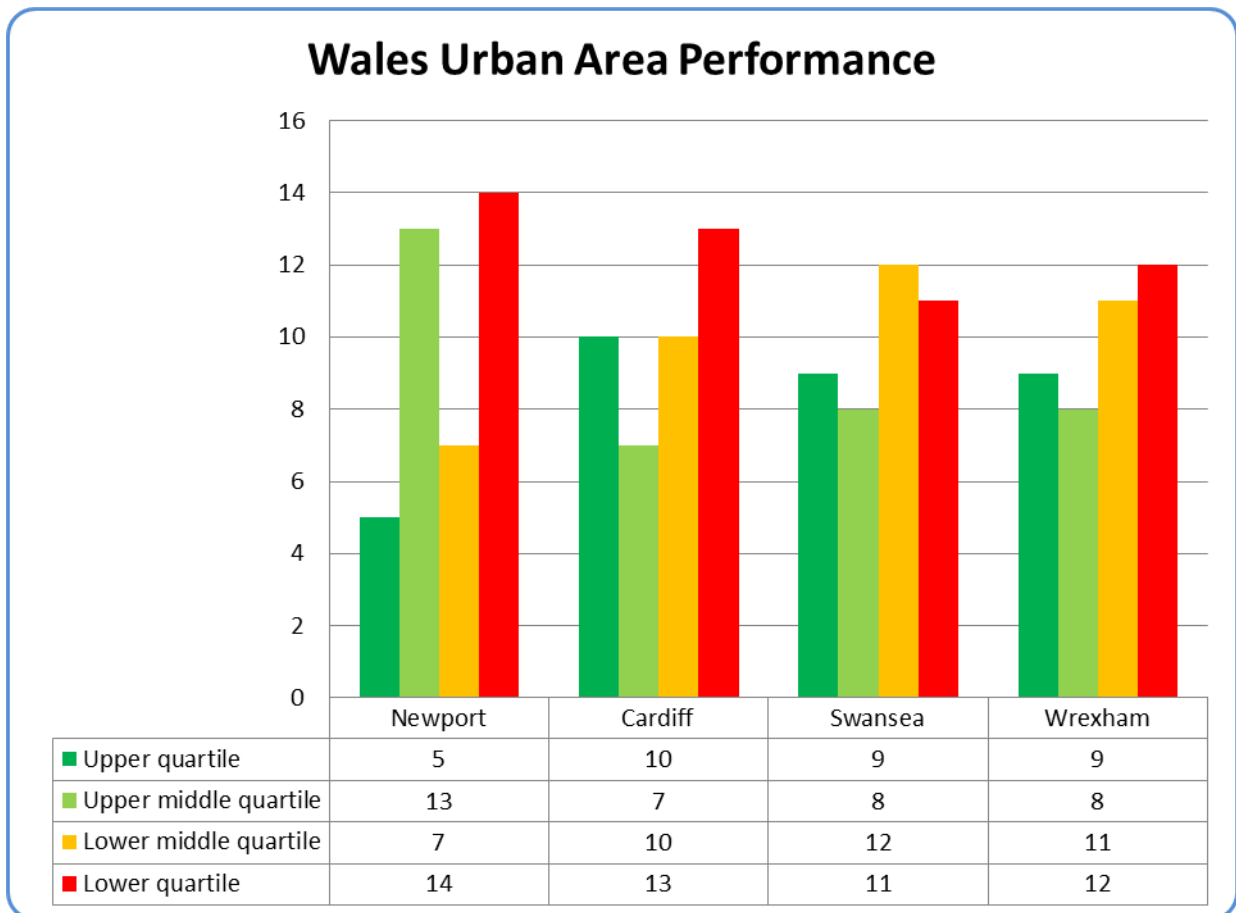
Many of the measures which are contained in each quartile have changed. The direction of travel in quartiles 1 and 4 is detailed over the following pages. Summarised tables for quartiles 2 and 3 can be found in the appendices.



### Wales Urban Area Analysis

Due to the wide variations in the 22 councils in Wales it can be helpful to compare Newport to the other large urban areas across Wales.

The chart below shows how many of the NSI's and PAM's are in each of the quartiles. It is desirable to have the majority of measures in the upper quartiles, and fewer measures in the bottom quartiles.



## Appendix 1

### Measures in Quartile 1

There are five measures in quartile 1 one of which has moved up from quartile 2. Actual performance for these measures has improved for two, remained the same for two and one has declined.

Performance Indicator	2014/15			2015/16			
	Quarter	PI value	Rank	PI value	Rank	Target	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)
SCA/002b: The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March	1	14.36	2	14.69	4	16.20	↓
EDU/002ii: The percentage of pupils in local authority care in any local authority maintained school, aged 15 as at the preceding 31 August who leave compulsory education, training or work based learning without an approved external qualification	1	0.0	1	0.0	1	2.00%	→
SCC:041a: The percentage of eligible, relevant and former relevant children that have pathway plans as required	1	100.0	1	100.0	1	92.0%	→
SCC/011b: The percentage of initial assessments that were completed during the year where there is evidence that the child has been seen alone by the Social Worker	2	55.1	8	64.0	3	57.0%	↑
SCC/045: The percentage of reviews of looked after children, children on the Child Protection Register and children in need carried out in line with the statutory timetable	1	98.6	1	99.2	1	98.0%	↑

### Measures that have moved down from quartile 1

In 2014/15 there were seven measures in quartile 1 the three measures below have dropped from quartile 1. Performance for these measures has declined since 2014/15

Performance Indicator	PI value	Rank	Wales	Quarter	PI value	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)	Rank
SCC/033d: The percentage of young people formerly looked after with whom the authority is in contact at the age of 19	100.0	1	93.2	2	96.6	↓	11
SCC/033f: The percentage of young people formerly looked after with whom the authority is in contact, who are known to be engaged in education, training or employment at the age of 19	68.2	6	60.7	3	60.7	↓	15
STS/006: The percentage of reported fly tipping incidents cleared within 5 working days	98.09	4	95.26	4	94.54	↓	16

## Quartile 2

The table below shows the measures in the 2<sup>nd</sup> quartile, the arrows in the right hand column show the direction of travel for actual performance values, 4 have declined and 9 have improved since 2014/15.

Performance Indicator	2014/15			2015/16			
	Quarter	PI value	Rank	PI value	Rank	Target	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)
CHR/002: The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	2	9.62	9	10.1	9	8.51	↓
LCS/002(b): The number of visits to local authority sport and leisure centres during the year where the visitor will be participating in physical activity, per 1,000 population	2	8,701	9	8,258	11	8,662	↓
SCC/004: The percentage of children looked after on 31 March who have had three or more placements during the year	2	8.4	10	9.5	11	9.0%	↓
SCC/033d: The percentage of young people formerly looked after with whom the authority is in contact at the age of 19	1	100.0	1	96.6	11	95.0%	↓
EDU/003: The percentage of pupils assessed at the end of Key Stage 2, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	2	86.2	11	89.3	7	87.5%	↑
PPN/009: The percentage of food establishments which are 'broadly compliant' with food hygiene standards	3	93.03	16	95.64	8	94.19%	↑
PSR/002: The average number of calendar days taken to deliver a Disabled Facilities Grant	3	261	16	216	9	231	↑
SCA/001: The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over	4	5.37	17	4.29	11	3.96	↑
SCA/007: The percentage of clients with a care plan at 31 March whose care plans should have been reviewed that were reviewed during the year	3	77.9	15	86.3	9	85.0%	↑
SCA/019: The percentage of adult protection referrals completed where the risk has been managed	3	98.58	12	99.19	11	96.00%	↑
SCC/025: The percentage of statutory visits to looked after children due in the year that took place in accordance with regulations	2	90.8	9	94.0	7	91.0%	↑
THS/007: The percentage of adults aged 60+ who hold a concessionary bus pass	2	89.0	9	90.0	9	88%	↑
THS/012: The percentage of principal (A) roads, non-principal (B) roads and non-principal (C) roads that are in overall poor condition	2	7.9	10	5.3	7	9.30%	↑

### Quartile 3

The table below shows the measures in the 3<sup>rd</sup> quartile, the arrows in the right hand column show the direction of travel for actual performance values, 5 have declined and 3 have improved since 2014/15.

Performance Indicator	2014/15			2015/16			
	Quarter	PI value	Rank	PI value	Rank	Target	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)
EDU/011: The average point score for pupils aged 15 at the preceding 31 August, in schools maintained by the local authority	3	519.1	16	514.4	16	520.00	↓
SCA/002a: The rate of older people (aged 65 or over) supported in the community per 1,000 population aged 65 or over at 31 March	3	61.81	13	58.31	12	64.00	↓
SCC/002: Percentage of children looked after at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March	2	11.9	8	13.5	12	9.0%	↓
SCC/033f: The percentage of young people formerly looked after with whom the authority is in contact, who are known to be engaged in education, training or employment at the age of 19	1	68.2	6	60.7	15	69.0%	↓
STS/005b: The percentage of highways inspected of a high or acceptable standard of cleanliness	2	98.3	7	94.6	14	95%	↓
EDU/017: The percentage of pupils aged 15 at the preceding 31 August, in schools maintained by the local authority who achieved the Level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics	4	52.8	17	54.2	16	52.9%	↑
PSR/004: The percentage of private sector dwellings that had been vacant for more than 6 months at 1 April that were returned to occupation during the year through direct action by the local authority	4	3.36	19	6.39	12	6%	↑
WMT/004(b): The percentage of municipal waste collected by local authorities sent to landfill	3	36.65	16	23.64	16	25%	↑

### Measures which have dropped to quartile 4 in 2015/16

The below table shows measures which have dropped into quartile 4 in 2015/16.

Performance Indicator	2014/15			2015/16			
	Quarter	PI value	Rank	PI value	Rank	Target	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)
STS/006: The percentage of reported fly tipping incidents cleared within 5 working days	1	98.09	4	94.54	16	97%	↓
SCA/018a: The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	2	94.0	11	72.1	20	90.0%	↓
SCC/037: The average external qualifications point score for 16 year old looked after children, in any local authority maintained learning setting	2	313	8	188	20	276	↓
PLA/006(b): The number of additional affordable housing units provided during the year as a percentage of all additional housing units provided during the year	3	27	16	26	17	20%	↓



### Measures which remain in quartile 4 in 2015/16

The table below shows measures which were in the 4<sup>th</sup> quartile in 2014/15 and remain in the 4<sup>th</sup> quartile in 2015/16, the arrows in the right hand column show the direction of travel for the actual performance values, two have declined, one has stayed the same and seven have improved since 2014/15.

Performance Indicator	2014/15		2015/16			
	PI value	Rank	PI value	Rank	Target	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)
SCC/033e: The percentage of young people formerly looked after with whom the authority is in contact, who are known to be in suitable, non-emergency accommodation at the age of 19	86.4	22	85.7	20	95.0%	↓
LCL/001(b): The number of visits to Public Libraries during the year, per 1,000 population	3,978	21	3,249	22	3,525	↓
EDU/006ii: The percentage of pupils assessed, in schools maintained by the local authority, receiving a Teacher Assessment in Welsh (first language) at the end of Key Stage 3	0.0	19	0.0	19	0	→
EDU/002i: The percentage of all pupils (including those in LA care) in any LA maintained school, aged 15 as at the preceding 31 August who leave compulsory education, training or work based learning without an approved external qualification	0.3	18	0.2	18	0.4	↑
EDU/004: The percentage of pupils assessed at the end of Key Stage 3, in schools maintained by the local authority, achieving the Core Subject Indicator, as determined by Teacher Assessment	77.1	19	81.6	18	78.20%	↑
EDU/015a: The percentage of final statements of special education need issued within 26 weeks including exceptions	27.8	20	37.8	19	78.00%	↑
EDU/015b: The percentage of final statements of special education need issued within 26 weeks excluding exceptions	37.5	21	60.0	22	98.00%	↑
EDU/016a: Percentage of pupil attendance in primary schools	94.2	21	94.5	20	93.60%	↑
EDU/016b: Percentage of pupil attendance in secondary schools	92.9	20	93.1	19	92.1%	↑
WMT/009(b): The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated biowastes that are composted or treated biologically in another way	52.03	20	57.14	21	58.0%	↑

#### Notes

EDU/006ii: We have no Welsh Medium Secondary School so report 0

EDU/002i: The values for this measure are very low and a number of authorities have reported 0

### Most improved measures 2015/16

The below table shows the six most improved measures in 2015/16 when comparing PI values to 2014/15.

Performance Indicator	2014/15 PI value	2015/16 Quarter	2015/16 PI value	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)	Rank	PI Value Variance yr on yr
EDU/015a: The percentage of final statements of special education need issued within 26 weeks including exceptions	28	4	38	↑	19	-10.1
EDU/015b: The percentage of final statements of special education need issued within 26 weeks excluding exceptions	38	4	60	↑	22	-22.5
SCA/007: The percentage of clients with a care plan at 31 March whose care plans should have been reviewed that were reviewed during the year	78	2	86	↑	9	-8.5
SCC/011b: The percentage of initial assessments that were completed during the year where there is evidence that the child has been seen alone by the Social Worker	55	1	64	↑	3	-8.9
PSR/002: The average number of calendar days taken to deliver a Disabled Facilities Grant	261	2	216	↑	9	44.6
WMT/004(b): The percentage of municipal waste collected by local authorities sent to landfill	37	3	24	↑	16	13.0

### Least improved measures 2015/16

The below table show three measures where performance has decrease when compared to the PI values from 2014/15.

Performance Indicator	2014/15 PI value	2015/16 Quarter	2015/16 PI value	Year on year performance - 2014-15 vs. 2015-16 (based on PI value)	Rank	Variance yr on yr
SCA/018a: The percentage of carers of adults who were offered an assessment or review of their needs in their own right during the year	94	4	72	↓	20	21.9
SCC/037: The average external qualifications point score for 16 year old looked after children, in any local authority maintained learning setting	313	4	188	↓	20	125.3
LCL/001(b): The number of visits to Public Libraries during the year, per 1,000 population	3978	4	3249	↓	22	728.2



# Report

## Cabinet

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### Part 1

Date: October 2016

Item No:

**Subject** Welsh Language Strategy

**Purpose** To agree a draft 5 year Welsh Language strategy for Newport for consultation, as required by the Welsh Language (Wales) Measure 2011 and Welsh Language Standards.

**Author** Head of People and Business Change  
Corporate Policy and Diversity Officer

**Ward** All

**Summary** In accordance with the Welsh Language (Wales) Measure 2011 the Council is required to produce, and publish on our website, a 5-year strategy that sets out proposals to promote the Welsh language and to facilitate the use of the Welsh language more widely in the area.

The draft strategy is attached to this report. The strategy will be further developed through consultation with our partners and the community.

**Proposal** To approve the attached draft strategy for consultation and publish it on the council's website in accordance with statutory deadlines.

**Action by** Head of People and Business Change

**Timetable** Immediate

This report was prepared after consultation with:

- Corporate Directors
- Heads of Service
- Cabinet Member for Finance and Resources
- Welsh language implementation group
- Members of the Newport Welsh Education Forum
- Existing stakeholders in the Welsh language community

**Signed**

## Background

This year has been a year of transition from implementing Welsh language requirements under the Welsh Language Act 1993 to implementing the Welsh Language Standards under the Welsh Language (Wales) Measure 2011. Cabinet received a report on the progress in the last year in June.

This report considers the requirement in the standards to develop a five year strategy to promote Welsh language in the area and publish this on the Council's website by 30<sup>th</sup> September. The Standards also require the development of monitoring and reporting systems to ensure that the procedures that we have put in place facilitate the intended outcome: greater use of the Welsh language.

The Standards that NCC relating to the strategy as follows:

### Standard 145 (Promotion)

*You must produce, and publish on your website, a 5-year strategy that sets out how you propose to promote the Welsh language and to facilitate the use of the Welsh language more widely in your area; and the strategy must include (amongst other matters)*

- (a) a target (in terms of the percentage of speakers in your area) for increasing or maintaining the number of Welsh speakers in your area by the end of the 5 year period concerned, and*
- (b) a statement setting out how you intend to reach that target; and you must review the strategy and publish a revised version on your website within 5 years of publishing a strategy (or of publishing a revised strategy).*

### Standard 146 (Promotion)

*Five years after publishing a strategy in accordance with standard 145 you must:*

- (a) assess to what extent you have followed that strategy and have reached the target set by it, and*
- (b) publish that assessment on your website, ensuring that it contains the following information –*
  - (i) the number of Welsh speakers in your area, and the age of those speakers;*
  - (ii) a list of the activities that you have arranged or funded during the previous 5 years in order to promote the use of the Welsh language.*

## Draft 5 Year Welsh Language Strategy for Newport

This strategy is Newport City Council's responsibility, however many other organisations and people are active in using and promoting the Welsh language in Newport and our role is to pull these efforts together so that we have the best possible outcomes for the people of Newport. Engaging people is key to the success of this strategy, both in terms of forming and delivering a Welsh language vision for Newport.

The promotion of the Welsh language is a long term aim. We will set a 5 year target such as increasing the number of children attending Welsh medium education, however some of the longer term goals of maintaining people's opportunities to use Welsh throughout their lives, will not be realised over the next 5 years alone.

This strategy is not only about increasing the amount of Welsh speakers in Newport. This strategy is about inspiring and supporting Welsh learners and everybody who is on the continuum of speaking Welsh, from those who can say 'bore da' to those who are Welsh language poets. We want to foster a Newport identity which loves the Welsh language.

The Wellbeing of Future Generations Act is about improving the social, environment, economic and cultural wellbeing of Wales. It makes sustainable development the central organising principle in Welsh public life. The Act has 7 wellbeing goals, one of which is 'A Wales of vibrant cultures and thriving Welsh language.' This means that there is already a duty on the council to achieve that goal in the long term, as one of the steps to create the Wales we want to see in 2050. This strategy and objectives will be considered in forming Newport City Council's Wellbeing Objectives for March 2017 and the Public Service Board's Plan, March 2018.

This strategy will be revised regularly to reflect progress and to respond to the national Welsh language agenda. The council is in the early days of implementing the Welsh Language Standards and we will be learning about promoting the Welsh language and what works as we progress. Any changes that we make to the strategy will have appropriate governance and community involvement.

We have identified 3 Welsh language priorities, under which we will have a number of Welsh language Objectives. Compliance with the Welsh Language Standards is already integrated in the council's equality work, as one of the 9 Equality Objectives.

## **Our draft vision**

'the people of Newport can use Welsh in all parts of life...'

## **Proposed 5 year target for increasing or maintaining the percentage of Welsh speakers**

To increase the number of Newport pupils in Welsh medium education from 892 in 2016/17, to 1,250 or more in 2022/23.

This represents a growth from 3.9% of the school age population to 5%. The target is based on filling the reception classes of the 3 Welsh medium primary schools to their capacity of 107 places a year, for the next 5 years beginning in 2017/2018.

Further work will be required in the city to increase the number of Welsh speakers in line with national targets. The target setting requirement poses a challenge for Newport as Census figures may overstate the numbers of Welsh speakers, and furthermore, we do not have census figures at the beginning and end of the term of the Strategy (2017-2022). Because of this we propose to set a target of growth in children and young people attending Welsh medium education. This is measurable and attainable. During consultation we may have to consider whether this target is challenging enough.

NCC will be consulting on this 5 Year Welsh Language Strategy for Newport for two months. This is timely because it is in the same period as we consult on the Welsh in Education Strategic Plan for Newport, and the Welsh Government is consulting on their Welsh Government Draft Strategy – 1 Million Welsh Speakers by 2050. The Strategy sets out how we are going to 'to promote the Welsh language and to facilitate the use of the Welsh language.'

During the consultation period we will be engaging with people across Newport, with our partners, local and national organisations and council Members. The final Strategy will be taken to full Council for approval.

## **Monitoring**

Certain governance arrangements are already in place for implementing the Welsh Education Strategic Plan (the WESP) through the Newport Welsh Education Forum and for implementing the Welsh Language Standards. Governance arrangements will be put in place for this Strategy for an initial period, which will also link to strategic equalities objectives.

We will review these arrangements to mainstream them within the governance arrangements for the council's Wellbeing Objectives in 2017, and the Public Service Board's Wellbeing Plan in 2018.

A full review will be required after five years in line with the statutory requirements.

## Financial Summary

The cost of implementing Welsh language requirements is largely met out of existing budgets by each relevant service area or other public sector organisations. An additional £280,000 was put into the 2016/17 base budgets to deliver the Welsh Language Standards, currently allocated to translation and support services, further monitoring will be required to determine the ongoing requirement. There is also a reserve set aside for the initial and one-off implementation costs for Welsh language standards and the development and promotion of the Strategy, this will be closely monitored.

## 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 is not compliant with the Welsh Language Standards in publishing the 5 year strategy.	H	L	Governance of the WL Scheme / Standards and Equalities is strengthened through the Strategic Equalities Group and annual report to Cabinet.  This report proposes a draft strategy which can be further updated following consultation.	Head of People and Business Change
That the proposals in the strategy are not delivered.	M	L	Monitoring arrangements to be put in place, for further report to Cabinet.  Work with partners will be developed to support the strategy.	Head of People and Business Change

\* Taking account of proposed mitigation measures

## Links to Council Policies and Priorities

The council's commitments under the Welsh Language Standards are integrated into the authority's planning documents including the Strategic Equality Plan, the Improvement Plan and in the work emerging from the Wellbeing of Future Generations (Wales) Act 2015.

## Options Available

The options available are:

1. To agree and publish the draft strategy for consultation.
2. To amend the draft strategy and publish for consultation.

## Preferred Option and Why

Option 1 is the preferred option – to agree and publish the draft strategy for consultation, and monitor progress as part of the annual monitoring process.

### **Comments of Chief Financial Officer**

As highlighted in the financial summary there were additional resources provided to deliver the Welsh Language Standards in the 2016/17 budget. There is also a £240k earmarked reserve to fund the early implementation and one-off costs of the standard.

### **Comments of Monitoring Officer**

The Council has a statutory duty in accordance with the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards to produce, and publish, a 5-year strategy that sets out proposals to promote the Welsh language and to facilitate the use of the Welsh language more widely in the area. The strategy must include targets for increasing or maintaining the numbers of Welsh speakers in the area and the delivery of the strategy must be kept under review. This is also consistent with the well-being goals and the sustainability objectives of the Well-being of Future Generations Act. The proposed strategy meets the requirements of the Standards and focuses, in particular, on Welsh language education, building on the existing principles of the Welsh in Education Strategic Plan.

### **Staffing Implications: Comments of Head of People and Business Change**

This development of the Welsh Language Strategy for the City sets the strategic direction for the next 5 years. This report sets out the draft objectives for cabinet prior to consultation and builds on existing work to develop Welsh language as evidenced in the annual reports. Development of Welsh language also forms part of our corporate and equalities priorities, and is a key element of the wellbeing objectives of the Well-being of Future Generations Act.

### **Comments of Cabinet Member for Finance and Resources**

The strategy sets the vision for the city for development of the Welsh language for the next five years. The target reflects the current work to develop and support Welsh medium education in the city and the draft strategy provides a good starting point to consult on further promotion of Welsh language in the future.

### **Comments of Cabinet Member for Education and Young People**

The Cabinet Member fully endorses this Welsh language strategy which is aligned to the Welsh education strategic plan.

### **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**

As outlined in the report.

### **Background Papers**

Welsh Language annual reports.  
Welsh Language Standards  
Welsh Education Strategic Plan 2016

Dated: 29<sup>th</sup> September 2016

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# Newport City Council 5 Year Welsh Language Draft Strategy 2017-2022

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A Welsh language vision for Newport

Newport City Council

## **Newport City Council 5 year Welsh Language Strategy 2017-2022**

NCC is consulting on this 5 year Welsh Language Strategy for Newport which sets out how we are going to 'promote the Welsh language and to facilitate the use of the Welsh language.'

In this Strategy we set out:

- The Welsh Language in Newport,
- A vision for the Welsh Language in Newport,
- A 5 year target for increasing or maintaining the percentage of Welsh speakers,
- 5 year objectives and actions - to deliver the objectives and contribute to the target.

DRAFT

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## Introduction

This strategy is Newport City Council's responsibility, however many other organisations and people are active in using and promoting the Welsh language in Newport and our role is to pull these efforts together so that we have the best possible outcomes for the people of Newport. Engaging people is key to the success of this strategy, both in terms of forming and delivering a Welsh language vision for Newport.

The promotion of the Welsh language is a long term aim. We will set a 5 year target such as increasing the number of children attending Welsh medium education, however some of the longer term goals of increasing people's opportunities to use Welsh throughout their lives, will not be realised over the next 5 years alone.

This strategy is not only about increasing the amount of Welsh speakers in Newport. This strategy is about inspiring and supporting Welsh learners and everybody who is on the continuum of speaking Welsh, from those who can say 'bore da' to those who are Welsh language poets. We want to foster a Newport identity where people love the Welsh language.

The Wellbeing of Future Generations Act is about improving the social, environment, economic and cultural wellbeing of Wales. It makes sustainable development the central organising principle in Welsh public life. The Act has 7 wellbeing goals, one of which is 'A Wales of vibrant cultures and thriving Welsh language.' This means that there is already a duty on the council to achieve that goal in the long term, as one of the steps to create the Wales we want to see in 2050. This strategy and objectives will be considered in forming Newport City Council's Wellbeing Objectives for March 2017 and the Public Service Board's Plan, March 2018.

This strategy will be revised regularly to reflect progress and to respond to the national Welsh language agenda. The council is in the early days of implementing the Welsh Language Standards and we will be learning about promoting the Welsh language and what works as we progress. Any changes that we make to the strategy will have appropriate governance and community involvement.

We have identified 3 Welsh language priorities, under which we will have a number of Welsh language Objectives. Compliance with the Welsh Language Standards is already integrated in the council's equality work, as one of the 9 Equality Objectives.

## **A draft Vision for the Welsh Language in Newport**

'The people of Newport can use Welsh in all parts of life...'

### **A proposed 5 year target for increasing the percentage of Welsh speakers**

Our target is:

To increase the number of Newport pupils in Welsh medium education from 892 in 2016/17, to 1,250 or more in 2022/23.

This represents a growth from 3.9% of the school age population to 5%.

This is based on filling the reception classes of the 3 Welsh medium primary schools to their capacity of 107 places a year, for the next 5 years beginning in 2017/2018.

Note:

Further work will be required in the city to increase the number of Welsh speakers in line with national targets. The target setting requirement poses a challenge for Newport as Census figures may overstate the numbers of Welsh speakers, and furthermore, we do not have census figures at the beginning and end of the term of the Strategy (2017-2022). Because of this we propose to set a target of growth in children and young people attending Welsh medium education. This is measurable and attainable. During consultation we may have to consider whether this target is challenging enough.

## **Welsh Language Themes and Objectives**

We have identified 3 draft Themes and 10 draft Objectives to deliver the vision for Newport. They will support us in meeting the Welsh language growth target and, as importantly, address the need for opportunities to speak and learn Welsh in all parts of life in Newport. These can be changed during the consultation process.

### **Welsh Language Strategy draft Themes and Objectives**

1. Increase the numbers of Welsh speakers
2. Ensure local jobs in Newport, affordable housing and workforce planning
3. Promote Welsh in all parts of life

#### **1 Increase the numbers of Welsh speakers**

- 1.1 Language transition in families
- 1.2 Access to local Welsh Language education for all, developing the best possible bilingual skills
- 1.3 Welsh language mainstreamed in Further and Higher Education
- 1.4 Access to learning Welsh for adults

#### **2 Ensure local jobs in Newport, affordable housing and workforce planning**

- 2.1 Planning and language policy
- 2.2 Welsh in the council workforce

#### **3 Promote Welsh in all parts of life**

- 3.1 Make the Welsh language a natural element of being a citizen in Wales (normalisation)
- 3.2 Develop more places where Welsh is natural and it is normal to use Welsh
- 3.3 Promote the technological and digital facilities available to Welsh speakers
- 3.4 Promote diverse and relevant media available in Welsh and using the Welsh language

## **The Welsh Language**

The Welsh language is one of Wales' treasures. It is part of that which defines us as a people, and is increasingly an integral part of our everyday lives. According to the most recent Census in 2011 there were 562,000 Welsh speakers in Wales. The Welsh Government (WG) launched a Strategy in 2016 to have a million Welsh speakers by 2050 (A Million Welsh Speakers by 2050). In this Strategy will aim to support the Welsh Government's Strategy for growth as well as setting our own target for Welsh speakers and own vision for the Welsh language in Newport.

### **How many Welsh speakers are there in Wales?**

There are three sources of figures of Welsh speakers in Wales:

- The 2011 Census for Wales suggests that 19% of usual residents in Wales can speak Welsh (approximately 562,000 people).
- The Annual Population Survey (2011) estimates that about 26 to 27 % (approximately 810,500) people three years old and above can speak Welsh.
- The National Survey for Wales estimates that about 23 to 24 % (about 607,000) of people 16 years old and above can speak Welsh in Wales (WG Consultation Document, p6).

### **How many Welsh speakers are there in Newport?**

#### **2011 Census**

According to the 2011 Census there are around 145,800 people living in Newport and 13,002 Welsh speakers. This means that 9.3% of the population in Newport can speak Welsh. This ranks as the third lowest percentage of any local authority area in Wales behind Merthyr Tydfil and Blaenau Gwent, and well below the Welsh average of 19%.

There is evidence to suggest that Census data actually over estimates the prevalence of Welsh speakers in Newport. It is possible that parents have overestimated their children's ability to speak Welsh. Parents completed the census and said that 42% of children and young people aged 11-14 speak Welsh, in 2011. The figure was 46% in 2001. In tracing that cohort from the 2001 to 2011 the figure drops from 46% of 10-14 year olds to 7.8% of 20-24 year olds speaking Welsh over a decade later.

Furthermore the 2011 Welsh in Education Strategic Plan (WESP) figures suggest that about 4% of the 24,000 pupils in Newport sought education through the medium of Welsh. This contradicts the figure of 34.8% of total 5–9 year olds which the 2011 census claim speak Welsh within the local authority.

## Welsh speakers in Newport by age. 2001 and 2011(Census)

Age	2011%	2001%
3-4	14.0	9.2
5-9	34.8	36.3
10-14	42.0	46.1
15-19	23.0	21.4
20-24	7.8	3.8
25-29	4.9	3.4
30-34	3.3	2.8
35-39	3.1	2.6
40-44	2.6	2.7
45-49	2.4	2.8
50-54	2.4	2.7
55-59	1.9	2.6
60-64	1.8	2.1
65-69	1.7	2.9
70-74	1.4	2.3
75-79	2.0	2.6
80+	1.8	2.2
<b>Pawb 3 oed a throsodd / All aged 3 and over</b>	<b>9.3</b>	<b>10.0</b>

Source: Welsh speakers by local authority and broader age groups, 2001 and 2011 census

### The Annual Population Survey 2016

The Annual Population Survey (2016) estimates that 18.9% of the population in Newport speaks Welsh. Again, this is statistically lower than the Welsh average of 26.4%, but higher than the data provided by the census.



## The 2015 National Survey for Wales

The 2015 National Survey for Wales (NSfW) asks ability to speak Welsh. 6% of the sampled population stated that they could speak Welsh.

Can Speak Welsh	Can't Speak Welsh	Can't Speak Welsh, but have some speaking ability
6%	92%	2%

Source: NSfW "Ability to Speak Welsh by Local Authority" (Newport data only)

### Projections and Targets

Given the difficulties we have outlined in identifying an accurate number of Welsh speakers within the local authority, identifying projections and targets based on our current position is a challenge.

Newport's long term strategy for the Welsh language should take account of the 'Million Welsh speakers by 2050' target set out by WG. This target will require local authorities to do more in regards to promoting the Welsh language, particularly in South East Wales, where Welsh speakers make up a smaller percentage of the population and there is capacity for growth.

Using Welsh Government Population Projection Figures we estimate that Newport's population may rise to 170,900 by 2036 (2013, P.3) and if this growth remains constant, a population of 186,050 by 2050. If the proportion of Welsh speakers, as identified by the 2011 Census remains constant at 9.3%, we can expect to see 16,558 Welsh Speakers in the city by 2050. However if we were to use NSfW data as a more accurate measure we could expect to see 11,163 or 6% Welsh speakers in Newport by 2050.

National Statistics Wales (2015) project that by 2036 Wales' population will have risen to 3.28 million and is likely continue to grow beyond that. As an estimate 1 million Welsh Speakers would constitute around 30% of the Wales 2050 population. If Newport were to have 30% Welsh speakers in 2050 we should aim for around 55,815 Welsh speakers.

### What is the population estimate for Newport for 2011 and 2050?

The 2011 column shows the current population of Newport and figures for Welsh speakers in Newport based on the National Survey for Wales and the 2011 Census. The columns headed 2036 and 2050 are estimates for those years, based on the Welsh Government's projected population growth.

	<b>2011</b>	<b>2036</b>	<b>2050</b>
<b>Projected population of Newport</b>	145,800	170,900	186,050
<b>Welsh speakers in Newport based on NSfW figures (6%)</b>	8,748	10,254	11,163
<b>Welsh speakers in Newport base on Census figures (9.3%)</b>	13,002	15,210	16,558
<b>Target number of Welsh speakers in Newport base on the Welsh Government's One Million Welsh Speakers by 2050 (30%)</b>	43,740	51,270	55,815

### How to measure the number of Welsh speakers in Newport

It is unclear how many Welsh speakers we currently have in Newport. It is unclear how many Welsh speakers we should aim for, given that the Welsh Government has not set incremental targets for growth in the numbers of Welsh speakers for Wales nor for Newport. A further complication is that the Census, which is the only method not based on sampling, is only conducted every 10 years and will therefore not be recording the number of Welsh speakers at 2016 and 2021, the term of this Strategy.

We have good information about pupils attending Welsh medium education. Given that the level of Welsh in the adult community is comparably low, the area in which we expect to see growth in Welsh speakers is children and young people, through the educational system.

### Projected figures for pupils in Welsh medium education in Newport

	2016/17	17/18	18/19	19/20	20/21	21/22
Ysgol Gymraeg Casnewydd	295	290	288	284	284	282
Ysgol Gymraeg Ifor Hael	180	168	163	158	153	147
Ysgol Gymraeg Bro Teyrnnon	120	146	164	163	174	181
<b>Primary Pupil Totals</b>	<b>595</b>	<b>604</b>	<b>615</b>	<b>605</b>	<b>611</b>	<b>610</b>
Ysgol Gyfun Gwent Is Coed *	63	135	210	303	396	463
Ysgol Gyfun Gwynllyw	234	217	179	149	92	50
<b>Secondary Pupil Totals</b>	<b>297</b>	<b>352</b>	<b>389</b>	<b>452</b>	<b>488</b>	<b>513</b>
<b>Pupil Totals</b>	<b>892</b>	<b>956</b>	<b>1004</b>	<b>1057</b>	<b>1099</b>	<b>1123</b>

Based on PLASC figures January 2016

\*Compensated to account for pupils coming from Monmouthshire

Setting a target based on children and young people in Welsh medium education does not mean that the Strategy will focus only on that age group in that environment. This Strategy is relevant to everybody, and it is important that as many people as possible are engaged in creating a Welsh language friendly environment where Welsh is seen as a language of the future.

### Target figures for total pupils in Education in Newport by 2021-2022

<b>Pupil number</b>	<b>2016/17</b>	<b>Target 2021/22</b>
<b>Welsh Medium Primary Schools</b>	<b>595</b>	<b>737</b>
<b>All Primary Schools</b>	13,101	13,734
<b>% Welsh Medium Primary Schools</b>	<b>4.5%</b>	<b>5.3%</b>
<b>Welsh Medium Secondary Schools</b>	<b>297</b>	<b>513</b>
<b>All Secondary Schools</b>	10,058	11,464
<b>% Welsh Medium Secondary Schools</b>	<b>3%</b>	<b>4.5%</b>
<b>Welsh Medium Primary and Secondary Schools</b>	<b>892</b>	<b>1250</b>
<b>All Primary and Secondary Schools</b>	23,159	25,198
<b>% Welsh Medium Primary and Secondary Schools</b>	<b>3.9%</b>	<b>5.0%</b>

### Proposed target for increasing the number of Welsh speakers in Newport

Our target is:

To increase the number of Newport pupils in Welsh medium education from 892 in 2016/17, to 1,250 or more in 2022/23.

This represents a growth from 3.9% of the school age population to 5%.

This is based on filling the reception classes of the 3 Welsh medium primary schools to their capacity of 107 places a year, for the next 5 years beginning in 2017/2018.

## The Welsh language in Newport's communities

The information below is about Newport but some other information is taken from research and stories from outside Newport, where we are fairly certain that a similar situation applies.

We're using the same three themes that we propose for the Welsh language objectives.

1. Increasing the numbers of Welsh speakers
  - Language transition in families
  - Childcare settings, Welsh medium and English medium education
  - Welsh in Further and Higher Education
  - Welsh language learning for adults
2. Local jobs in Newport, housing, council policy and workforce planning
  - Planning and Language Policy
  - Welsh in the council workforce
3. Using Welsh in all parts of life
  - The Welsh language a natural element of being a citizen in Wales (Normalisation)
  - Where is the Welsh language natural and normal to use?
  - Technological and digital facilities available to Welsh speakers
  - Diverse and relevant media available in Welsh
  - Use of the Welsh language across Newport

### 1 Increasing the number of Welsh speakers in Newport

In Newport we have a diverse and growing population who have very different relationships with the Welsh language, based on their cultural identity and the opportunities given to them throughout their lives. Younger people have all learnt Welsh in school, but may not have the skills to speak now: older people may not have had access to the Welsh language at all. Some people have family and friends who speak Welsh, and feel love for the language. Some are disappointed that they have not yet had the opportunity to.

There are a number of ways to increase or maintain the number of Welsh speakers:

- Transmission from parent to child
- Learning Welsh through Welsh medium education
- Learning Welsh through English medium education
- Adults learning Welsh
- Welsh speakers choosing to use the language regularly
- Growth in communities and situations where speaking Welsh is normal
- Welsh speakers moving to Newport

There are a number of ways in which the number of Welsh speakers are reduced in Newport:

- People not using speaking Welsh and losing skills
- Moving away from the area or from Wales
- Welsh speakers dying

## **1.1 Language transition in families**

It could be assumed that parents who speak Welsh all pass on the language to their children. This is often the case but not always.

In Wales, the rate at which the language is passed on to children where two parents can speak Welsh is 82%. In Newport the rate is 77%. This means that households with children aged 3 to 4 years, with both parents able to speak Welsh, 77% of children also speak Welsh. In 2001 this figure was 47% which shows a very encouraging increase. (p15 Menter Iaith Casnewydd (MIC) WL Profile 2016)

It is also worth noting the increase in households where one of the two parents speak Welsh in Newport – from 19% to 38% (p.15 MIC WL Profile 2016).

According to Menter Iaith Casnewydd Welsh language profile this is a potential area for improvement with opportunities for the Menter, alongside other organisations which provide services locally including Yr Urdd, Mudiad Meithrin, Flying Start.

## **1.2 Childcare settings, Welsh medium and English medium education**

Newport City Council's Welsh Education Strategic Plan (WESP) was initially written in 2011 and has been updated annually. The Welsh Education Strategic Plan 2017-20 is being launched for public consultation alongside this 5 Year Welsh Language Strategy.

The vision set out in the WESP 2017-20 is as follows:

Newport City Council acting as a member of the South East Wales Consortia will participate in the development of Welsh standards in education to equip a bilingual Wales with a skilled bilingual workforce, supporting the Welsh Government's vision for Welsh in Education. We will work with others as a region to equip schools and education providers across age ranges and linguistic sectors with the capacity and sustainability to increase standards in Welsh. We will promote the use of the Welsh language within families, communities and workplaces. We will aim to stimulate and provide local, accessible, sustainable, community-focused provision to meet the growing demand for Welsh-medium education”.

The five local authorities and the EAS work together in partnership to plan and deliver Welsh medium education across the region.

Over the last 10 years there has been a steady growth in the council's provision of Welsh medium Education to meet demand, and we now have three Welsh medium primary schools (3.5 reception streams) and our first Welsh medium secondary school, Ysgol Gyfun Gwent Is Coed, which opened in September 2016. The responses of parents of young children to our Parental Demand Surveys influenced our education planning in favour of developing Welsh medium education. The growth in numbers of pupils attending Welsh medium education reflects parents' preference for Welsh medium education.

The Council will need to consider the burgeoning population and plan school places in a way that is sustainable. The city is benefitting from new housing developments with five new primary schools on those developments in the next five to ten years. The council will consider the balance of provision of Welsh and English medium education for that increased

population, and consider forecasts and potential demand in determining whether additional provision is required.

There is an opportunity to work with other authorities in potentially holding annual Parental Demand Surveys across Gwent in order to raise the profile of the survey and promoting Welsh medium education with the aim of increasing the response rate. The Welsh Education Strategic Plan 2017-20 has a target for developing a policy for latecomers, alongside the establishment of an Immersion Centre for Newport.

### **1.3 Welsh in Further and Higher Education**

Ysgol Gyfun Gwynllyw works closely with other Welsh medium secondary schools to offer a wide selection of post-16 courses. The current level of transition of young people in Ysgol Gyfun Gwynllyw from year 11 to year 12 is 70%. Coleg Gwent is also a partner involved in the Welsh in Education Strategic Plan which delivers education through the medium of Welsh.

Not only is further and higher education in Welsh important for its own sake in giving students a choice and developing their skills in a bilingual environment, it is important in order to develop a bilingual workforce who can deliver services in Welsh.

### **1.4 Welsh language learning for adults**

According to Coleg Gwent figures for the academic year 2015-2016 there were 154 Welsh for Adult learners from the Newport Area.

## **2 Local jobs in Newport, housing, council policy and workforce planning**

The growth in numbers of Welsh speakers in the 20-40 age groups is heartening (3.8% in 2001 -8.7% in 2011.) It may reflect that Newport maintains or is a destination for Welsh speakers because of the opportunities the city offers, in a similar way that Cardiff attracts Welsh speakers.

In other areas of Wales the lack of work and studying opportunities result in Welsh speakers having to move away from the area. Affordable housing is also an issue in many rural areas which have a high proportion of Welsh speakers in the community. These opportunities are abundant in Newport, and as such these are not barriers to attracting or retaining Welsh speakers.

It is important to note that Newport attracts some Welsh speakers because it is in Wales and that there are opportunities to use the Welsh language, in particular in education. These individuals may stay or move to Newport but would not move to Bristol or Bath.

The emphasis on affordable housing and supporting the local economy through buying local goods and services, is not as critical for Newport in our 5 Year Strategy as it is for other areas of Wales.

### **2.1 Planning and Language Policy**

In this Strategy we have to acknowledge the state's historical role over the centuries which excluded the language from public life and education, and influencing people's language

choices for the worse. The situation is significantly different today with duties under the Welsh Language Measure 2011 to promote the language and use of the language.

The Measure and Welsh language Standards place a duty on the council not only to actively offer services in Welsh but to promote use of the Welsh language across Newport. We assess the impact of all council decisions on the Welsh language and all council policies and procedures have to consider the Welsh language. This also influences partners and contractors, as any goods and services carried out on our behalf have to meet the requirements of the Welsh Language Standards. This will affect people's opportunities to use Welsh as well as creating a more Welsh language aware environment.

As well as complying with the Welsh Language Standards the Council reports on More Than Just Words- the Welsh Government's Strategy for Welsh in health and social care. One of the key principles is the active offer- we offer a service in Welsh and no one has to request it.

In Newport the Welsh Education Forum has developed the Welsh Education Strategic Plan (WESP) which covers Welsh in education settings, training and learning between the ages of 2 and 19. It is governed by the WESP Forum which is made up of council partners in who are active within educational and training settings.

## 2.2 Welsh in the council workforce

Newport City Council is actively promoting Welsh language awareness and use of the Welsh language in the council, for the benefit of staff as well as our customers. Our Welsh language communication plan focuses on using the language as well as compliance with the Welsh Language Standards. We offer Welsh language awareness training and Welsh language skills training through Coleg Gwent.

Our Workforce Development Plan has identifies Welsh language as a theme which heads of service consider in their annual workforce development plans.

The Standards require us to assess linguistic skills requirement for each vacant post. The purpose of this is for us to employ people with the Welsh language skills where they are needed to deliver services.

### Welsh Language Skills of Newport City Council Employees as at 31/03/16

Welsh Language Skill (NCC)	Total	None	Beginner	Intermediate	Advanced
Reading	4,202	2,745	1,088	200	169
Speaking					
Response rate 4,181/ 6,183=68%	4,181	2,540	1,274	200	167
Understanding	4,185	2,564	1,230	217	174

<b>Writing</b>	4,168	2,787	1,040	187	154
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(Newport City Council Welsh Language Annual Monitoring Report 2015-2016)

Note that around half the staff with Advanced or intermediate Welsh language skills in Newport City Council work in schools.

The job application process is available in Welsh and employees are asked language choice in dealing with the council as an employer in matters relating to performance management, training, correspondence etc. We are hoping that take up of this offer improves as employees gain confidence in the council's consistent use of the Welsh language.

We are monitoring compliance with the Standards and with having a general Welsh language friendly environment by audit and mystery customer testing. We involve staff and seek their views through the Employee Panel.

### **3 Promote Welsh in all parts of life**

#### **3.1 Using Welsh as a citizen**

The Welsh Language Standards give people rights to use Welsh in public life. The Council is the first local public body to be subject to the Standards. Higher and Further Education, and the Aneurin Bevan Health Board will soon have similar Standards. This will create large areas of public life with a positive Welsh language offer.

#### **3.2 Using Welsh socially**

There are issues with learners having the opportunity to socialise in Welsh and use Welsh outside the classroom. The Menter Iaith Casnewydd promotes various informal session, such as Caffi Clonc. Other opportunities are limited because of the low baseline of Welsh speakers. Without opportunities to use the language and to develop relations with other Welsh speakers, learners' use of Welsh remains limited.

Menter Iaith Casnewydd's Welsh Language Profile identifies opportunities for the Menter Iaith and Coleg Gwent to 'work jointly to arrange more varied activities, or to work in partnership with others to offer volunteering opportunities'.

The council has some influence in creating a bilingual environment in Newport but not a great deal of influence in creating spaces where Welsh speakers begin their conversations in Welsh. We would have to work in partnership to support this.

#### **3.3 Technological and digital facilities available to Welsh speakers**

In adhering to the Welsh Language Standards the council ensures that all the software and hardware we buy and use is bilingual and will allow choice of language. In our work to improve digital accessibility we make sure that it accommodates a choice of language.

#### **3.4 Diverse and relevant media available in Welsh**

Newport City Council is increasing our use of multi-media platforms and are aware of the need to have a fully bilingual presence. Not only are we creating content, largely campaigns



and marketing events, which is bilingual, but also publicising local and national partners' bilingual campaigns.

The Council will also encourage partner and other organisations in the area to make information available in Welsh as part of the development of the strategy.

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## Themes and Objectives- proposed fields of work

### Welsh Language Strategy Themes

1. Increase the numbers of Welsh speakers
2. Ensure local jobs in Newport, affordable housing and workforce planning
3. Promote Welsh in all parts of life

Below are the areas of work the council is considering under every objective.

<b>1 Increase the numbers of Welsh speakers</b>	
<b>1.1 Language transition in families</b>	Increase transition rates in families-Increase parents and carers' confidence, with access to community resources and events
<b>1.2 Access to local Welsh Language education for all, developing the best possible bilingual skills</b>	<p>Increase the number of Welsh medium childcare places</p> <p>Increase Welsh medium school capacity Target Welsh medium education under-represented groups in Newport</p> <p>Increase number of pupils assessed in Welsh as a first language at the end of Foundations Phase and Key Stage 3</p> <p>Immersion for latecomers</p> <p>Educational institutions prepare young people to use Welsh confidently in formal and informal situations</p>
<b>1.3 Welsh language mainstreamed in Further and Higher Education</b>	<p>Make Welsh Medium a natural post-16 or further education choice</p> <p>Support vocational courses through the medium of Welsh</p> <p>Support continual studying of Welsh</p> <p>Increase number of Welsh speaking teachers, early years practitioners, youth workers and care workers</p> <p>Increase opportunities for studying and using Welsh in the workplace</p>
<b>1.4 Access to Learning Welsh for Adults</b>	Promote learning Welsh for adults

<b>2 Ensure local jobs in Newport, affordable housing and workforce planning</b>	
<b>2.1 Planning and Language Policy</b>	<p>Consider the Welsh language in economic development- Tan 20, Planning Act (Wales) 2015 in establishing new conurbations and schools</p> <p>Normalise language planning in decision making through Impact Assessments of council and partnership decisions</p>
<b>2.2 Welsh in the council workforce</b>	<p>Mainstreaming linguistic planning in workforce planning</p> <p>Support Welsh speakers and learners to use Welsh in the workplace</p> <p>Increase the number of people able to work through the medium of Welsh- focusing on services delivery</p>

<b>3 Promote Welsh in all parts of life</b>	
<b>3.1 Make the Welsh language a natural element of being a citizen in Wales (Normalisation)</b>	<p>Make it normal for people to use Welsh with institutions</p> <p>Increase the public's confidence in using Welsh with public institutions</p> <p>Make Welsh language more prominent in audio – visual environment</p> <p>Promote use of the Welsh language by the private and third sector, and incorporating it into the Newport brand</p>
<b>3.2 Develop more places where Welsh is natural and normal to use Welsh</b>	<p>Menter Iaith Casnewydd activities</p> <p>Welsh language locations/ hotspots</p> <p>Mainstream the Welsh language in social opportunities for young people</p> <p>Encourage other communities and societies to make use of Welsh</p>
<b>3.3 Promote the technological and digital facilities available to Welsh speakers</b>	<p>Influence providers by committing only to buy only software and hardware systems etc. which facilitate language choice and Welsh language use</p> <p>Promote accessibility and Welsh language - translation software, read aloud, translation and interpretation facilities</p> <p>the Councils digital strategy will be the delivery model for progress</p>
<b>3.4 Promote diverse and relevant media available in Welsh and using the Welsh language</b>	<p>Pobl Casnewydd</p> <p>Broadcasting</p> <p>Other formats</p>

## **Engagement**

The council has launched this consultation draft on the 30<sup>th</sup> of September 2016 and will be consulting for 2 months. We will try to talk with as many people and groups about the objectives and their involvement. We will also have a simplified on-line consultation process. It is important that we begin this strategy as we intend to continue- involving as many and as diverse a spectrum of people and organisations in Newport as possible. We aim to use the results of this consultation also to inform the Wellbeing of Future Generations developments.

A final version of this Strategy will be published by February 2017.

## **Governance**

Certain governance arrangements are already in place for implementing the Welsh Education Strategic Plan (the WESP) through the Newport Welsh Education Forum and for implementing the Welsh Language Standards. Governance arrangements will be put in place for this Strategy for an initial period. We will review these arrangements to mainstream them within the governance arrangements for the council's Wellbeing Objectives in 2017, and the Public Service Board's Wellbeing Plan in 2018.

## **Implementation and Review**

The final Strategy will include actions, with deadlines and responsibilities identified. Many of those actions will be the responsibility of Newport City Council but some will be for other organisations or for us in partnership, and as such will have to be agreed with them.

## **Evaluation**

In line with Welsh language standards we produce an Annual Report each year. Five years after publishing a strategy we will assess to what extent we have followed that strategy and have reached the target set by it. It will contain the following information, to the best available information:

- (i) the number of Welsh speakers in your area, and the age of those speakers;
- (ii) a list of the activities that you have arranged or funded during the previous 5 years in order to promote the use of the Welsh language.

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Welsh Government (2016) *Pupil Level Annual School Census (PLASC)*

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# Report

## Cabinet

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### Part 1

Date: 17 October 2016

Item No:

**Subject** Work Programme

**Purpose** To agree a work programme for 2016

**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: 17 October 2016

**CABINET WORK PROGRAMME  
2016-2017**

Cabinet Meeting	Items for provisional agenda	Lead Officer	For Scrutiny / Date	Council
Oct 2016	City Deal update  Year-end Performance Analysis for 2015/16 ( Added in line with new agreed reporting arrangements)  5 year Welsh Language Strategy  Work Programme Update ( regular item)	Chief Executive  Head of People & Business Change  Head of People & Business Change  Head of Democratic Services		
Nov 2016	Education and Pupil Performance data Work Programme Update ( regular item)	Chief Education Officer  Head of Democratic Services		Gambling Act – Statement of Principles Update
Dec 2016	Revenue Budget and MTFP Improvement Plan Update Risk Register Update Certificate of Compliance – letter 2 Work Programme Update ( regular item)	Head of Finance Head of People & Business Change Head of People & Business Change Head of People & Business Change Head of Democratic Services		
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"> <li>• Council Tax Reduction Scheme</li> <li>• Nomination of the Mayor</li> <li>• Schedule of meetings</li> </ul>

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"> <li>• Budget and MTFP</li> <li>• Capital Budget</li> <li>• Treasury Management</li> </ul>
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"> <li>• Pay and Reward Policy</li> </ul>

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