

Agenda



Cabinet

Date: Wednesday, 19 July 2017

Time: 4.00 pm

Venue: Committee Room 1 - Civic Centre

To: Councillors D Wilcox (Chair), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, J Mudd, R Truman and M Whitcutt

Item		Wards Affected
1	<u>Apologies for Absence</u>	
2	<u>Agenda yn Gymraeg</u> (Pages 3 - 4)	
3	<u>Declarations of Interest</u>	
4	<u>Minutes of the Last Meeting</u> (Pages 5 - 10)	
5	<u>Sale of Friars Walk</u> (Pages 11 - 24)	Stow Hill
6	<u>Director of Social Services Annual Report</u> (Pages 25 - 78)	All Wards
7	<u>City of Democracy</u> (Pages 79 - 118)	All Wards
8	<u>Newport Economic Network</u> (Pages 119 - 126)	All Wards
9	<u>Wales Audit Office Action Plan</u> (Pages 127 - 148)	All Wards
10	<u>Budget Consultation and Engagement Process</u> (Pages 149 - 160)	All Wards
11	<u>Medium Term Financial Plan</u> (Pages 161 - 186)	All Wards
12	<u>Revenue Budget Monitor</u> (Pages 187 - 204)	All Wards
13	<u>21st Century Schools</u> (Pages 205 - 226)	All Wards
14	<u>Cabinet Work Programme</u> (Pages 227 - 232)	

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Date of Issue: 12 July 2017

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Agenda

Cabinet

Dyddiad: Dydd Mercher, 19 Gorffennaf 2017

Amser: 4 y.p.

Lleoliad: Ystafell Bwyllgor 1 – Y Ganolfan Ddinesig

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

Eitem	Wardiau Dan Sylw
1 <u>Agenda yn Gymraeg</u>	
2 <u>Ymddiheuriadau am absenoldeb</u>	
3 <u>Datganiadau o fuddiant</u>	
4 <u>Cofnodion</u>	
5 <u>Gwerthu Friars Walk</u>	
6 <u>Adroddiad Blynyddol y Cyfarwyddwr Gwasanaethau Cymdeithasol</u>	Pob Ward
7 <u>Dinas Democratiaeth</u>	Pob Ward
8 <u>Rhwydwaith Economaidd Casnewydd</u>	Pob Ward
9 <u>Cynllun Gweithredu Swyddfa Archwilio Cymru</u>	Pob Ward
10 <u>Cyllideb Refeniw 2018-19: Proses ac Amserlen Ymgynghori ac Ymgysylltu</u>	Pob Ward
11 <u>Cynllun Ariannol Tymor Canolig</u>	Pob Ward
12 <u>Monitor Cyllideb Refeniw 2017-18 Chwarter 1</u>	Pob Ward
13 <u>Ysgolion yr 21ain Ganrif</u>	Pob Ward
14 <u>Rhaglen Waith Cabinet</u>	

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Minutes



Cabinet

Date: 14 June 2017

Time: 4.00 pm

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

In Attendance: W Godfrey (Chief Executive), M Nicholson and B Owen (Strategic Directors), G Price (Monitoring Officer), M Rushworth (Head of Finance), R Cornwall (Head of People and Business Change), K Duffin (Head of Regeneration, Investment and Housing).

Apologies: Councillor D Harvey

1 Minutes of the Last Meeting

The minutes of the meeting held on 24 April 2017 were confirmed as a true record.

2 Welsh Language Monitoring Report 2016-17

The Deputy Leader presented the annual monitoring report on the Council's progress against its Welsh language commitments during 2016-17. The following points were highlighted:

- This year has been the first full year of implementing the majority of the Welsh Language Standards which came to force on the 30th of March 2016.
- The implementation of the Welsh Language Standards remains on the council's Risk Register although the risk level has been reduced to Medium Risk.
- To address the risk we have implemented the Standards in a systematic way, with resources identified for translation and roll-out of the Standards. To improve accountability, the Welsh Language Implementation Group, which has representation from all service areas as well as Newport Norse and Newport LIVE, meets every month and reports to the Strategic Equalities group.
- We've undertaken a lot of work to make the council culture 'Welsh language friendly'. The Welsh language is more visible in the environment, with door signs and posters around our buildings, and council staff greet people bilingually. Welsh speaking Council staff feel encouraged to use the language in the workplace, and our Welsh language learners practice their new skills.
- In consulting on the 5 Year Welsh Language Strategy for Newport people told us that they valued the language and supported people having services and education through the medium of Welsh – if that's their choice. Welsh speakers were all very positive about the changes we've made, and feel more included and engaged.
- In the year ahead we've identified areas of work including:

- Delivering the 5 Year Welsh Language Strategy for Newport, with our partners
- Testing, and improving the resilience of our Welsh language customer service
- Rolling out a revised Fairness and Equality Impact Assessment, which includes the Welsh language
- Identifying and recording the customer's choice of language

The Leader and Deputy Leader both congratulated staff in all areas of the Council for the excellent progress made against the new Welsh language standards.

Decision:

To approve the attached report and publish it on the Council's website in accordance with statutory deadlines.

3 Strategic Equality Plan - Annual Report

The Deputy Leader presented the annual report for 2016-17 on the Strategic Equality Plan. The following points were highlighted:

- This year has been the first year of delivery of the new Strategic Equality Plan 2016-2020.
- The Plan identified nine equality objectives that the authority would measure itself against over the next four years. The objectives chosen were based on the work that had been delivered in the previous Equality Plan and as well as the Welsh Language Scheme. This has been done in line with the new ways of working as outlined in the Well-being of Future Generations Act.
- In the past 12 months we have made positive progress towards meeting our equality objectives and a great deal of hard work has been carried out to promote equality of opportunity for all. Progress has included
 - Development of the Workforce Planning Template and data dashboard
 - Publishing our 5 Year Welsh Language Strategy
 - Continued reduction in the number of young people who are NEET (Not in Education, Employment and Training)
 - Established a support team to deliver the Home Office Syrian Refugees Resettlement Scheme
 - Improved engagement with our Deaf Community
 - Delivered 'Ask and Act' training in order to improve awareness of Domestic Abuse
 - Responding to over 3,200 referrals to the accommodation-based and floating support services
- Progress on the Plan is monitored by the Strategic Equalities group which is chaired by the Deputy Leader and includes representation from the Fairness Commissions, elected members, Heads of Service and lead officers.
- The report also includes equalities data pertaining to our own staff and this enables us to gauge the extent to which we are representative of the community we serve as well as highlight actions that we need to take in order to better represent our electorate. We have also included information on how the authority collects data and uses the information in setting strategic direction, services planning and within the decision making process.
- In the year ahead we will be continuing our efforts to deliver on the plan and focus our efforts on mainstreaming equalities so it becomes part of our everyday business.

In considering the report, Cabinet raised the issue of compliments and complaints, commenting that as an authority we needed to be better at recording and sharing positive

feedback. The Head of People and Business Change agreed that this was an area that needed further development, and noted that a number of compliments had been received in relation to our work on Equalities and Welsh Language.

The Leader commended the staff in People and Business Change for the excellent progress made in delivering the Strategic Equalities Plan.

Decision:

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

4 **Early Year End Performance Indicator Analysis**

The Leader presented the report informing Cabinet of the early analysis of the Council's performance figures for 2016-17. In presenting the report, the Leader highlighted:

- The report contained the initial analysis of the authority's figures. More detailed information and analysis would be presented later in the year after the all-Wales comparator information is released.
- Performance continued to improve in 2016-17, against a background of legislative changes, political uncertainty nationally, budget reductions, and an increasing population. Despite these challenges, the authority had continued to set itself stretching targets, and had achieved 57.5% of service plan measures meeting or exceeding their targets. The authority also continued to perform well against its improvement plan priorities.
- 30% of measures were showing as amber (within 15% of the target). Reasons for this were understood and included the very stretching targets put in place, but also, in some cases, targets being set for new measures where there was no precedent to follow. There would be a period of adjustment for these measures, and targets would be amended this year to more accurately reflect achievable outcomes.

Cabinet Members commented upon the challenging circumstances faced by the local authority, including reductions to the budget and increasing responsibilities from new legislation.

The Chief Executive and Cabinet Members commented on the positive results achieved in difficult circumstances, congratulating staff for the continuing improvements to performance across the authority.

Decision:

To note the contents of the report, and receive a further update on the final year-end position once the data is available.

5 **Improvement Plan 2016-18: Quarter 4 Update**

The Leader presented the latest update on performance against the Improvement Plan. Overall progress against the plan this quarter was rated as "Green - good".

The Leader highlighted the two measures shown as "Amber – slightly short of target", and explained the reasons for these variances:

- In objective 1, Improving Independent Living for Older People, two of the five performance measures were showing as red. As was referenced in the performance analysis report earlier on the agenda, these were two of the new measures introduced by the Social Services and Wellbeing Act last year, so the targets set needed to be adjusted to make them more realistic.

- In objective 8, Preventing Offending and Re-Offending of Young People, this area had been subject to major changes this year which had naturally impacted upon performance. However, significant progress had still been made here, and above expectations, thanks to the dedication and hard work of the staff in that service.

The following points were discussed:

- The excellent progress made in Improvement Objective 5: supporting young people into education, employment or training. The “NEETs” rate (young people not in education, employment or training) had fallen further, and the authority was performing far above expectation, and was the 8th best performing authority in Wales in this field. Cabinet also congratulated the staff involved for being nominated for an award for their work in this area.
- The Leader reported that she was working to develop a “Newport Guarantee”, to ensure that every young person left school with a choice of a job, training or further education. Discussions were also taking place with neighbouring authorities to see if this could be developed regionally.
- The excellent progress made in Improvement Objective 7: increasing recycling. For the first time, the authority was expected to hit the target of 60% of municipal waste reused, recycled and composted. Cabinet Members and Officers commended the staff involved on this achievement.

Decision:

To note the progress made during the fourth quarter of 2016/17 regarding key actions and measures; and to agree the corrective action to be taken to address areas of underperformance.

6 Revenue Budget Out-Turn 2016-17

The Leader presented the Revenue Budget Out-Turn for 2016-17, highlighting the following points:

- The confirmed use of the underspend, as was reported to and agreed by Cabinet at its meeting in March 2017. Following this series of one-off investments, the final position showed a balanced budget with a small underspend of £326k.
- The key issues arising from the out-turn, which Cabinet would be monitoring closely over the coming months, in implementing the 2017-18 budget and planning for 2018-19.
- The overspends returned in some areas. The reasons for these variances were understood, and outlined in detail within the report. However, thanks to the prudent financial management of the Council’s staff, these overspends would be offset by underspends achieved in other areas, resulting in a balanced budget.

Decisions:

- To note the out-turn position, which is subject to audit and the major variances for the year (paragraphs 3-7).
- To note the current level of general and specific reserves (appendix 4).
- To approve the use of the underspend as set out in paragraph 20 of the report.
- To note the concerns around on-going financial management given the recurring nature of some of the issues which have arisen during 2016-17.

7 **Capital Budget Out-Turn**

The Leader presented the Capital Budget Out-Turn for 2016-17. The following points were highlighted:

- The report included a number of carry forward requests. The reasons for slippage on these projects were understood and justified, and Cabinet were working closely with officers to monitor these schemes and ensure they are kept on track.
- Taking the carry forward requests into account, there had been a small underspend of £753k on completed projects.
- 2016-17 was the third year of the four year capital programme. As a newly elected administration, Cabinet would be looking at its spending priorities going forward, and putting a new capital programme together over the coming months.

Decisions:

- To note the outturn position for the 2016-17 capital programme and to approve budget carry forwards requested to cover slippage into 2017-18.
- To note the balance of and approve the future earmarking of Useable Capital Receipts as detailed in the report. This includes the proposed use of Joint Venture receipts and the decision-making process for these, which is subject of another report on this agenda.

8 **Treasury Management**

The Leader presented the Treasury Management report for 2016/17. This report had been presented to Audit Committee according to the required process, and would be forwarded to Council for final approval. The Leader highlighted the following points:

- No specific feedback had been received from Audit Committee, only a note to highlight the need for member training to understand this highly technical report. The Leader underlined that member development was a key priority for the administration, and appropriate training would be offered on this for all Members.
- The excellent news that the sale of Friars Walk had been completed. The details of the sale would be the subject of a full report to Cabinet in July. The Leader reported that she had attended a very positive meeting that afternoon with a representative of the buyer, who had commended the authority on the bold decisions taken to secure the development.

Cabinet Members and Officers echoed the comments made regarding Friars Walk, particularly paying tribute to the hard work of the Head of Law and Regulation and the Head of Finance in brokering the negotiations and securing the final agreement.

Decisions:

- To note the Annual Report on Treasury Management for the Financial Year 2016/17.
- To note that 2016/17 Prudential Indicators for Treasury Management were in line with those set by Council in February 2016.
- To note that these will require formal review and approval by full Council.

9 **Agreed Internal Sign Off Process for Welsh Government and NCC Joint Venture Monies**

The Cabinet Member for Regeneration and Housing outlined the proposed agreement to establish a protocol for joint venture monies between Welsh Government and Newport City Council. The monies between both parties result from Newport Unlimited activities where it

was agreed there would be a split on any income accrued within regeneration activities undertaken by Newport Unlimited.

In order for Newport based economic regeneration projects to have access to the £2.6 Million accrued from Old Town Dock Development, and Alacrity House Rent of £244,000, there is a requirement to create an internal protocol, in order to satisfy our own audit requirements, but also Welsh government as a fund holder.

Welsh Government have already committed to £150,000 for USW National Cyber Academy and £150,000 towards creating a digital hub that will be taken from the monies accrued.

There are also further projects which may accrue profit in the future, which we wish to capture within this proposal. These are:

- University Option land (south of campus)
- University Campus
- Land at Mission Court
- Land south of SDR
- Alacrity House – (further potential rental)

Decision:

To approve the order of the protocol as outlined below:

External Arrangement

1. Cabinet approve the protocol
2. All funds would be spent on economic Regeneration activities within Newport, until such time as a new City Centre Masterplan is agreed.
3. A letter confirming Newport City Council's position is sent to Welsh Government to confirm this and agreement obtained from them in writing.

Internal Arrangement (Option 1 agreed)

1. Approval sought from Infrastructure and Development Board / Welsh Government
2. Cabinet member report to the Cabinet Member for Housing and Regeneration setting out how it meets the City Centre Masterplan. (previously City centre economic regeneration)

10 **Cabinet Work Programme**

The Leader presented the Cabinet Work Programme, including the following additions to the programme for July:

- Newport Economic Network
- City of Democracy

Decision:

To agree the proposed programme.

Report

Cabinet

Part 1

Date: 19 July 2017

Subject Sale of Friars Walk

Purpose To confirm the completion of the sale of Friars Walk and the repayment of the Council loan debt and to advise Cabinet about the detailed terms and conditions of the transaction

Author Head of Law & Regulation

Ward General

Summary The sale of Friars Walk was completed on 9th June 2017. Cabinet had previously agreed the preferred option of a sale to the Talisker Corporation, a Canadian equity investment company, on commercial terms, which represented the best market price obtainable for the scheme at the present time. This had been demonstrated by market testing and comparability with proposed sale terms offered by other potential investment purchasers. The Talisker proposals enabled the Council to discharge its primary loan debt and interest charges.

Cabinet have received a number of confidential Part 2 presentations, setting out the precise financial and legal implications of the Talisker deal, but that information has remained commercially confidential, whilst negotiations were on-going and pending completion of the transaction. Now that the matter has completed, this report contains a detailed analysis of the terms and conditions of the sale and, for the purposes of openness and transparency, confirms the financial and legal basis for the various decisions that have been taken.

The sale of Friars Walk involved a complex tripartite arrangement between the Council, Talisker and Queensberry, and their various group companies. The Talisker proposal was effectively a phased purchase scheme, with the Council receiving a capital sum £83.5 million from Talisker on completion, together with a further sum of £1.039m from the Friars Walk Rent Account, in settlement of the Queensberry development loan and interest. This capital payment was sufficient to discharge the Council principal debt of approximately £82 million.

In addition to the capital lump sum, the Council is also guaranteed an additional £7.5 million through a priority rent-share agreement with Talisker, giving a total repayment of approximately £92 million, although the time-scale for payment will depend on the future net operating income from the scheme. Although the Council was required to “write-off” the balance of the loan debt and rolled-up interest due from Queensberry, this will be recoverable in due course through the cash-flow “waterfall” in the Agreement between the Council and Talisker. In effect, the Council has converted the full interest payment on the Queensberry loan into a rent-share with the new owners going forward, so the full amount will be repayable.

Proposal To note and endorse the contents of this Report regarding the terms and conditions of the sale of Friars Walk.

Action by Head of Law & Regulation and Head of Finance

Timetable In accordance with the timescales set out in the sale documents

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Head of Finance
- Corporate Director – Place

Signed

Background

1. The sale of Friars Walk to the Talisker Corporation, a Canadian equity investment company, was completed on 9th June 2017. Cabinet have received a number of confidential Part 2 presentations, setting out the precise financial and legal implications of the Talisker deal, but that information has remained commercially confidential, whilst negotiations were on-going and pending completion of the transaction. Now that the matter has completed, this Report contains a detailed analysis of the terms and conditions of the sale and, for the purposes of openness and transparency, confirms the financial and legal basis for the various decisions that have been taken.
2. Chronology
 - 2.1 On 30th September 2011, the Council entered into a conditional Development Agreement with the preferred bidders for the Friars Walk redevelopment scheme, Queensberry Real Estate (Newport) Limited (“QRE”). The heads of terms for the Development Agreement were approved by Cabinet, following a competitive procurement process.
 - 2.2 The Development Agreement provided for the grant of a 250 year development lease from the Council to QRE at a peppercorn rent when various pre-conditions were satisfied and the Agreement went unconditional. The Agreement and Lease required QRE to complete the approved development in accordance with the agreed programme of work. The Agreement and Lease also required QRE to use their reasonable endeavours to maximise development profit upon the sale of the asset and to secure market value, with any project surplus or “profit” being shared equally between the Council and QRE. It was agreed that, if there was any surplus after the repayment of the development funding and the funder’s return on their investment, the Council would then have a priority return in relation to its initial Seed Funding any further development profit would then be shared equally.
 - 2.3 However, QRE were unable to secure private sector development funding on favourable commercial terms. Although bank funding was available, the rate of return on their investment meant that there would be little or no surplus for the Council or QRE. Also, the banks were not prepared to provide senior debt funding until Friars Walk was 60% pre-let and there was a risk that further delays could affect the timescales agreed with Debenhams, as the key anchor tenants.
 - 2.4 Therefore, on 26th November 2013, full Council agreed to provide QRE with development funding to deliver the scheme, on commercial terms to be agreed by the Head of Finance and the Head of Law and Standards and subject to satisfactory due diligence and financial appraisal. The Head of Finance was authorised to prudentially borrow up to £90 million for this purpose.
 - 2.5 The Funding Agreement with QRE was completed on 13th December 2013, with the Council providing a loan facility up to £89,110,000 (inclusive of rolled-up interest) at a fixed rate of interest of 5.95% p.a., with the loan being repayable in full 12 months after Practical Completion of the Scheme or on 1st June 2017 (whichever was the earlier). Repayment of the Council loan was secured by a charge against the 250 year Head-Lease, Guarantees from the various companies within the Queensberry Group, debentures over the Company assets and direct agreements with the contractors, Bowmer & Kirkland, and the retail tenants. The Council had step-in rights to complete the development and forfeit the Lease in the event of any default during the construction phase.
 - 2.6 The Head Lease was completed in January 2014 and granted to Friars Walk Newport (Limited) (“FWN”) a separate special purpose vehicle and subsidiary company of QRE. The Council loan charge was secured against the registered title to the Head Lease.
 - 2.7 As a consequence of the Council providing development funding for the scheme, the original profit-share arrangements in the Development Agreement with QRE were amended to provide a

greater share for the Council, to reflect the public investment. In terms of the distribution of the sale price, the Council had priority for the repayment of its loan and rolled-up interest, and first call on any further monies in relation to repayment of demolition costs and seed funding. Any remaining project surplus was then to be shared between the Council and QRE in the following proportions:-

First £4 million – 80% Council, 20% QRE;
Next £4-8 million – 60% Council, 40% QRE;
Above £8 million – 50% Council, 50% QRE

2.8 Practical Completion of Friars Walk was achieved on 12th November 2015, although there was sectional completion of the various phases, with the last phase being signed off on 8th December 2015. Therefore, the Council's loan, together with rolled-up interest became repayable in full on or before 8th December 2016. Failing this, QRE would have been in default under the Funding Agreement and security documents and the Council would have been entitled to enforce its legal rights under the charge over the Head Lease. As at the repayment date in December 2016, the total QRE debt to the Council amounted to approximately £91 million, although the Council only borrowed and loaned to QRE approximately £82 million of primary debt, with the remaining £9 million being accrued interest charges.

3. Sale and Re-financing options.

3.1 QRE began marketing the scheme with potential investors immediately following the opening of Friars Walk in November 2015 and also considered the options for re-investment and re-financing of the loan, to repay the Council debt.

3.2 The original development loan was approved by the Council in exercise of its general powers of "well-being" under Section 2 of the Local Government Act 2000. The primary purpose of the loan was to secure the wider social and economic benefits of the scheme in terms of regeneration, inward investment and employment. This had been achieved by November 2015, in that the Scheme had been built and 86% let, over 1200 new jobs had been created and it had delivered a significant step-change in the regeneration of the City Centre. The commercial rate of return on the Council's loan, both in terms of interest payments and profit-share under the Development Agreement, were secondary issues. However, in terms of the Council's fiduciary duty, it was still necessary to secure the best possible terms for the repayment of the public funding.

3.3 QRE initially advertised Friars Walk for sale and agreed heads of terms with the Talisker Corporation early in 2016, for a phased purchase of the scheme. However, the Council was informed by QRE that those negotiations had fallen through and they intended to take the scheme back to the market in July 2016, following Brexit. In the meantime, the Council received a direct approach from Talisker to confirm that it was still interested in purchasing the scheme, albeit on revised terms.

3.4 Informal Cabinet meeting on 28th October 2016 then received a confidential Part 2 presentation regarding a number of options for the sale or re-financing of Friars Walk. The options were based on the Talisker proposals that had been submitted directly to the Council and alternative proposals identified by QRE following a second market testing exercise. There were essentially five potential options:-

- (a) Sale to Talisker;
- (b) Sale to [Investor A];
- (c) Sale to [Investor B];
- (d) Re-finance with QRE;
- (e) Re-finance by the Council.

3.5 The sale to Investor A was discounted because it provided less than the Talisker offer and, therefore, could not be regarded as "best value" for an immediate sale of the scheme. Although it

was a cash purchase, using equity funding and not dependent on any bank loan, the amount guaranteed was only £77 million and this was insufficient to cover the Council's primary debt of £82.2m. Any future profit-share was entirely dependent on sale values and, based on the proposed yields, the maximum that the Council would receive was £83 million, which was less than the sums recoverable under the Talisker proposals

- 3.6 The sale to Investor B was also discounted because it was effectively a "sale and re-purchase" agreement, with the Council retaining all risk in terms of management and rental income. In return for £83.5 million, the Council would have to enter into a non-assignable 35-40 year equity strip lease, guaranteeing an indexed linked rent of £3.5 million per annum. Although the Council would have the benefit of the remaining rental income from the scheme, it would have retained all the financial risk and could not dispose of the asset. It provided a secured income and a good covenant for Investor B, but an expensive and risky option for the Council to secure funding to discharge its development loan. It was more cost-effective for the Council to take ownership of the asset and re-finance the borrowing itself.
- 3.7 QRE also put forward proposals for a re-financing arrangement to enable them to retain ownership of the scheme, with a combination of Council and bank funding. This would have entailed the Council providing continuing funding of £33 million at 5.95% interest, but this would have ranked in priority behind senior bank funding for the balance of the debt. In effect, the Council would have become an unsecured subordinate lender, retaining all of the risk in terms of its £33 million loan, with the bank charge having priority over the value of the asset. Because of the level of risk, Cabinet were advised that an interest rate of £5.95% was likely to constitute unlawful state aid, as any other commercial lender providing mezzanine funding would be charging rates in the region of 10-15%. However, this option was not economically viable for QRE at a higher interest rate because there was insufficient rental income to cover the full loan repayments to both the bank and the Council and they were not putting in any equity funding themselves. Therefore, Cabinet agreed that there were fundamental legal and financial problems with this option and it should, therefore, be discounted.
- 3.8 This meant that the only two viable options were either a sale to Talisker or the Council re-financing the loan itself and taking ownership of Friars Walk.
- 3.9 Re-financing was a viable alternative option, as shown in the estimated rental values and financial appraisal, if the Council wished to retain the investment and sell the asset at a later stage when the property and financial markets had recovered sufficiently from Brexit. This would have entailed the Council effectively to "writing-off" the entire £91 million debt due from QRE and agreeing to convert this into a capital investment asset, going forward. The net operating income from the lettings would be used to finance the Council's loan charges over a period of years until the asset could be sold when the investment property market improved.
- 3.10 From a purely commercial viewpoint, re-financing and a future disposal could have generated a higher sale price, but Cabinet recognised there were inherent financial risks with this option. The re-financing would also have required the consent and authorisation of full Council as it fell outside the purpose of the original loan, which was to secure the completion of the development, rather than commit to any longer term investment.
- 3.11 Therefore, Cabinet agreed that the preferred option was a sale to Talisker, on commercial terms, which represented the best market price obtainable for the scheme at the present time. This was clearly demonstrated by the market testing carried out by QRE and comparability with proposed sale terms offered by other potential investment purchasers. The Talisker proposals would enable the Council to discharge the primary loan debt and interest charges. Accordingly, officers were instructed and authorised to agree the detailed terms and finalise the necessary documentation for the delivery of the proposed sale to Talisker.
- 3.12 However, Cabinet recognised that, if the Talisker deal did not complete, for whatever reason, then the fall-back position for the Council would be to take control of the asset itself, re-finance

the debt and utilise the net operating income from the scheme to service that debt until such time as a new buyer could be found. The alternative options for seeking private sector re-finance for the loan debt were discounted on the basis that it would be more cost-effective and involve less financial risk if the Council took control of the asset and re-financed the borrowing itself. This default position was confirmed by Cabinet, following consideration of a public report, at a subsequent meeting on 21st December 2016.

4. Talisker sale

- 4.1 The Talisker proposal was effectively a phased purchase scheme, with a gross purchase price of £83 million and the Council receiving a net sum of £81.6 million upon completion, following deduction of committed development costs, capital incentives and transactional costs. The guaranteed minimum payment was sufficient to discharge the Council principal debt of £82 million.
- 4.2 In addition to the capital lump sum, the Council was also guaranteed an additional £9.1 million through a priority rent-share agreement with Talisker, giving a total repayment of £90.7 million, which was sufficient to pay off the QRE loan debt and rolled-up interest of £91 million.
- 4.3 The Talisker deal was more complex from a legal perspective as it involved the company purchase of FWN from QRE and with it the Head Lease, a re-assignment of the Head Lease to a Talisker special purposes company and the creation of an equity strip lease with another Talisker Company at an index-linked rental of approximately £820,000 per annum. The purchase price would be paid through a combination of Talisker equity and bank funding secured against the remaining rent under the Head Lease.
- 4.4 The additional £9.1 million rent-share would be paid over a number of years, depending on the net operating income generated by the scheme. The net rent income would be allocated according to the rent-share “waterfall” in the legal agreement between the Council and Talisker. Talisker would take the first £4.5 million of net rent as a priority return on their investment, with the Council receiving the next £9.1 million. Talisker would then receive the next £15 million and thereafter the rent would be shared between the Council and Talisker on a 30:70 split. Talisker would have the option of buying out the Council’s 30% rent share at a fixed yield of 6%, provided that the Council received at least £9.1million.
- 4.5 This required a tripartite arrangement between the Council, Talisker and QRE/FWN. QRE would sell FWN and the Head Lease to Talisker and the Council would discharge QRE from all further obligations and debt under the Development and Loan Agreements in consideration of the initial £81.6 million. Although the Council would have to “write-off” the balance of the loan debt and rolled-up interest due from QRE, that would be recoverable in due course through the cash-flow “waterfall” in the Agreement between the Council and the Talisker subsidiary Company that would take ownership of Friars Walk. In effect, the Council would be converting this interest payment on the QRE loan into a rent-share with the new owners going forward, so the full amount of debt and interest would be repayable, although the time-scale for payment would depend on the future net operating income from the scheme.
- 4.6 Nevertheless, QRE would have to be discharged from their liability to repay the balance of their loan. Cabinet were advised that the discharge of the balance of the debt in relation to QRE would not constitute unlawful state aid because there was no commercial profit being made by the developers due to the sale price of the asset. The shortfall between any market sale price and the amount of the outstanding loan was always identified as a commercial risk and that would be the same for any lender. There were no assets within the Development Company to enforce the balance of the debt and the only asset against which the debt could be enforced was the Head lease itself.
- 4.7 Cabinet were also advised that the sale to Talisker would discharge the Council’s fiduciary duty to its Council tax payers regarding the use of public money. The Council had to act reasonably,

having regard to all relevant factors when taking any decision regarding the use of public funds. However, it was evident from the other potential offers and the advice of the Council's external experts, Sanderson Weatherall, that the Talisker offer represented the best price reasonably obtainable in the open market for the sale of the scheme at the present time. Therefore, it was entirely reasonable for the Cabinet to accept the Talisker proposal and it also discharged QRE from their obligation to secure market value for the sale of the scheme in accordance with the Development Agreement with the Council, albeit that there was no surplus profit to be shared. The Talisker proposal was the only sale option which enabled the Council to effectively discharge its primary debt upon completion and guaranteed payment of the total loan debt and interest over a period of years. It removed any financial risk and was consistent with the original purpose of the development loan agreed by Council.

5. Sales Process.

5.1 Following the Cabinet decision in October 2016 and the acceptance of the Talisker proposal as the preferred option, further negotiations were concluded between the Council, QRE and Talisker and signed heads of terms were exchanged, subject to contract, on 17th November 2016. This granted exclusivity to Talisker in terms of the sale process, subject to legal and financial due diligence.

5.2 The original target completion date was at the end of December 2016 and provisional figures had been calculated as at that date. However, because of the complexity of the transaction, the various company structures and tax issues that had to be resolved and the extent of the due diligence that had to be completed, the timescales for completion slipped until March 2017. In the meantime, QRE were technically in default under the repayment terms of the Funding Agreement, but the Council agreed not to take any action to enforce the outstanding debt, pending completion of the Talisker sale.

5.3 In March 2017, further discussions were held between the Council and Talisker regarding the estimated rental values used as the basis for calculating the purchase price and rental share terms. The due diligence process with QRE had identified a significant shortfall of approximately £500,000 per annum between the estimated rental values and the net operating rents being received, because of vacancy provisions and turnover rent calculations. Talisker were confident that the deficit could be turned around in the short term once the vacant units were fully let and turnover increased and they remained fully committed to the purchase. However, their bank was unable to provide the necessary gap-funding, based on the security of the current net rental figures. Talisker were prepared to increase their own equity funding and to reduce the amount of borrowing to help bridge the gap, but they needed assistance from the Council in the form of an investment subsidy agreement in order to secure the balance of the bank funding.

5.4 The investment subsidy arrangement was based on the Council agreeing to pay up to a maximum of £500,000 per annum for a fixed period of 15 years, to effectively guarantee the level of net rental required to secure the full purchase price and the bank funding. This was to be paid on a quarterly basis in advance, but subject to retrospective quarterly and annual reconciliations, so that all or part of the subsidy would be repaid to the Council if the actual net rental from the scheme increased and eventually reached the minimum required levels. The financial projections indicated that this subsidy would not be required after the first few years because of future lettings, rent reviews and growth in the scheme. In the meantime, the net interest payments received from the loan had been set aside in an earmarked reserve and this could be utilised to offset the investment subsidy. Therefore, the financial implications of the subsidy payments could be managed and mitigated, without having any significant budgetary consequences for the Council. In the event of Talisker buying-out the Council's rent-share at any time during the 15 year term, then the investment subsidy agreement would automatically terminate.

5.5 These proposals were considered by Cabinet at an informal meeting on 20th March 2017. Cabinet were advised that the investment subsidy agreement was within the Council's legal powers and it would not constitute unlawful state aid. Although the Council has the legal power to

enter into financial guarantees under Section 2 of the Local Government Act 2000, if this promotes general well-being and is consistent with corporate plan priorities, this arrangement was not a rental guarantee, as such, but a contribution towards Talisker's financing costs and a commercial arm's length arrangement intended to protect the Council's investment in the asset. For the same reason, the subsidy payment would not constitute unlawful state aid because the Council was acting in the same way as a private investor in a market economy, so it satisfied the market economy investor principle. The subsidy would be repaid in whole or part once the net rental income for the scheme reached the minimum required levels.

- 5.6 The investment subsidy also protected the market value of the asset and preserved the sale price and the Council's rental-share. Based on agreed yields of 6%, a £500,000 reduction in net operating income effectively reduced the capital investment value of the asset, at current figures, by approximately £8.3 million. Therefore, without the agreed subsidy, the capital sum payable on completion would have been reduced to £75.2 million. Even if the full amount of the subsidy was paid for the full 15 year term (which is highly unlikely, given the scope for additional lettings, increased turnover and rent-reviews), this would only cost the Council £7.5 million, by comparison. In reality, the subsidy is only intended to cover any rental shortfall for the first few years of trading, but the additional security provided by this side agreement would safeguard the full sale price. In essence, it represented a commercial joint venture arrangement, with Talisker and the Council sharing the risk and the rewards of future investment growth.
- 5.7 Cabinet was also advised that, even allowing for this investment subsidy, the Talisker deal still represented best value for the Council. The comparative proposals put forward by other potential investors back in October 2016 were, again, based on the higher estimated rental values provided by QRE and the figures quoted, at the higher yields, would also have been significantly reduced because of the shortfall in net operating income. The guaranteed capital sum and future rental share provided by Talisker was still significantly higher than the alternative proposals. Although the Council still had the option of re-financing and taking ownership of the scheme itself, the reduced rental income meant that this significantly increased the inherent financial risks of this option.
- 5.8 Therefore, Cabinet agreed on 20th March 2017 that the Council should proceed with the Talisker deal and enter into the investment subsidy agreement.
- 5.9 Talisker and the bank subsequently completed their due diligence and, once the suite of legal documents had been signed-off by all of the various parties, the funding was secured and the sale was finally completed on 9th June 2017.

6. Legal Documents.

- 6.1 There were a large number of inter-related legal documents required to complete the transaction, because of the complex nature of the tripartite agreement between the Council, various group companies established by Talisker and QRE/FWN. The asset was owned by FWN, but was subject to a charge in favour of the Council in relation to the loan funding, while the debt was due from QRE as the developers. The corporate structure within the Talisker group and the on-going contractual relationship with the Council in relation to the rental share and subsidy arrangements also required separate legal agreements.

6.2 Talisker and QRE

(a) Share Purchase Agreement

QRE sold their shares in FWN to Friars Walk Holdings Ltd ("FWHL") (a special purpose company established by Talisker) for a nominal sum.

- (b) The 250 year head-lease with the Council transferred with FWN, together with the apportioned rents received for the period following completion.

- (c) The consideration for the company transfer also required Talisker to pay a capital sum of £83.5 million directly to the Council, to discharge the Council loan debt and to settle the inter-company debt between FWN and QRE.

6.3 QRE/FWN and the Council

- (a) Deed of Release

This released Queensberry from their obligations as Guarantors for the Council loan and discharged the shares and other securities provided in respect of the debt;

- (b) Discharge of registered charge DS1

The Council discharged its registered charge against FWN's legal title to the 250 year head lease, in consideration of the purchase monies settling the outstanding loan debt;

- (c) Deed of Settlement and Release

The Council accepted the purchase monies and the balance of the monies held in the FWN Rent Account in full and final settlement of the loan debt due from QRE, discharged QRE from their obligations in the Development Agreement in terms of securing best value, and discharged QRE and FWN from all further obligations under the Funding Agreement. This effectively meant the Council "writing-off" the balance of the loan debt and accrued interest due from QRE.

The Agreement further provided for a contingency sum of £250,000 to be transferred from the FWN Rent Account to the QRE Project Account, to be used to settle any residual developers' liabilities in relation to Friars Walk. All payments would require prior approval by the Council and any unused funds would be returned to the Council as soon as possible after 6 months.

- (d) Side agreement in relation to any personal tax liabilities.

The Directors of QRE required an indemnity from the Council in respect of any personal tax liabilities that may be charged by HMRC in relation to the "write-off" of the balance of the Council debt. Advice from tax consultants had already confirmed that no such corporation tax liability was likely to arise and the new owners of FWN would be primarily responsible for any such charge. However, QRE were insistent on a personal guarantee from the Council.

- (e) Side agreement relating to the recovery of SDLT

QRE agreed to reclaim an advance payment of Stamp Duty Land Tax which was paid out of the Council funding as an allowable development costs but is now recoverable due to the amendments to the head lease and the fact that there is no development profit-sharing. Therefore, a further sum of approximately £50k will be repayable to the Council in due course.

6.4 Council and Talisker

- (a) Deed of Variation and Assignment of Head Lease

The existing 250 year head lease with FWN was varied to remove the original profit-share provisions contained in the Development Agreement. Landlord's consent was given for the head lease to be assigned by FWN to the new Talisker holding company, FWHL.

- (b) Consent to Sub-Lease

This enabled FWHL to create the equity strip lease in favour of another group company, Friars Walk LH Ltd ("FWLHL") at a fixed rental of £825,000 per annum (index linked). FWLHL receive the rents payable by the tenants at Friars Walk under their sub-leases and, after paying the fixed equity rent, retain the balance of the net income from the scheme.

- (c) Investment Subsidy Agreement

The Council agreed to pay a subsidy of up to £125,000 per quarter (£500k per annum) for a period of 15 years to an associated company within the group, Friars Walk Finance Limited.

The subsidy is to be used to top-up the net rental income from the scheme to meet the minimum financial appraisal required as security by the funders.

(d) Income share agreement.

This Agreement, between the Council and FWLHL, sets out the rental share “waterfall” and the obligations in relation to the investment subsidy payments and future capital incentives. It was based on the priority returns agreed by Cabinet in October 2016, but updated to reflect the subsequent subsidy arrangements and additional Talisker equity funding. In summary,

- (i) The Council received a capital sum of £83.5 million.
- (ii) There is a requirement for the Council to make a £1.6 million contribution towards any capital incentives payable by FWLHL during the next 5 years in respect of letting the one vacant major store unit. This had previously been netted-off the original Talisker offer because it was assumed that the expenditure would be incurred before completion, but the Council now elected to take the money up front and to repay the capital contribution if it was required. If the £1.6 million is called upon, then it is added to the Council’s priority return under the “waterfall”.
- (iii) FWLHL receive the first £4.25 million of net operating income;
- (iv) The Council then receives the next £7.5 million of net rental income (or £9.1 million if the £1.6m capital contribution is paid out)
- (v) FWLHL receive the next £15 million rental as the return on their investment;
- (vi) Thereafter, all net operating income continues to be shared, with FWLHL receiving 70% and the Council a 30% share;
- (vii) If the parties have not received their priority returns within the first 5 years, then the income is shared on a 70:30 basis until the Council has received its £7.5 million (or £9.1m as the case may be), to reflect the fact that Talisker require a return on their equity investment within this period. The “waterfall” then resumes afterwards, with FWLHL receiving the balance of their return.
- (viii) In addition, there is a quarterly and annual reconciliation of the net operating income and, in the event that the investment subsidy of £125k is not required, then FWLHL have an obligation to reimburse the Council within 20 working days.
- (ix) The rental-share agreement will bind any successive owners of the equity strip lease and there is an obligation to secure a direct deed of covenant with the Council to secure this obligation.
- (x) FWLHL have the option to “buy-out” the Council’s rent share at any time after 3 years, at an agreed rental yield of 6%, provided that the Council received a minimum of £7.5m (or £9.1m, as the case may be).

(e) Side agreement relating to tax indemnity

FWLHL gave an undertaking to ensure that any corporation tax liability in relation to the writing-off of the balance of the QRE loan debt will be paid or off-set against capital allowances, so as to avoid the need for any call on the Council guarantee provided to QRE (see paragraph 6.3 (d) above).

Financial Summary

7. On completion, the Council received:-

	£
Purchase Price	83,500,000
Balance of Rent Account (less transaction costs)	1,039,980
Settlement Sum	84,539,980
The difference between the settlement sum received and the total loan debt and interest due from QRE (approximately £7.5m) was effectively "written-off".	
Sums paid out on completion:-	
Advance payment of bus station rent	15,000
Apportioned investment subsidy payment from 9.6.17 to 23.6 17.	21,978
Net Sum	84,503,002

This was more than sufficient to pay off the Council's primary debt, interest on prudential borrowings and MRP provision (approximately £82m).

In addition, a repayment of **£50k** SDLT will be made by QRE once this has been recovered from HMRC.

Any unused funds from the **£250k** contingency will also be returned by QRE to the Council as soon as possible after 6 months

Under the income-sharing arrangements with FWLHL, the Council is due a minimum additional payment of **£7.5 million** (making **£92 million**, in total), although the timing of the payments will depend on the profitability of the scheme, future turnover and rental values.

The Council has agreed to make a capital contribution of up to **£1.6m** towards specific letting costs incurred by FWLHL within the next 5 years but, if this is called on, then it is added to the rental return (giving a £9.1m priority), so the Council still receives a minimum of £92m.

The Council has also given a commitment to pay an investment subsidy of **£125k** a quarter (£500k per annum) for the next 15 years, but this will only be utilised if net operating rental income fails to reach minimum agreed levels.

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?
Rental income for the scheme fails to reach minimum levels and the Council subsidy of £500k has to be paid for the next 15 years.	M	L	<p>There is an “open book” agreement with FWLHL to scrutinise rental income and to agree future lettings. Letting the remaining vacant units and increased turnover in the short term should improve rental income sufficiently to avoid the need for the subsidy.</p> <p>On a worst-case scenario, the total subsidy payments of £7.5 million are less than the £8.3m reduction in the purchase price, if the subsidy had not been provided</p>	Head of Finance Head of Law & regulation
Rental income for the scheme fails to deliver the Council's additional £7.5 million (or £9.1m if the capital contribution is required)	M	L	<p>The Council will still have received a sufficient capital sum to discharge its primary debt and interest. The profit-share effectively guarantees the Council a share of net rent until the additional £7.5m has been received and an on-going 30% share if the option to buy is not exercised.</p> <p>The risk is really one of timing rather than not receiving the additional payment. Rent-reviews will eventually ensure that rental income increases over a period of time, but the Council may have to wait a number of years before it receives the full amount of its rental share.</p> <p>The “open book” arrangement with FWLHL will enable the Council to scrutinise rental income and agree future lettings. Letting the remaining vacant units and increased turnover in the short term should improve rental income.</p>	Head of Finance Head of Law & regulation

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The redevelopment of the City Centre as an attractive place for shopping, leisure and tourism is an essential component of the Corporate Plan in terms of making Newport a Safer City and a better place to live for all our citizens

Options Available and considered

To note and endorse the contents of this Report regarding the terms and conditions of the sale of Friars Walk Text here

Preferred Option and Why

To note and endorse the contents of this Report regarding the terms and conditions of the sale of Friars Walk

Comments of Chief Financial Officer

The financial outcomes and risks from the sale to Talisker are set out in the report. The sale to Talisker represented best value at the time of sale and all options available were assessed on the ability to repay the principal debt and rolled up interest and the future risk to the Council.

The initial sale price enabled the principal debt to be repaid in full and an element of the rolled up interest to also be repaid, with the remaining amount being replaced by a debtor in relation to future income generation.

There is a potential future payments in relation to the investment subsidy, however this is based on a maximum amount over 15 years of £7.5m, and as detailed in the report with future lettings, rent reviews and growth in the scheme it is unlikely that this subsidy will be payable after a number of years.

Throughout the process the surplus net interest receivable from the loan made to QRE has been set aside in an earmarked reserve, for any potential future risks arising from the scheme. This will be able to be utilised to offset any provision required in relation to the investment subsidy, therefore not cause any additional pressure on the MTFP.

Comments of Monitoring Officer

Set out in the Report.

Comments of Head of People and Business Change

There are no specific staffing or policy implications.

Comments of Cabinet Member

The Leader has approved this Report for consideration by Cabinet.

Local issues

The matter is of general importance.

Scrutiny Committees

Not applicable at this stage.

Equalities Impact Assessment and the Equalities Act 2010

There are no equalities implications.

Children and Families (Wales) Measure

There are no implications specifically for children and young people.

Wellbeing of Future Generations (Wales) Act 2015

The proposed action is in accordance with the sustainable development principle and, in particular, the longer-term financial and regeneration objectives of the Council, in terms of social and economic well-being

Crime and Disorder Act 1998

There are no specific crime and disorder implications

Consultation

Not applicable

Background Papers

The legal documents and agreements set out in paragraph 6 of this Report, to the extent that they do not contain commercially confidential information.

Dated: 19 July 2017

Report

Cabinet

Part 1

Date: 19 July 2017

Subject Annual Report of the Director of Social Services

Purpose To present to Cabinet the Annual Report of the Director of Social Services.

Author Mike Nicholson, Strategic Director (People)

Ward City wide

Summary This report is the Director's evaluation of 2016/17 performance for Social Services and it identifies improving performance and, 'value for money' at a time of austerity. We are ready for the requirements of the Social Services and Wellbeing Act 2014. The report takes a backward look through, 'Telling the Story' and forward look by identifying strengths, weaknesses, opportunities and threats.

The bulk of the report comprises an account of how we are responding to the Future Generations and Social Services and Wellbeing Acts' requirement to deliver on citizen wellbeing. There are six quality standards and we set out a full account of our performance. The evidence demonstrates that we are well placed to continue to provide a comprehensive range of services that deliver improved wellbeing outcomes for citizens of Newport.

Proposal To receive the Annual Report of the Director of Social Services, 2016/17.

Action by Mike Nicholson and James Harris

Timetable Immediate

This report was prepared after consultation with:

- Social Services staff
- Cabinet Member for Social Services
- Monitoring Officer
- Head of Finance
- Head of People and Business Change

Signed

Background

The purpose of this annual report is to set out the local authority's improvement journey in providing services to people in Newport, who access information, advice and assistance, and those individuals and carers in receipt of care and support. This report sets out to demonstrate how Newport Social Services has responded to the new requirements of the Social Services and Well-being (Wales) Act 2014 and how we have promoted and accounted for the delivery of well-being standards to the citizens of Newport.

The Regulation and Inspection of Social Care (Wales) Act 2016 (R&I) and the ***Social Services and Wellbeing (Wales) Act 2014 (SSWB)*** sets out the requirement for the Director to produce an annual report setting out the performance of Social Services, following the format proscribed by the Local Authority Social Services Annual reports (Prescribed Form) (Wales) Regulations 2016 and is intended for a range of audiences as set out in the Local Authority Annual Social Services Report guidance document.

The intention of the report is not to detail process but to focus on the journey and outcomes achieved and the impact this has had on citizens in Newport. The evidence of our citizens has been used throughout the report as has the contribution of our partner agencies and commissioned services.

Director's Summary of Performance

Introduction

This is my last report as Director of Social Services before I retire and hand over to James Harris who will be the next Strategic Director (People) in Newport City Council. I would therefore like to extend my thanks to all those colleagues who have offered me advice and support over the past four years. In particular I would like to thank the Leader, Cabinet Members, my Heads of Service, managers and practitioners in Social Services and also in Education as well as corporate and colleagues from partner agencies.

I believe that we are at a watershed moment for Social Services as we try to balance the aspirations of the Social Services and Wellbeing Act 2014 and the Future Generations Act 2015 against the continuation of austerity.

This report demonstrates an inspiring journey of transformation in Social Services. We have delivered genuine value for money insofar as we have 'washed our face' financially over the past five years and also contributed to corporate financial challenges. Funding for Social services is now a national and UK wide concern and we have every hope that this will lead to increased investment in the coming 5 years. As Director of Social Services I can say with confidence that without additional investment, it will not be possible to achieve the same record of financial probity without failing in our statutory duties and increasing safeguarding risks to the most vulnerable people in our community.

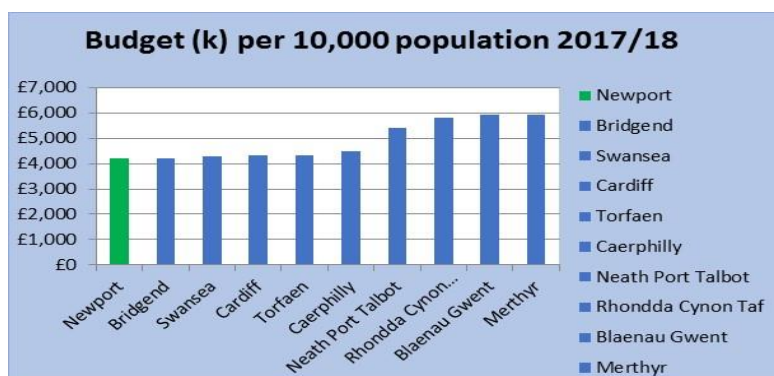
It is our hope that the Welsh Government will avoid this risk by continuing to invest in Social Services at the level they have during 2017/18.

Telling the Story

In a review of our performance over the past five years, 'Telling the Story' (see appendix), it is noted that whilst there has been occasional modest overspending over the past five years, savings outweigh investment by £3.8m.

This was achieved through re-engineering, restructuring, developing and adopting a robust commissioning strategy, enhancement of prevention initiatives and developing alternative provision such as assistive living technology and medication management. Currently Newport has the lowest net budget per 10,000 of the 10 local authorities in its comparator group, see figure 1 below.

Figure 1 – Spend Comparisons with Comparator Authorities – Budget per 10,000 Population 2017/18



Lessons learned include the need to, ‘take everyone with us’ when on a transformation journey and we take time to, ‘celebrate success.’ We realised that we have not always, ‘communicated our achievements’ to corporate colleagues as well as we should have and to a degree the full nature of the transformation has been somewhat hidden.

We also identified a number of key success factors and these include the importance of having, ‘a clear vision, purpose and underpinning values’ (Justice;Hope;Humility). ‘Strong governance’ ensured that projects delivered and a, ‘sense of pace’ was present in our most successful ventures. Developing a ‘successful coalition of change agents’ (Service Managers, the corporate business improvement team and the consultancy Peopletoo) that supported, ‘culture change,’ and the commitment to avoid a blame culture when things went wrong by having a commitment to, ‘capture and apply learning.’

The ‘Telling the Story’ report also highlights the fact that although we have the lowest spend and support less adults in the community than Wales comparators, we support around twice as many people when compared to England. Despite the level of deprivation in Newport, we have significantly lower rates of delayed transfers of care from hospital than the Wales average and we are, ‘mid-table’ compared to English comparators.

We support slightly more children in need than the Wales average and slightly less than the English average. There are lower numbers of children (per 10,000) on the Child Protection Register in Newport than the Wales and English average and we are below the Wales average and about the same as English comparators for the rate of children in care.

Implementing the Act

Throughout last year we used a programme management approach to implement the requirements of the Social Services and Wellbeing Act 2014. I am pleased to say that we have made considerable progress and are well placed to deliver on the letter and the aspirations of the law. The body of this report sets out our performance in delivering the Information, Advice and Assistance, care and support planning and review and distance travelled evaluation required in law. We are particularly proud of our developing preventions network and we have really benefitted from the Wales Government Intermediate Care Fund grant. We are making progress on Welsh Language requirements and have set the autumn as the date for implementing the all-Wales integrated data and case management system and we have electronic information systems for the public such as Dewis and ‘Ask Sarah.’

We need to improve our performance in the use of the distance travelled evaluation system and in compliance with the requirements for the Welsh Language.

CSSIW Feedback

In June 2017 we received a performance review letter from our colleagues in CSSIW and their assessment of our performance in 2016/17 included the following comments:

- Adult Care Management teams, aim to 'provide more effective individual outcomes': *CSSIW, 'we confirmed significant progress towards this aim—closer managerial oversight, coupled with maintaining an appropriate skill mix in each of the revised teams—is key to ensuring that progress made becomes embedded in routine practice.'*
- Relating to Placements for children in care: *CSSIW, 'There continues to be considerable difficulty in finding specialist placements for a small number of young people with very complex support needs—this resulted in difficulties in some of the LA's own provision where children have been placed due to lack of alternatives – the LA is experiencing financial pressures due to use of out of area placements. The LA has as a result put considerable thought into re-shaping one of its in-house residential facilities'*
- *The LA continues to build on its strong partnership with the Health Board, leading to a reduction in DToCs, but has challenges in relation to continuing health care funding*
- *The LA is making progress on implementing, 'More than just Words'*
- *CSSIW will wish to follow up the impact (of resource reductions) on services*

Overall this letter reflects a worry on behalf of the regulator that positive progress may be affected by the impact of austerity, but overall our individual inspection reports and the overall letter reflect the fact that our services are performing well.

Strengths, Weaknesses, Opportunities and Threats (SWOT)

This section of the report takes the form of a SWOT analysis based on the views of senior managers and other colleagues in Social Services. There is much to celebrate with a stable and innovative workforce delivering improving performance and great value for money over the past five years.

Whilst there are considerable threats (mostly financial in an age of austerity), there are also many excellent opportunities.

Promoting and Improving Wellbeing

The main report comprises an account of how we are responding to the Future Generations and Social Services and Wellbeing Acts' requirement to deliver on citizen wellbeing. There are six quality standards and we set out a full account of our performance. The evidence demonstrates that we are well placed to continue to provide a comprehensive range of services that deliver improved wellbeing outcomes for citizens of Newport. We will prepare a delivery plan for the priority outcomes set out below

Wellbeing Outcomes Delivery Priorities (2018/19)

1. We will develop a workforce strategy – as required by CSSIW
2. We will strengthen client informatics – in order to help identify which clients are getting what preventative services in order to target services more effectively through outcome focussed commissioning
3. We will strengthen our work on emotional and mental health services for vulnerable people particularly children in care
4. We will increase social work capacity in YOS – to manage additional referrals arising from targeted police interventions
5. We will improve risk assessments and joint working for young people in need of protection. This is an area identified by inspectors for improvement
6. We will strengthen the voice of carers and vulnerable people in the design and delivery of services

7. We will promote the resilience and independence of citizens in order to avoid creating dependency on traditional forms of service delivery
8. To develop a therapeutic milieu for children in our own residential homes and to explore regional approaches to commissioning residential care for children presently placed out of the Gwent region.
9. To continue the development of person centred care and support in our re-ablement, domiciliary care, residential and nursing care and increasing the use of direct payments and telecare.
10. To develop apprenticeship opportunities in the Council for people who use our services

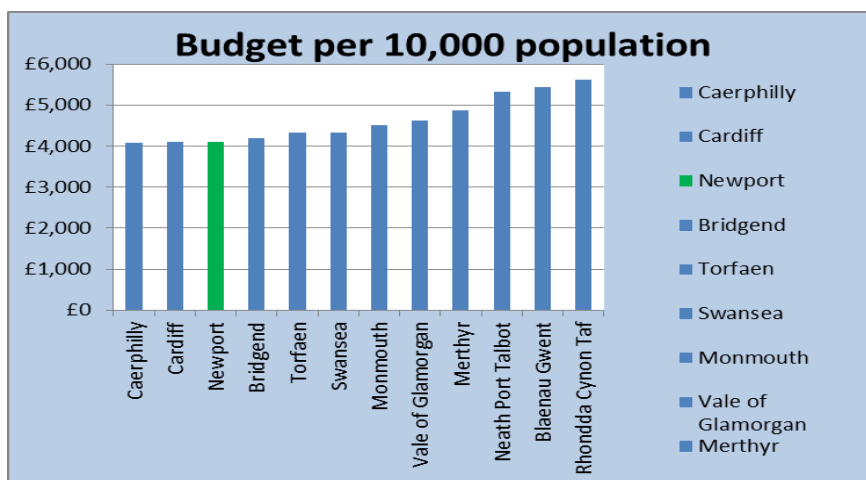
Conclusion

Overall this report sets out a comprehensive account of Social Services performance in the year of implementation of the most transformational legislation in a generation. I believe that the evidence indicates that Social Services has transformed over the past 5 years and that the service provides excellent value for money and has a record of strong, innovative and improving performance that has delivered better outcomes for our most vulnerable citizens. We have told the story of our transformation journey over the past 5 years, set out our future goals and we will be preparing a strategic commissioning plan for the period 2017-2022.

The storm clouds are gathering and without sustained investment from Welsh Government, the service will begin to become less innovative, more pressurised and provide less support to people who are in need. But, whatever the challenges, I can assure the administration and all members that the Social Services workforce will continue to put the needs of the most vulnerable first. We will do everything we can to continue to maintain the high standards of professionalism that is required to protect people from harm and to promote the wellbeing of our most vulnerable citizens.

Financial Summary

Compared to our benchmark and Gwent local authorities, the Social Services Budget for 2016/17 was the third lowest per head of population.



The challenges of delivering Social Services in what is between the 4th or 5th most deprived local authority in Wales (Index for Multiple Deprivation 2014) has led to an overspend at the end of the year. The overspend in Adult Services was £463k which is just over 1% of budget and this is a result of a £1.1m overspend on community care budgets due to more people needing residential and nursing care, and greater costs due to increasingly complex needs. The overspend in Children’s Services was £181k which is around 0.8% of budget and the principle challenge is in finding placements for young people

with complex needs and challenging behaviour. This budget alone had a variance of £890k and it is to the credit of staff that the overall position was considerably less.

For the year 2017/18, Social Services has the lowest net budget per 10,000 of the 10 local authorities in its comparator group.

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 new duties identified in the Social Services and Wellbeing Act 2014 will bring unsustainable financial pressure	H	M	Directors of Social Services (and WLGA) fully engaged with Wales Government on the drafting of regulations and guidance. We are maintaining strong financial controls on day to day decision making in the service	Mike Nicholson, James Harris, Strategic Director (People) Chris Humphrey Head of Adult Integrated Services (Social Care and Health) and Sally Jenkins, Head of Children and Family Services
That users and carers will not have the opportunity to contribute further to our understanding of their experience to inform the development of services in future years	H	L	The plan will be to continue to hold regular and frequent service user and carer forum meetings, as well as making use of a wide variety of other consultative mechanisms that we have put in place for users and carers. We will continue to develop imaginative ways of capturing people's views, comments and experiences	Mike Nicholson, James Harris, Chris Humphrey, Head of Adult Integrated Services (Social Care and Health) and Sally Jenkins, Head of Children and Family Services
The members of staff are not given the opportunity to use this report to gain a greater sense of ownership for the future direction of services and their part in continuous improvement	H	L	The report will continue to be used widely amongst members of staff and partner agencies and used as a vehicle for ensuring a wide ranging discussion in team meetings and management to ensure that it provokes a healthy debate.	Mike Nicholson, James Harris

Links to Council Policies and Priorities

- Single Integrated Plan
 - Skills and Work – Youth Opportunity

- Safe and Cohesive Communities – Antisocial behaviour
 - Safe and Cohesive Communities – Youth Justice
 - Health and Wellbeing – Mental Wellbeing
- Newport City Council's Corporate Plan 2012-17
 - Newport 20/20

Options Available and considered

Option 1 -That Council endorses the Annual Report of the Director of Social Services for 2014/15

Option 2 – That Council does not endorse the Annual Report of the Director of Social Services for 2014/15 and sets out specific reasons and recommendations for action

Preferred Option and Why

Option 1 since the Annual Report of the Director of Social Services is a statutory requirement whereby the Director provides their assessment of performance to the Council

Comments of Chief Financial Officer

There are no direct financial consequences stemming from the annual report itself, although it does emphasise the volume of budget reductions that have been achieved over the last five years. As the report says, further budget savings will be very challenging but in the context of the current financial environment and the size of the social care budgets within the overall Council budget, inevitable.

The report also makes reference to significant progress made throughout 16/17 with regards to the implementation of the Social Services and Wellbeing Act 2014. This has brought new financial and operational challenges to the service area. The strategic change programme is continuing and delivering on its proposals. It is essential that due to the high risk nature of the service, it has robust financial management.

Comments of Monitoring Officer

The Director of Social Services has a statutory duty under the Services and Wellbeing (Wales) Act 2014 (as amended by the Regulation and Inspection of Social Care (Wales) Act 2016) to produce an annual report to the Council, setting out the performance of Social Services in delivering its social care functions during the past year. This Annual report has been prepared in accordance the Local Authority Social Services Annual Reports (Prescribed Form) (Wales) Regulations 2016 and statutory guidance as set out in the Local Authority Annual Social Services Report guidance document. The Report also sets out how the Council has promoted and delivered well-being standards for service users and carers in need of care and support, in accordance with the six well-being outcomes. In accordance with the Council's performance management framework, the Scrutiny Committee is being asked to consider and comment on the adequacy of the draft report in addressing the issues identified. The Report confirms that the Council has made good progress in implementing the Services and Wellbeing (Wales) Act, in a structured and programmed manner, and is meeting the requirements of the Future Generations and Well Being Act in delivering on citizen wellbeing. The final Report will need to be presented to full Council

Comments of Head of People and Business Change

This report sets out the Director of Social Services' own assessment of the performance of Social Services in 2016-17 as part of his statutory role. Whilst there are no direct staffing implications that arise specifically from the report there are potentially implications in the future, either as a result of on-going financial uncertainty or the further implementation of the Social Services and Wellbeing Act or Wellbeing of Future Generations Act. These will need to be considered as they arise and are not the purpose of this report.

The report rightly points out the significant additional pressure applied through the implementation of both Acts and how Social Services is responding and how it will continue to do so.

Comments of Cabinet Member

The Cabinet Member supports the position set out by the Director of Social Services in his report. Recognising the constraints and pressures under which we are operating it is heartening to see that service performance is improving year on year. In addition over the past 5 years, the savings made by Social Services has outstripped additional funding given to the service. This represents good value for money to the citizens of Newport.

Looking ahead, I am mindful of the fact that the Council may be facing even more financial constraints and Social Services will have to play its part. I remain concerned about the impact of austerity upon the ability of Social Services to deliver on its core purpose of safeguarding and promoting the wellbeing of our most vulnerable citizens.

Comments of Scrutiny (Response from Director of Social Services in Italics)

Content of the Annual Report

The Committee commended the Social Services Team on the positive, innovate and creative approach being taken within the service area, and the references to the detail within the report on the journey of transformation within social services to develop and improve the outcomes for service users.

The Committee noted the changes made to the report structure from previous reports, and agreed that the new format contained appropriate levels of detail, was informative and was easy to read making it accessible and understandable. Members felt that the report provided valuable insight on how services were delivered and the impact that it was having on service users

Performance of the Service Area

1. The Committee noted the positive progress being made within both Adult Services and Children and Young People service areas and noted that staff turnover was not an issue at the moment within the teams. Members agreed that going forward, it was fundamental that the service areas continue to 'do the basics' well and support staff within their teams to enable them to undertake their roles effectively. To make sure that a problem does not develop in the future, this should include continuing to ensure that appropriate managerial support and training is provided for social workers, and that caseloads remain at a manageable level.

Agreed by Director of Social Services

2. Within the report, the Director outlines concerns with the ongoing financial situation and the severe risk to the service if funding for social services continues to decrease. The Committee were concerned about this risk and the potential impact on service users as some of the most vulnerable people. Members agreed that this was a key risk within the service area, and that further consideration should be given by the Cabinet as to how the Council is mitigating this risk, and developing a more strategic approach to budgeting to protect vulnerable service users in this area.

This is a matter for Cabinet under advice from officers during the MTRP process

Implementation of the Objectives

3. Members were advised by the Director that a Strategic Commissioning Strategy would underpin this report, which would contain a delivery plan for how the service would implement the

objectives. The Committee requested that detail of any costs associated with implementing these objectives be outlined within the delivery plan.

Agreed by Director of Social Services

4. Implementation of the objectives will be key to the continued improvement within social services. Members agreed that the delivery plan should be monitored on a regular basis and that any update provided should cover:
 - How the objectives are being implemented;
 - How progress is being measured
 - How the voice of service users was being sought and considered in determining progress;
 - An assessment of what impact the implementation was having on service users.

Agreed by Director of Social Services

5. Members agreed that Regional working should be considered to address outcomes for looked after children. It was noted that this was captured within the Quality Standard E Objective; Members agreed that this would be a key area to explore and agreed to highlight this to the Cabinet.

Supported by Director of Social Services

Areas for further consideration

6. Consideration should be given to role of Councillors as Corporate Parents and how the Council can be developed to ensure positive experiences and outcomes for looked after children.

Agreed by Director of Social Services - we will bring forward a work plan to the Corporate Parenting Committee

7. The report highlighted key areas that would warrant further investigation and monitoring going forward. It was anticipated that this would be captured within the delivery plan / Strategic Commissioning Strategy through the delivery of the objectives. The Committee agreed to refer the monitoring of this delivery plan, to the Performance Scrutiny Committee – People for consideration for inclusion on their work programme.

Members felt that this would be a key document that would provide evidence to the Scrutiny Committee when undertaking their role in evaluating the performance of the service area, and give an important indication of progress in key areas of weakness identified.

Agreed by Director of Social Services

8. The Committee agreed to highlight the following issues to the Performance Scrutiny Committee – People to consider for inclusion in their work programme:
 - Outcomes for children in care and the exploration of regional working within this area to improve experience of looked after children ;
 - Participation and involvement – how service users are consulted on decisions;
 - Preventative services – the role of preventative services in reducing the demand for more acute services, and what evidence can be provided and investment in these types of services has an impact on outcomes for service users.
 - Site visits to the facilities.

Agreed by Director of Social Services

In concluding the meeting, the Chairperson noted that it was the Directors last attendance at Scrutiny prior to his retirement at the end of July. The Chairperson thanked the Director of Social Services for his

work over the last 5 years in this role, and commented that the Director had been invaluable in progressing improvements within one of the most important services within the authority.

Local issues

City-wide report

Equalities Impact Assessment and the Equalities Act 2010

Not applicable to this report

Children and Families (Wales) Measure

Not applicable to this report

Wellbeing of Future Generations (Wales) Act 2015

This report sets out how Social Services has responded to the following requirements:

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

Crime and Disorder Act 1998

Not applicable to this report

Consultation

There is a continuing programme throughout the year of meeting with users and carers to help people make their contribution to the continuing intelligence on which my annual report to Council will be built.

Background Papers

Telling the story [‘Telling the Story’](#) (pdf),

Newport City Council

ANNUAL REPORT OF THE DIRECTOR
OF SOCIAL SERVICES 2016/17

DRAFT REPORT

'A Firm Foundation'

'IMPROVING PEOPLE'S LIVES'

Mike Nicholson

STRATEGIC DIRECTOR - PEOPLE

CONTENTS

1. EXECUTIVE SUMMARY	pages 3-4
2. INTRODUCTION	page 5
3. DIRECTORS SUMMARY OF PERFORMANCE	pages 5-12
4. HOW ARE PEOPLE SHAPING OUR SERVICES?	Pages13-14
5. PROMOTING AND IMPROVING THE WELLBEING OF THOSE WE HELP	pages 15-40
6. HOW WE DO WHAT WE DO	pages 40-43
7. APPENDIX:	page 44
A. Telling the Story	

Annual Report of the Director of Social Services 2-16/17

Executive Summary

It is a statutory requirement of the Social Services and Wellbeing Act 2014, that the Director of Social Services provide an annual report on the performance of the service and priorities for the future. This is my final report before handing over to James Harris who will be undertaking this role following my retirement.

In a review of performance over the past 5 years, [‘Telling the Story’](#) (pdf), we set out the transformation journey of Social Services over the past 5 years. Key achievements are identified including improved performance, greater workforce stability, excellent overall financial management and value for money. We have more than ‘washed our face’ by delivering higher savings than investment over the 5 years, despite having the lowest budget per citizen of our comparator group of authorities. Our performance against English authorities is also very good.

Our success is built upon our vision of improving people’s lives by providing, seamless, integrated pathways of support for vulnerable people. This is underpinned by our values of, Justice, Hope and Humility, delivered by shared leadership and strong governance. We have made the changes necessary to deliver the aspirations and requirements of the Social Services and Wellbeing Act 2014 and our regulators CSSIW say that there has been, ‘significant progress’ towards more effective individual outcomes. They note challenges in finding placements for young people with high levels of vulnerability and the resulting pressure on budgets, but they describe a, ‘strong partnership’ with the Health Board as evidenced by reductions in the number of hospital patients who are delayed from going home for social care reasons .

Following a consultation with colleagues I identify strengths, weaknesses, opportunities and threats facing the service:

Strengths: include a strong and stable workforce with year on year good and improving performance. We have a strong ability to engage with vulnerable people and the range and quality of innovation and creativity demonstrated by the workforce helps deliver impact and outcomes for vulnerable people.

Weaknesses: include occasional tensions between workforce teams and the need for us to engage more positively with corporate responsibilities. We need to enhance the voice of the citizen in shaping the design and delivery of services and we need to improve outcomes for children in care and people with mental health challenges.

Opportunities: include the new national data base for Health and Social Care (WCCIS), our strong regional partnerships with Health colleagues including those services where we have the regional lead.

Threats: include the possibility of our progress being put at risk due to continuing financial austerity. We have analysed the range of options open to us for further financial savings and identified the risks and we conclude that it is vital that Welsh Government continue to invest in Social Services at the level they have delivered in 2017/18 (£55m).

The report sets out how people are shaping our services, through citizen consultations, population needs assessments, budget consultations and consulting young people including children in care.

Performance is measured this year by describing how we have impacted upon national outcomes for citizen wellbeing as set out in the Social Services and Wellbeing and Future Generations Acts. This includes how we work together with citizens to provide, Information, Advice and Assistance using conversations like, '*What matters to you?*' as opposed to, '*What is the matter with you?*' Our 'first contact teams deal with 21,800 contacts and requests for help each year, but after initial contact 12% need no help and around 11% of people resolve the issue themselves. The, 'What matters' conversation leads to around 39% of people finding what they need and around 9% of people are referred to preventive services, leaving around 29% or 6,300 people needing assessments and care and support plans.

Our preventive and care and support services use, 'evidence based' approaches which demonstrate increased resilience for vulnerable adults and children as well as reductions in the need for acute services like care or hospital placements. These improvements have been confirmed by independent evaluations - one of which described our family support services as being the best example they have seen in all their work across England and Wales.

Support services for citizen physical, mental health and emotional wellbeing are set out and particular examples of our innovative approach to supporting older people to live well in their own homes are described. In addition safeguarding practice is described and the various roles and activities to ensure that safeguarding is, 'everybody's business' is set out.

Our performance in relation to supporting people to learn, develop and participate in society is described as well as support services for maintaining healthy domestic, family and personal relationships. The final wellbeing outcome is supporting people to achieve greater economic well-being, have a social life and live in suitable accommodation and the report concludes with a description of our workforce, an analysis of financial resources and the role of regional partnerships.

Overall this report sets out a comprehensive account of Social Services performance in the year of implementation of the most transformational legislation in a generation. I believe that the evidence indicates that Social Services has transformed over the past 5 years and that the service provides excellent value for money and has a record of strong, innovative and improving performance that has delivered better outcomes for our most vulnerable citizens.

The storm clouds are gathering and without sustained investment from Welsh Government, the service will begin to become less innovative, more pressurised and provide less support to people who are in need. But, whatever the challenges, I can assure the administration and all members that the Social Services workforce will continue to put the needs of the most vulnerable first. We will do everything we can to continue to maintain the high standards of professionalism that is required to protect people from harm and to promote the wellbeing of our most vulnerable citizens.

1. Introduction

The purpose of this annual report is to set out the local authority's improvement journey in providing services to people in Newport, who access information, advice and assistance, and those individuals and carers in receipt of care and support. This report sets out to demonstrate how Newport Social Services has responded to the new requirements of the Social Services and Well-being (Wales) Act 2014 and how we have promoted and accounted for the delivery of well-being standards to the citizens of Newport.

The Regulation and Inspection of Social Care (Wales) Act 2016 (R&I) and the ***Social Services and Wellbeing (Wales) Act 2014 (SSWB)*** sets out the requirement for the Director to produce an annual report setting out the performance of Social Services, following the format proscribed by the Local Authority Social Services Annual reports (Prescribed Form) (Wales) Regulations 2016 and is intended for a range of audiences as set out in the Local Authority Annual Social Services Report guidance document.

The intention of the report is not to detail process but to focus on the journey and outcomes achieved and the impact this has had on citizens in Newport. The evidence of our citizens has been used throughout the report as has the contribution of our partner agencies and commissioned services.

2. Director's Summary of Performance

Introduction

This is my last report as director of Social Services before I retire and hand over to James Harris who will be the next Strategic Director (People) in Newport City Council. I would therefore like to extend my thanks to all those colleagues who have offered me advice and support over the past 4 years. In particular I would like to thank the Leader, Cabinet Members, my Heads of Service, managers and practitioners in Social Services and also in Education as well as corporate and colleagues from partner agencies.

I believe that we are at a watershed moment for Social Services as we try to balance the aspirations of the Social Services and Wellbeing Act 2014 and the Future Generations Act 2015 against the continuation of austerity.

This report demonstrates an inspiring journey of transformation in Social Services and despite some years where there has been overspending, the net position was a budgetary overspend of £58k over the past 5 years. We have achieved good value for money because we have 'washed our face' financially over the past 5 years and also contributed to corporate financial challenges. Funding for Social services is now a national and UK wide concern and we have every hope that this will lead to increased investment in the coming 5 years. As Director of Social Services I can say with confidence that without additional investment, it will not be possible to achieve the same record of financial probity without failing in our statutory duties and increasing safeguarding risks to the most vulnerable people in our community.

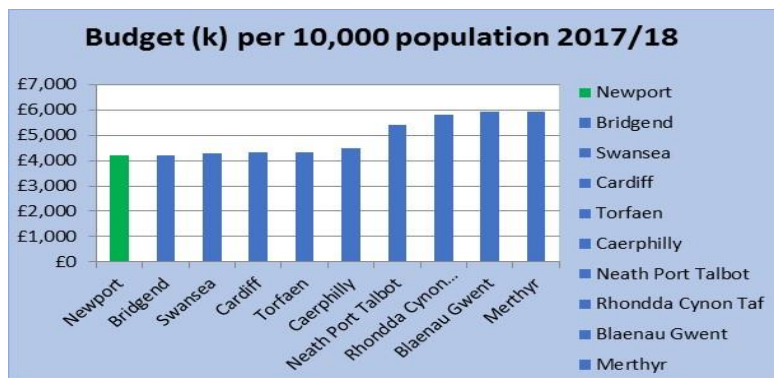
It is our hope that the Welsh Government will avoid this risk by continuing to invest in Social Services at the level they have during 2017/18.

Telling the Story

In a review of our performance over the past 5 years, '[Telling the Story](#)' (pdf) (see appendix), it is noted that whilst there has been occasional modest overspending over the past 5 years, savings outweigh investment by £3.8m.

This was achieved through re-engineering, restructuring, developing and adopting a robust commissioning strategy, enhancement of prevention initiatives and developing alternative provision such as assistive living technology and medication management. Currently Newport has the lowest net budget per 10,000 of the 10 local authorities in its comparator group, see figure 1 below.

Figure 1- – Spend Comparisons with Comparator Authorities – Budget per 10,000 Population 2017/18



Lessons learned include the need to, 'take everyone with us' when on a transformation journey and we take time to, 'celebrate success.' We realised that we have not always, 'communicated our achievements' to corporate colleagues as well as we should have and to a degree the full nature of the transformation has been somewhat hidden.

We also identified number of key success factors and these include the importance of having, 'a clear vision, purpose and underpinning values' (Justice; Hope; Humility). 'Strong governance' ensured that projects delivered and a, 'sense of pace' was present in our most successful ventures. Developing a, 'successful coalition of change agents' (Service Managers, the corporate business improvement team and the consultancy Peopletoo) that supported, 'culture change,' and the commitment to avoid a blame culture when things went wrong by having a commitment to, 'capture and apply learning.'

The '[Telling the Story](#)' (pdf) report also highlights the fact that although we have the lowest spend and support less adults in the community than Wales comparators, we support around twice as many people when compared to England. Despite the level of deprivation in Newport, we have significantly lower rates of delayed transfers of care from hospital than the Wales average and we are, 'mid-table' compared to English comparators.

We support slightly more children in need than the Wales average and slightly less than the English average. There are lower numbers of children (per 10,000) on the Child Protection Register in Newport than the Wales and English average and we are below the Wales average and about the same as English comparators for the rate of children in care.

Implementing the Act

Throughout last year we used a programme management approach to implement the requirements of the Social Services and Wellbeing Act 2014. I am pleased to say that we have made considerable progress and are well placed to deliver on the letter and the aspirations of the law. The body of this report sets out our performance in delivering the Information, Advice and Assistance, care and support planning and review and distanced travelled evaluation required in law. We are particularly proud of our developing preventions network which really benefits from the Wales Government grants. We are making progress on Welsh Language requirements and we will implement the all Wales integrated data and case management system and we are developing electronic information systems for the public such as Dewis and 'Ask Sarah.'

We need to improve our performance in the use of the distance travelled evaluation system and in compliance with the requirements for the Welsh language.

CSSIW Feedback

In June 2017 we received a performance review letter from our colleagues in CSSIW and their assessment of our performance in 2016/17 included the following comments:

- Adult Care Management teams, aim to 'provide more effective individual outcomes': *CSSIW, 'we confirmed significant progress towards this aim—closer managerial oversight, coupled with maintaining an appropriate skill mix in each of the revised teams—is key to ensuring that progress made becomes embedded in routine practice.'*
- Relating to Placements for children in care: *CSSIW, 'There continues to be considerable difficulty in finding specialist placements for a small number of young people with very complex support needs—this resulted in difficulties in some of the LA's own provision where children have been placed due to lack of alternatives – the LA is experiencing financial pressures due to use of out of area placements and has as a result put considerable thought into re-shaping one of its in-house residential facilities'*
- *The LA continues to build on its strong partnership with the Health Board, leading to a reduction in DToCs, but has challenges in relation to continuing health care funding*
- *The LA is making progress on implementing, 'More than just Words'*
- *CSSIW will wish to follow up the impact (of resource reductions) on services*

Overall this letter reflects a worry on behalf of the regulator that positive progress may be affected by the impact of austerity, but overall our individual inspection reports and the overall letter reflect the fact that our services are performing well.

Strengths, Weaknesses, Opportunities and Threats

I thought it would be helpful to summarise the past year's performance in the form of a SWOT analysis and therefore I have sought the views of staff in Social Services and the summary conclusions are set out below:

STRENGTHS

1. We have a strong and capable workforce

The workforce has embraced the aspirations of the act within a short timeframe and put it into practice. The workforce is stable with low vacancies and around 2 experienced practitioners for everyone who has less than 2 years post-qualification experience.

We have excellent training and development opportunities and this leads to greater professionalism and adaptability, with good working relations/communications. This is evidenced by the annual corporate workforce report being overwhelmingly positive in nature.

Strong managers support decision making and maintain budget awareness

2. Performance Outcome Indicators

Improvements are delivered by listening to views of staff and partners using live data reporting on key indicators. There is a strong commitment to and focus on preventions, strong processes underpinning decision making

The workforce hearts and minds are committed to improving performance and delivering outcomes for the some of the most vulnerable people in Newport

Good relations with partners allows joint enterprise on thorny issues that get in the way of improving performance

3. Engaging vulnerable people

We have a person centred, evidence based outcome focussed approach to our work with vulnerable people and we regularly receive positive feedback – best exemplified by the used of distance travelled evaluation tools in the Integrated Family Support Services. Annual IFFS reports indicate, 9 out of 10 children and families seeing a reduction in risk and the average reduction being around 35% with very few families being referred back to the Duty and Assessment team (approx. 6%).

There is a wealth of evidence of successful engagement and good outcomes from our Community Connectors, Voluntary Sector Providers, re-ablement workers and our day care and residential facilities.

4. Innovation and Creativity

There are at least 27 innovative services currently in operation including those where Newport has the lead for the region.

- Attachment and trauma therapeutic services
- First contact delivering information, advice and assistance using electronic pathways
- Forest lodge therapeutic residential home for children
- Residential task and finish
- Fostering framework
- Multi-Agency Safeguarding Hub (MASH) – piloting for the region
- Safeguarding forum
- Domestic Homicide Reviews – a regional approach
- Regional Lead for Violence against Women, Domestic Abuse and Sexual Violence (VAWDASV)
- Regional Lead for Are Planning Board (APB)
- Regional Lead for Independent Domestic Violence Advocate service (IDVA)
- National lead for Reflect service for women whose children are removed repeatedly
- Integrated Family Support Service (IFSS)
- Team around the Cluster – preventive family support services based on school clusters including joint funded education social workers

- Children First pilot
- Older Person's Pathway - a health and wellbeing intervention for vulnerable older people
- In Reach – building a multi-disciplinary team based on hospital wards to ensure referral go to the right place
- Care closer to home – joint partnership with Health Board colleagues to build health and wellbeing hubs
- ECO – peer review reflective case discussions
- Day Opportunities – modernising service and moving away from buildings to dynamic services based in the community
- Ty Eirlys - represents a departure from the traditional small group home model of supported living, with a focus on independent living and peer support for 13 adults with learning disabilities, each of whom has their own individual flat.
- Dom Care Commissioning – innovative commissioning of the voluntary/independent sector
- Newport Support Partnership - a consortium of third sector agencies led by Reach which provides a single point of contact for Newport citizens to access information, advice and assistance when they need it most to help them to continue to manage their lives as independently as possible.
- Mental health commissioning on behalf of the region including the Health Board
- New carers network
- Independent Living Service for people with a learning disability
- Travel Training for people with a learning disability
- Dementia care mapping – we are aiming to be a 'Dementia Friendly City' in September

WEAKNESSES

1. Occasional tensions between workforce

Social Services has a strong 'team' and 'task' culture and despite having a strong workforce there are still times when there are tensions between teams. Workload pressures sometimes lead to frustrations, but other times the problem can relate to a, 'Silo' mentality whereby teams look inwardly to their own functions and fail to see the bigger picture. Tensions include, 'who pay for this?' and 'whose job is this?'

Our response to this is to improve understanding and recognition between teams through development days and for managers to sort out problems directly and stop unnecessary escalations to senior managers. We need to encourage teams to avoid depersonalise sort it out!

Tensions can also arise with corporate colleagues and on times we have been challenged for not taking a corporate approach. It can sometime be difficult to separate myth from reality but if a problem is perceived then in a sense it is real. We have acknowledged from the ['Telling the Story'](#) (pdf) report that we have not always communicated our transformation journey with corporate colleagues and we also need to recognise that we need to engage and communicate corporate priorities and services to the Social Services workforce.

2. Voice of the citizen

The Social Services and Wellbeing Act challenges Social Services to relinquish the out of date attitude that, professional know best' – the power relationship between people who receive our services and professionals needs to change in favour of the people we serve.

We do make considerable efforts to put the voice of the citizen at the heart of everything we do but we need to improve. We are a long way from seeing citizens at the heart of the design and delivery of services.

Efforts to improve cannot be tokenistic and we are making plans to strengthen the voice of children in care, disabled children, vulnerable adults and carers.

3. Children in Care and Mental Health

Despite year on year improvements, the quality of outcomes for children in care is still unacceptable. Educational achievement is too low and often children in care struggle to make the transition to adulthood with further education, work and housing. Children in care are significantly over represented in the prison population, mental health services and worklessness.

Children in care are a corporate responsibility and members have a personal duty to ensure they deliver on their statutory corporate parenting role. It is really encouraging to see the cross-party engagement in our corporate parenting committee and members visit children in care homes and sit on fostering and adoption panels. Together we intend to make 2017/18 a year of improving outcomes for children in care

There is national concern about the capacity and quality of mental health services to match the rising challenges of mental health and wellbeing. We have set out much that we are doing to improve outcomes in this report but more needs to be done.

OPPORTUNITIES

Despite the challenges we face, there are many opportunities to be taken including the national data and case management system (WCCIS) which will allow both Health and Social Care practitioners to record data on a single system. This will enhance integrated working and also allow genuinely integrated performance and outcome reporting. We go live in the autumn of 2017.

The regional health and social care partnership is helping to shape an integrated approach to strategy, practice and financial management through regional Children's, Mental Health and Learning Disability and Older Persons Boards. This builds on excellent partnership working in the region such as the Frailty service, Safeguarding Boards, Integrated Family Support Team, Adoption service, Area Planning Board (for Substance Misuse). Future developments include regional commissioning for some services, pooled budgets for residential care for older people and national developments for Safeguarding.

Newport has a growing reputation for innovation, distributed leadership shared accountability and for, 'doing what is said on the tin.' This places us in a good position to benefit from regional and national developments.

THREATS

There are gathering clouds that threaten our continued success and the most serious is the necessity of unprecedented cuts in services. I want to be absolutely clear that there is no prospect that the Local Authority would ever sanction a level of savings in Social Services that would put citizens at risk. I do however want to illustrate what the most extreme level of savings might look like if we theoretically took Social Services to the point of delivering a minimum statutory service.

Theoretical Modelling of a Statutory Minimum Level of Social Services

We have conducted research on reducing Social Services to a theoretical statutory minimum as an illustration of the maximum contributions Social Services could make towards the likely budget gap from 2018/19 to 2020/21.

This would include reducing all information, advice and assistance as well as prevention services down to that which could be funded by Wales Government Grants, a very lean management infrastructure and practitioner average caseloads doubled. Overall the workforce would be considerably reduced.

An analysis of this approach includes the following risks:

Safeguarding - higher thresholds, reduced management and operational capacity increase volume of referrals, lack of quality assurance for court
Reputational damage –poorer performance, risk of intervention, limited capacity to respond to public and politicians escalating complaints litigious issues, deteriorating relationships with schools

Financial –reduced controls, minimal demand management, risk aversion, minimal commissioning capacity (education capital works largest in council)

Staffing issues – We would see low morale, increased staff turnover, higher absence rates, recruitment and retention, union intervention etc.

Requirements of the Acts – There would be little time and capacity to engage with key partners and stakeholders in regional responsibilities

Ability to influence and drive strategic change; capacity for transformation, influence and operational response

Such levels of saving over the next 4 years would be of the order of £8,259m which is approximately 14% of net budget. This would be on top of around £12m savings in the last 5 years.

We have however identified £5,361m of pressures over the period and this gives a net saving of £2,892m. Given a corporate deficit of around £30m, it is clear that the local authority is facing considerable risk.

Given that Social Services in Wales received around £55m in 2017/18, our main hope is that Wales Government will continue to invest in Social Services over the period.

In this context we have a mixed view on the aspirational legislation being passed by Wales Government. On the one hand we are drawn to the lofty idealism and truly commit ourselves to raise our aspirations in order to meet the challenge. However on the other hand the new legislation is deployed during a period of austerity and unless sufficient funds re provided to local authorities it will be impossible to deliver on the aspirations of recent legislation.

There are also real risks that the available workforce particularly in the care sector will be insufficient to meet the needs of the market. There are too few trained and qualified candidates and salaries are comparatively low and reliant on the free movement of people in the European Community. There is an urgent need for investment and training in this sector and we are grateful for the additional funds provided by Wales Government to help improve the situation, but the gap is growing.

Modelling has shown that the coming stage of the national government's welfare reform policy is likely to hit poor communities very hard. This will increase vulnerability in families and result in further costs to the local authority.

The rising number of people with complex needs and the increasing cost of provision have led to substantial overspending on children in care and community care budgets. This is a national problem and in the present year alone, the first budget monitor has identified a projected overspend in out of authority residential placements for children of £1m. Numbers have risen from around 14 children per year in 2014 to 22 children at present. Together with a withdrawal of joint funding with the Health Board, this is a major threat to the placement budgets in both Children and Adult Services

The Social Services and Wellbeing Act 2014 has a statutory requirement from April 2018 for a regional pooled budget with the Health Board for adults who are placed in residential or nursing care homes. If we are required to invest the whole budget, then there will be serious risks that governance will be less strong at least in the early stages and overspends from other partners could impact on Newport budget.

Conclusion

Overall this report sets out a comprehensive account of Social Services performance in the year of implementation of the most transformational legislation in a generation. I believe that the evidence indicates that Social Services has transformed over the past 5 years and that the service provides excellent value for money and has a record of strong, innovative and improving performance that has delivered better outcomes for our most vulnerable citizens. We have told the story of our transformation journey over the past 5 years, set out our future goals and we will be preparing a strategic commissioning plan for the period 2017-2022.

The storm clouds are gathering and without sustained investment from Welsh Government, the service will begin to become less innovative, more pressurised and provide less support to people who are in need. But, whatever the challenges, I can assure the administration and all members that the Social Services workforce will continue to put the needs of the most vulnerable first. We will do everything we can to continue to maintain the high standards of professionalism that is required to protect people from harm and to promote the wellbeing of our most vulnerable citizens.

3. How are People Shaping our Services?

This year the local authority has completed a major engagement and consultation process in order to inform the Well-being Assessment, as per the requirements of the **Wellbeing of Future Generations (Wales) Act 2015** (WFG). The purpose was to identify what people currently think about living in Newport and their broad priorities for the future in terms of theirs and their community's wellbeing. The methods used for this consultation included a short survey about what people like most about living in Newport and what they wanted to see more of, or less of in the future; a longer survey around the themes of economic, social, environmental and cultural wellbeing; and a young people's wellbeing survey which was promoted through schools (Primary and Secondary). In addition there was engagement with the public at tenants' forums, family events, BME forums and partner's community engagement events.

Some of the key findings from the survey based on the responses from the Newport Citizens Panel and Communities First respondents included:

- 45% thought that people from different backgrounds get on well together
- 75% of people felt safe in their local area, but 51% felt safe in the city centre
- 22% thought that vulnerable people get the support that they need
- 77% of people thought that they have a good social life
- 78% thought that the environment that they live in and the opportunities available allow them to keep physically active

The Regional Population Needs Assessment, a requirement of the Social Services and Well-Being (Wales) Act 2014 (SSWB), has also been completed within this period facilitated by the Regional Transformations Team. The consultation for this assessment has built on existing forums and established groups across the region. Partner agencies including private providers and third sector groups were key contributors in the consultation process in order to ensure fair representation and a balanced approach to the needs identified for and on behalf of the community. In addition a citizen's group has been established to scrutinise and steer the population needs assessment. The results of this consultation in addition to the Wellbeing consultation will inform how services are shaped and delivered in Newport in the forthcoming year.

We also complete annual engagement exercises on the **Budget and Medium Term Financial Plan** which includes Social Services change proposals. The Council publishes all of its budget savings and service change proposals as part of its budget consultation process and has a number of arrangements in place to engage and inform stakeholders of these proposals. This includes its Involve Newport Citizens Panel, Youth Council and Carers Forum, as well as through its Newport Matters newsletter. However, the Council recognises that its Citizens Panel is no longer representative of its population and it is continuing its recruitment campaign to try to address this.

The **Newport Youth Council (NYC)** participation project works with young people aged 11-25 years old Newport-wide to engage them in participatory activities and enable them to have a voice in decision-making. The project is coordinated by Tros Gynnal Plant and works alongside the Newport City Council Young People's Participation Officer to take forward the One Newport Partnership's Participation Strategy and the National Participation Standards. A young person representing Youth Council has also been invited to the One Newport Public Services Board. Tros Gynnal Plant also facilitate The **Children in Care Council**, which reviews and evaluates Newport's Corporate Parenting Strategy and is representative of young people currently looked after and care leavers in Newport.

The Council has an increasingly diverse population and uses its Community Connectors staff to engage with harder to reach communities. The Council's Policy and Partnership team also works with services to identify stakeholders and consider appropriate ways of engagement. Individual services have consulted with their service users using a range of methods to gain specific feedback on the use of the service.

The Council also has the **Newport Fairness Commission**, which provides an independent mechanism as a critical friend to the Council. Young People are represented on the Fairness Commission and participate in their annual reviews of the Newport City Council budget. It has provided an independent review of the Council's budget proposals and provides a constructive mechanism to test the public's reaction to service change proposals and to consider their impact on vulnerable groups. The Council considers the views of the Newport Fairness Commission as part of its budget decision-making process.

There are examples where the Council has used its engagement arrangements effectively to help inform service changes, such as the libraries and mental health service changes. It was evident that the Council is responsive to consultation findings, such as on the budget process and library service changes. The closure of New Willows in March 2016, via a consultation process that commenced in 2013, was an isolated example where the Council had not engaged successfully with stakeholders. The Council has clearly learnt from this, and service users were proactively engaged in shaping the design of the Kensington Day Care Centre in this period.

4. Promoting and Improving the Well-being of Those We Help

Quality Standard A - Working with people to define and co-produce personal well-being outcomes that people wish to achieve

The Information Station provides a first point of contact for citizens in Newport seeking **Information, Advice and Assistance** (IAA). Contact can be made in person, by telephone or via the internet and details of contact are widely publicised. In addition to the Information Station citizens can also contact the Family Information Service or via community services, such as Community Connectors Service. Contact centre staff are trained to offer appropriate information. Other than requests for information the Contact Centre will forward all contacts to the First Contact Team (Adults) or Children’s Duty Team. The table below gives the total number of contact to these teams in the year 2016/17:

Contacts - Act compliant	<i>Adults Services</i>	<i>Children's Services</i>
1 There Are No Needs To Be Met	1,104	2,659
2 A More Comprehensive Assessment Is Required	4,642	1,727
3 Needs Can Be Met By The Provision Of Information Advice Or Assistance	3,468	5,009
4 Needs Can Be Met Through The Provision Of Preventative Services	1,206	548
5 Needs Can Be Met Wholly Or In Part By The Individual Themselves, With Or Without Assistance From Others	54	227
6 Other Matters Can Contribute To The Achievement Of The Personal Outcomes, Or Otherwise Meet The Needs	38	195
Total	10,512	10,365

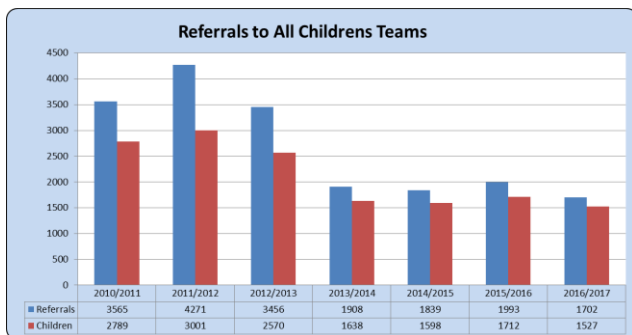
Of these 48.3% of enquiries to Children’s Services and 33.0% of those to Adults Services have been responded to by the provision of information advice and assistance. From the survey of adults, children and carers 71% of people felt that they have received the right information and advice when they needed it, while a further 22% felt this was true some of the time. Customer feedback does report that, particularly at peak times, there can be a wait to get through on the telephone and work is in place to reduce waiting times.

The effectiveness of the IAA is reflected by the performance measure on the number of citizens making repeat requests for information. Between October 2015 and September 2016, 2620 adults received an IAA service, and of these 45% have not contacted the service again within the year. It should be noted that many of the people who have re-contacted the service are making contact about other issues.

Since the implementation of the SSWB Act in 2016 both Children’s Services Duty team and Adult First Contact team have been substantially restructured and retrained. The teams have established clear IAA pathways assessments which have been founded on the **“What matters”** requirements. The **“What matters”** conversation is fundamental in collaboratively determining with the person what needs to change or stay the same in order for them to meet their goals/ hoped for outcomes. This conversation is crucial from the very initial point of contact as establishing **“What matters”** to the person as an individual will help in understanding that person in the context of their own life, importantly in their own words, and will inform the assessment when identifying what good outcomes look like.

A template has been developed to record the conversation and staff have been given training both on the conversation and also the system processes. By using the “What matters” questions, enquiries can be dealt with in a timely manner and, where appropriate, services provided to meet wellbeing outcomes without the need for further assessment. “What matters” conversations occur the same day as the referral. Although these have been in place over the year the electronic systems have had to be developed to ensure these are recorded in a way the data can be aggregated, therefore, we are only able to report on data on “What matters” for the last two months. 12% of contacts for Children’s Services, and 14.5% for Adults, were followed by a “What matters” conversation, prior to assessment. It is likely that this is an underestimate as although the conversations are recorded this is not necessarily done in a way that the data can be aggregated.

Both Adult Services and Children Services have put in a range of provision to prevent the need for Care and Support. **At First Contact (Adults) / Children’s Duty Team**, 1206 contacts for Adult Services and 548 for children have been guided towards preventative services. This means that 24.1 % of children and families,



and 20.6 % of adults who require a more comprehensive service than IAA are supported without the need for a more comprehensive assessment , or the Care and Support Plan that may follow from this.

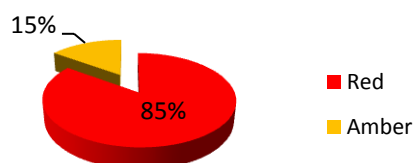
The development of preventative services in Newport has meant that there has been a reduction in referrals to Children’s services as more families are assisted by Preventions without the need for care of support. In 2016/17 1527 children were referred, the lowest number in the last 7 years.

The development of preventative services in Newport has meant that there has been a reduction in referrals to Children’s services as more families are

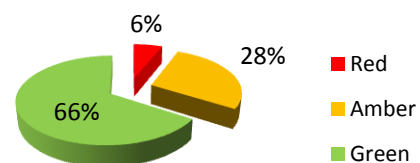
The Children’s Duty Team and Preventions Teams have enhanced the pathways for referrals between the two teams to ensure a streamlined process exists where families’ needs are met in a timely way. Families are dealt with by the appropriate tier of service, without concerns being escalated unnecessarily, and ensuring that where appropriate families are supported by preventative services rather than via Care and Support Plans. The duty team provided 17% of the total number referred to Preventions. Following the intervention by Preventions there was a reduction in risk in 89% of referrals. As a result only 6% of those closed to the Preventions team were referred back to the Children’s Duty Team, and the figure for being opened to Children’s Services in the 6 months following closure to Preventions was 13%.

The Preventions Service family goals figures relate to 294 families where family goals were scored at the start and end of the Prevention team’s involvements.

Prevention Team Family Goals scores at the beginning of Intervention



Prevention Team Family Goals scores at close of intervention



The family goals figures show a significant movement out of the 'red' rating towards 'amber' and 'green'. The percentage of families reaching 'green' is up 4% on 2015/2016.

In Adult Services the function of the **Community Connectors Service** has been developed to ensure needs are met via appropriate community resources.

Community Connectors link citizens in with services and organisations within their own communities. This is, on some occasions facilitated by the provision of information, however the team also enables people to

I have recently suffered from a brain haemorrhage that has left me tired and reluctant to go out. I agreed a visit from the connector to have a chat. My son is my main carer and is looking for work, he feels isolated and both of us are driving each other mad! The Connector met with me and discussed a local club; he also provided information about a local job club for my son to attend. After being stuck in for months I now go with my Neighbour and my son is looking for a job!

attend by, for example, looking at transport or by accompanying the individual to attend a community activity to introduce them to the group. Since the service was established they have supported over 2,400 people and 350 carers to access community activities and services. They have also mapped 245 support services and 545 community activities into an online directory to support information and advice services. Connectors have also worked with over 100 local partners to support citizen engagement. Connectors also put on an annual 50+ Information Event which attracts 700 older people, and a carer's event. Citizens can make contact with community connects either directly or via the IAA process.

The implementation of an **Older Persons Pathway** has enabled the development of preventative services. A key feature of the Older Persons Pathway is a move away from a 'demand' to an 'intelligence' based model of care. This is carried out through a risk stratification of the over 75 population using data held within GP records. A risk stratification tool has been developed which searches GP records for multiple risk factors and attributes a risk score to each member of the population. This then allows for the identification of those people who would benefit most from a **Stay Well Plan**. These plans are co-produced alongside individuals and their family/ carers. What is critical is that, rather than being an assessment of need, the SWP takes a holistic view of general health and wellbeing needs and accesses both 'low cost and no cost services' to maintain. A copy of the plan is also sent to the GP practice and can be accessed by various professionals through the Frailty portal. The total number of people in receipt of a SWP is 722 across eight GP practices, with a current rate of up-take of SWPs of 53% at the first time of contact.

Analysis of the age profiles of those taking up a stay well plan against those who opted out of the service shows that on average those who take up the offer of a stay well plan are 10 years older than those who do not. Despite this difference the evidence so far shows that after being offered a SWP, the cohort that had a SWP had a significant reduction in hospital admissions/appointments in all four categories reviewed (A&E visits, Assessed out, Emergency Admissions and Frailty Episodes), compared to those that did not have a SWP.

The design and development of the Older Persons Pathway has been informed through co-production with service users. Initial workshops were held, inviting people who had previously had a Stay Well Plan to contribute to the design going forward, through discussion of the things that are important to them. This reference group is continuing and we intend to consult the service users when we want to make a change to the model and share the evaluation with them.

There is a **social prescribing** initiative, working in conjunction with the Older Person's Pathway and Health, which originates in the primary care GP setting. The benefit of linking with community connectors has been identified and work is on-going to integrate the community connector function into the social prescribing project.

The **Newport Support Partnership** is a consortium which has brought a range of preventative third sector services together into a single partnership, ensuring a single point of contact and that services are seamless and complimentary, without unnecessary duplication. Services provided within the consortium are carer respite, carer's emergency card scheme, community support, information and advice services such as financial advice, advocacy, and an appropriate adult service. The partnership's aim is to contribute towards preventing the need for care and support, and over the year 542 people have been supported to prevent the need for care and support. In addition the partnership supported 108 people via advocacy and 11 via appropriate adult services.

A similar consortium approach has been adopted to look at the delivery of Third Sector Mental Health Services. As part of a Gwent Consortium these services have been recommissioned across the region. The newly commissioned service include Advocacy, Counselling/Support, Day Activities/Drop In, Training/Skill building and Information/Advice/Outreach. Target intervention services are also offered via Re-Ablement Teams, Frailty and via services commissioned through the Supporting People Team. These are covered later in this report.

The national eligibility criteria have been implemented with both Adult and Children's teams and training on both the new eligibility criteria and also the associated processes has been provided. We have achieved more favourable outcomes by creative use of the person's own strengths, networks and resources. Furthermore, the closer working with the Prevention's services and developments such as the 'Step-up, Step-down' processes developed in Children's Services has required a greater focus on ensuring a consistent application of eligibility.

The SSWB has changed the way in which assessments are offered to allow a more flexible approach to supporting people and families with the introduction of the proportionate assessment. The percentage of assessments completed for children within statutory timescales is 95.01%. The statutory timescale is that assessments are completed within 42 days. This, however, is a maximum and it is appropriate that some assessments are completed in a much shorter timeframe. As well as completing assessments in a timely manner it is important that the child is seen as part of the assessment. The target for this in Newport is 7 days and in 96.7% of cases the child was seen, and in 61.8% the child was seen in the 7 day time limit. Within the assessment process it is important that the child is seen alone and in 2016/17 67.9% were seen alone. Age was the primary reason why children were not seen alone and this was the case with 77% of children.

The First Contact Team for Adults has been strengthened and now includes Occupational Therapy, Adult Safeguarding, Telecare, Rehabilitation Officer for the Visually Impaired and Direct Payments Team. This ensures that people receive the service and support they need as quickly as possible and at the earliest point in their contact with Social Services, where possible avoiding the need for care and support.

F has dementia and she initially used her income and savings to pay for a 24 hour agency care service to provide support to her in her own home. Her family felt that she needed 24 hour support but were clear that C had advised she wanted to remain within her own home. A direct payment was provided to C which assisted her to stay within her own home with the care her family felt she needed. The Direct payment is helping to keep C in her own home for a longer period and the family feel supported and confident that her outcomes are being met.

The assessment templates for both Children's Services and Adult Services have been changed in line with the SSWB Act. Assessments now cover the domains - personal circumstances, strengths, risks, barriers and personal outcomes. The challenges for citizens and practitioners with the new act have been in relation to

the change in emphasis from a service led model to an outcome focussed model of delivery. All assessments are signed off by a team manager and no assessment will be agreed unless each domain is covered.

All assessments cover barriers to participation and identify the need for steps to overcome these barriers. Independent advocacy is available in an established provision via Tros Gynnal Plant to all children using Children's Services. This service is currently being re-commissioned on a Gwent wide basis. Advocacy for parents is spot purchased on a case by case basis. In Adult Services the advocacy service has just been re-commissioned via the Newport Support Partnership and Mental Health Matters also provide a paid Relevant Persons Representative service.

Training has been given to workers to ensure that all decisions are taken with due regard to UN Conventions and Principles. Where it is sometimes necessary to take decisions which may be contrary to these rights (e.g. deprivation of liberties, or where children need to be separated from families) legal safeguards are in place and the decision is balanced against the wellbeing of the individual. "Signs of Safety" is used as part of co-production with parents. To ensure parents' rights are fully respected a capacity assessment is undertaken at the earliest opportunity to ensure needs are fully met. It is the expectation of the local authority that all citizens are treated with dignity and respect, this is also an expectation of the code of practice which all social care staff must adhere to. This is monitored through supervision and managerial oversight. From the survey 91 % of people reporting that they were treated with dignity and respect, whilst a further 8% said they were "sometimes".

Care and Support Planning and Review for both Adult and Children's Services relies on robust multidisciplinary processes where appropriate. Over the year work has been done to look at the reviewing processes and to streamline and to reduce duplication and improve co-ordination. Equally in Adult Services Care and Support Planning is focussed on a strengths based model which encapsulates the principals of co-production. Citizens and their carers involvement in reviews is promoted to ensure their voices are heard in the care planning process. Across Adult in-house services, residential homes, day opportunities, supported living and domiciliary care, a new approach is being implemented and developed as to how to document and record "What matters" most to people Newport are supporting. Carers work alongside the person and the people that know them well to document their lives and preferences and this is then used as the basis for which their support is provided allowing people to live the lives they want.

From Survey data 74% of people thought they were actively involved in the decisions made about their care and support – with a further 15% reporting that they were "sometimes" involved. From IRO monitoring of child protection case conferences parents were able to make a meaningful contribution to reviews in 99% of cases whilst children's wishes and feelings were adequately represented in 95% of case conferences.

In the survey 72% of people stated that they knew who to speak to / contact about their care and support; whilst a further 14% said they "sometimes" knew.

In Children's Services all children who are being assessed or who have a Care and Support Plan have a named social worker. The transfer process between teams is well established and is based on a system of regular transfer meetings. No child's case is transferred without agreement of both teams and the named worker is recorded on CCM, the case management system. Similarly those families supported by preventions have a named preventions worker. The new 'Step up, Step down' process has streamlined this and ensures a seamless transfer between field work and preventions teams.

The NCNs work closely with the Transitional Planning Officer within the Disabled Children’s team and wider Children’s Services, this is facilitated via a planning meeting to allow for a seamless transfer of care and support.

In Adult Services all adults have a named worker during the assessment and care planning stages. Once a care package is established adults are open to the team for their local Neighbourhood Care Network area (NCN) team for review. These teams are coterminous with the delivery footprints of Primary Health Care services in Newport, which supports integrated working across health and social care.

All Care and Support Plans reflect the personal outcomes of the citizen. In both Children’s Services and Adult Services care planning, baseline scores on personal outcomes have been introduced. This includes, for Care and Support Plans, a baseline score of 0-10. Within Children’s Services the outcome statements recorded on Care and Support Plans not only provide a quantitative score for the distanced travelled but also provides a qualitative narrative. This further facilitates and promotes ownership of the plan by the child themselves (where age appropriate) and by their parent/ care giver. All reviews now record progress against each outcome. This progress is included both as a qualitative assessment and also a score of 0-10. The review score will enable a measure of distance travelled. The implementation of this has been aided as a similar process has been in place with the Integrated Family Support Service (IFSS) for a number of years. Here the outcomes have been measured by a traffic light system. The use of this system has meant that the Integrated Family Support Team (IFST), Family Support Team (FAS) and Family Assessment and Support Services (FASS) have been able to demonstrate the effectiveness of their services. The number of families who have been supported by IFSS to progress to at least green on their plan is set out below:

	<i>IFST (Newport)</i>	<i>FASS</i>	<i>FST</i>
Total Number of Family Goals for Families closed following intervention	49	61	195
Percentage of Family Goals progressing to green or better	69 %	75 %	71 %

As families had on average, approximately two goals, in total FASS had a positive impact on 90% of families and FST had a positive impact on 94% of families.

Distance travelled scores for Children services for the year are shown below. However there is further work to be done in both improving the consistency of scores and also ensuring the process is embedded for all plans. Adult services started the scoring in October, therefore have not currently had the opportunity to review progress against the baseline. However 1,567 adults had a care and support plan with a baseline score during the year.

Agreed Outcome	<i>Average baseline score</i>	<i>Review score</i>	<i>Number of Personal Outcomes</i>	<i>People</i>
(i) ability to carry out self care or domestic routines	5.30	6.13	51	39
(ii) ability to communicate	5.38	5.38	37	31
(iii) protection from abuse or neglect	5.00	5.40	157	103
(iv) involvement in work, education, learning or in leisure activities	5.00	5.78	102	87
(v) maintenance or development of family or other significant personal relationships	5.00	5.67	109	86
(vi) development and maintenance of social relationships and involvement in the community	5.78	5.57	46	37

(vii) achieving developmental goals	5.00	5.67	135	86
(viii) fulfilment of caring responsibilities for a child	5.40	5.00	133	79

As well as distance travelled the effectiveness of plans can be assessed by looking at satisfaction ratings. According to the survey of adults, children and carers 74% said they were happy with the Support or Care and Support they had received whilst a further 21% said they were “sometimes”. However this survey needs to be viewed with caution given the small response rate, particularly in Children’s Services.

Charging arrangements are in place for adults receiving care and support. Adults are provided with information about the charging process during the assessment process and the fact that they may be charged, subject to financial assessment, is recorded on their Care and Support Plans. There are no charges associated with Children’s Services.

In order to meet this wellbeing standard Newport is working in partnership with a range of agencies and services, both statutory and voluntary. Newport is commissioning new service models to ensure that every pound spent maximum benefit. For example, a consortium approach has been developed for commissioning advocacy and preventative services. This includes the Newport Support Partnership and the mental health consortium, as well as the development of the older person’s pathway. The advantage of this approach is that it enables greater synergy and shared resources. The outcome based approach to commissioning with a broad service specification has been beneficial in moving away from a traditional service led model.

The development of family support services has built on the successful partnership between Barnardo’s and Children’s Services. This has enabled a range of services to be developed across the continuum of family support services from universal to intensive and remedial services. These have been independently evaluated by the Institute of Public Care. They concluded:

- *Very to exceptionally high quality whole family support services for vulnerable families – services which are strongly grounded in the existing evidence base about ‘what works’ and are actively seeking to develop further*
 - *Family members who consistently recognise the high quality engagement and therapeutic as well as practical support skills of staff*
 - *Referrals to Social Services that have more than halved and re-referral rates have reduced significantly*
 - *A rate of children in need that has steadied and is now low compared with similar authorities in Wales*
 - *A dramatic reduction in the number of children with disabilities requiring a Child in Need (statutory) intervention*
 - *Newport now has one of the lowest and steadiest rates of looked after children per 10,000 population compared with similar authorities, and is below the national average*
- Summary of findings from the IPC evaluation of the Newport/Barnardos partnership model for delivering Family Support.**

The value of partnership was summed up in the recent IPC evaluation:

“It does feel more like a partnership than a traditional commissioning arrangement. It has developed organically. We both ‘fit in’ i.e. with some degree of joint responsibility. We are able to grow the gaps. It has allowed us to look at the research and become highly evidenced based. We haven’t let it become too cosy there’s still plenty of challenge.”

In relation to this quality standard 17 complaints have been received by Children’s services and 7 by Adult services over the period 2016/17. Also in relation to this standard the Care and Social Services Inspectorate Wales (CSSIW) reviewed progress made in relation to the recommendations from the November 2014

inspection of Adult social services. This concluded that the authority had made considerable progress in implementing its action plan in response to the recommendations made in the previous report. This included:

- significant progress in setting out a coherent ‘vision’ for adult services in general and the implementation of the older people’s pathway in particular, and a better understanding of the broader picture of the recently introduced reforms.
- A more consistent and focused approach in First Contact Team and improved individual outcomes; an improvement in the quality of the assessments and care planning, although there was still some way to go in making these universally outcomes focused and meaningful in relation the individual being considered.
- Significant progress has been made in the establishment of the community connectors, working within the three geographically located teams across Newport.
- Enhanced support available to carers demonstrated by two of the five full time equivalent community connector posts being specifically carer connectors.

The one area identified as an outstanding issue by CSSIW was in relation to the development of a robust workforce strategy. The report also made recommendations about reducing waiting times at the front end; improving IT processes and further work to be undertaken in relation to direct payments, with a view to making these more innovative and effective in meeting individual need.

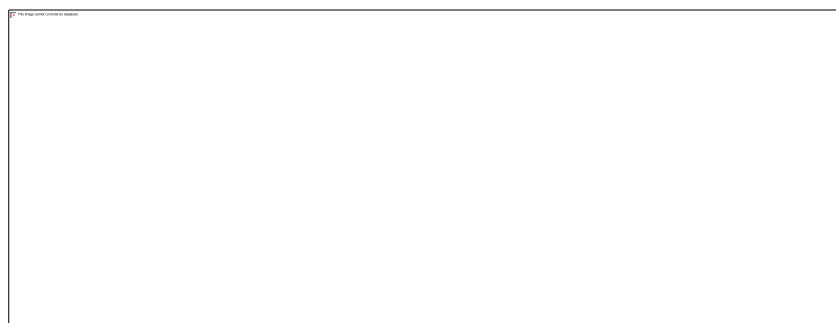
PRIORITY OBJECTIVES FOR STANDARD A

- *To develop a workforce strategy – as required by CSSIW*
- *To strengthen client informatics – in order to help identify which clients are getting what preventative services in order to target services more effectively through outcome focussed commissioning*

Quality Standard B - Working with people and partners to protect and promote people’s physical and mental health and emotional well-being

The value of promoting and supporting healthy lifestyles is recognised across the range of services offered by Newport. Stay well plans are focused on the needs of citizens who are identified as being likely to be vulnerable to ongoing health concerns. Equally where consistent with personal outcomes promoting healthy lifestyles are reflected in both preventative services and also in Care and Support Plans.

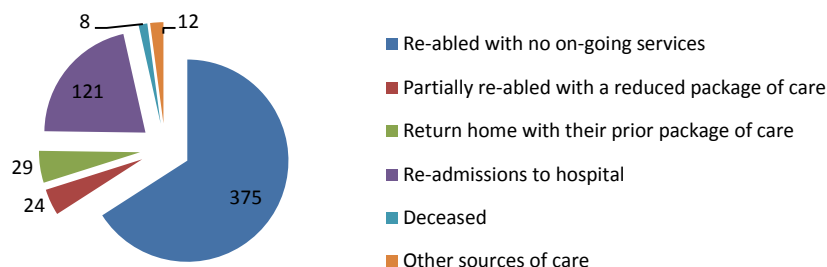
The rate of delayed transfers of care for social care reasons per 1,000 of the population aged 75 or over is



2.04. As the graph illustrates the level has been falling significantly over the last 5 years and is now less than half the average for Wales for 2015/16 (last available figures). This is an indicator of the in-reach approach to hospital discharge and the working with providers to ensure there is adequate provision

in the community to reduce the length of time spent in hospital, via services such as re-ablement.

Re-ablement enables citizens to become more active, recover mobility and enables citizens to re-gain their independence. Over the last year 578 citizens received re-ablement care in their own homes. Of those who have completed the service the chart below gives the outcome:



The percentage of Adults who completed a period of re-ablement and had no package of care 6 months later was 77.78%, while 40.00% of people had a reduced package of care 6 months later. It should be noted that the reduced package of care figure differs from the figure for no package as the later includes all those who had no care and support plan prior to re-ablement starting.

Parklands Assessment and Support Unit (ASU) provides short term accommodation for all adults who can benefit from a period of re-ablement, usually, but not always, following time spent in hospital. The aim of the unit is to enable people to return home whenever possible by working with them to regain

Mrs B was admitted following a fall at home from an acute hospital bed. Goals were to increase confidence and mobility with the aim to return home independently. Mrs B had no previous POC. Mrs B received additional input from Physiotherapy and her confidence greatly improved. Mrs B returned home with no POC after approx. 4 week stay on the unit.

confidence in their abilities to manage daily living skills, assess for Telecare Assistive Technology and reduce dependency on long term services. The unit has access to a Social Worker, an Occupational Therapist and Physiotherapist from within the **Gwent Frailty** Team who will work with individuals and carers to draw up plans of care incorporating the necessary goals needed for a return home. Over the last 12 months we have received 132 referrals into the ASU, 72 of these were admitted with an average stay of 4.9 weeks. From the 72 people admitted; 10 returned home with their previous package of support, 12 returned home with a new package of support or an increase in their existing package of support, 31 returned home independent; 7 were admitted back into a hospital setting; 1 required a nursing placement; 1 required a residential placement and 10 were still within the ASU.

The Older Person’s Pathway and SWP are discussed within Quality Standard A.

The average age of those people entering residential care in Newport is 79.34 years. This is an indicator of the effectiveness of services to effectively support people in the community in Newport. This figure is skewed by a small number of Adults entering residential care at a young age.

Social Isolation can have a significant effect on a person’s health and wellbeing, and the **Multi-Sport community group** offers people with learning disabilities the opportunity to engage in physical activities and take part in different sports, including basketball, golf, aerobics and general exercise. The focus is on developing people’s

“N has been supported in a Shared Lives care arrangement for several years. He has a wide range of interests, including music and sports. N is naturally sporty and finds it easy to apply his skills to any sporting activity. However, as time went on, N was able to take a more leading role in helping others in the Multi-Sport group to develop their skills and to enjoy their experience as part of a group. N now acts as a volunteer supporting the Multi-Sport facilitators during classes and clearly acts as a role model for others in the group. Multi-Sports has played a significant part in helping N to develop a greater sense of self-confidence and has helped him to become more independent. The outcome is that N has recently moved into more independent living.”

confidence, as well as improving health and well-being, and tackles loneliness and social isolation by supporting citizens to access social groups, in their local community and improve their wellbeing. The case study gives an illustration of the differences this sort of support that can make.

Over the year the local authority, in partnership with the Health Board and the other authorities in Gwent, have **re-configured Mental Health Services** to ensure that service delivery better meets the needs of the citizens, particularly for those where a preventative service is required. The revised model includes Advocacy; Counselling/Support; Skills/Training/Wellbeing and Information / Advice / Assistance. The impact of these changes will be monitored next year as the service is commissioned.

Support for people with mental health needs in the community has been developed to promote independence. The **Bryn Glas Annex** has been remodelled as a day opportunities services rather than a day centre with the aim of integrating people, where appropriate, into community resources or third sector services. This involves working on a person centred – goal oriented approach with individuals. The centre has a multi-disciplinary team – social workers, CPNs and psychiatrists where art therapy, cooking skills, music-therapy, confidence building through group and 1-1 sessions, walking groups and community sports are offered.

The percentage of children seen by a registered dentist within three months of becoming looked after is 63.16%; whilst the percentage of looked after children registered with a GP within 10 working days is 89.58%. In cases where these indicators were not met, better recording, rather than changes in practice, may have been the issue

The **Children with Additional Needs** (CANs) service is part of the collaborative partnership with Barnardo's to

Support being request for family of a child with learning delay and attention difficulties, as his mother reporting he was hitting out. Child was also sleeping in mother's bed. Family goal identified to 'support mum to implement strategies to improve behaviour and provide consistent routines and boundaries'. Discussion with mum about use of distraction, modelled appropriate responses. Reward charts used to reinforce positives. Mum reported immediate changes to behaviour by changing her responses, and found child was easily distracted, preventing challenging behaviour from occurring. Visual routines introduced to support bedtime routine. Child now sleeping in his own bed. Family reported to have progressed from Amber to Gold on their family goal. In response to the question: What have you found most helpful with the work that CANS have completed with your family? Mum replied "They have helped me cope better with my son's behaviour,"

provide early interventions to support children and their families with additional needs. During 2016-17 153 referrals were received (145

2014-15). 75 families received individual support. 100% reported the engagement was satisfactory or above. 100% of children improved their school attendance where this was identified as a need, whilst 84% reported an improvement in their child's behaviour. Distance travelled indicated that 82.5% of families demonstrated progress on their goals while 88% of families rated the service as satisfactory or above.

A significant development during the year 2016/17 has been the widening of membership of the **Team around the Family** (TAF) panel to include **Primary Care Mental Health Support Services** (PCMHSS) and workers from the Communities First Livelihoods Project. The work undertaken during 2016/17 to route referrals for the PCMHSS into the Families First single point of entry is due to be realised early in 2017/18. Whilst it is likely this will lead to an increase in referrals, it will also ensure that families get the right support at the right time.

Support for looked after children's emotional wellbeing is provided by ensuring children are placed with carers who understand children's emotional needs, and are able to effectively respond to these needs in a

positive and nurturing way. The **Matching and Placement Support** (MAPS) team ensure children are matched appropriately with carers and that carers have the right support framework around them to deliver the care. The service was established to support children who are looked after, and their carers, to provide an early intervention that promotes placement stability and an understanding of the child's needs. Interventions are offered as Tier 1 or Tier 2 dependent on level of need. The team supported 67 children under TIER 1 and 32 children under TIER 2. They also work with groups of children through the THRIVE project, which they are running with Monnow Primary this year and have a SUMMER THRIVE which focuses on supporting children transitioning from primary to secondary school. The case study illustrates the work of the MAPS team.

A Stability Planning Meeting was suggested, as carers were struggling with a young person. The children's life pathway was re-visited, to identify how the children had developed a picture of what adults are like, what the world is like, and how they felt about themselves, all grown from their early traumatic life experiences. The foster carers change from worn down, feeling they don't know how to look after these children to; 'boy it's no wonder the children are acting as they do and I can see what's behind the behaviours now'. They left the meeting feeling more confident in understanding their foster children and how to meet their needs, wanting to persevere in supporting them through the difficult teen years, determined to show that there are some adults who will try their best and stick around when the going gets tough.

Working in partnership is demonstrated by the Mental Health Social Workers in Newport who are fully integrated into Newport's **Community Mental Health Team**. This is a multidisciplinary team with Psychiatrists, OTs, CPNs, Art Therapists, Psychologists. This approach ensures that an individual with a severe and enduring mental illness have access to a wide range of disciplines and interventions. A Bespoke service is delivered depending on individual circumstances. Every individual has a designated care co-ordinator. The ethos of the team is a strengths based perspective in line with the recovery model, promoting choice while managing risk. Newport CC provides AMHP service for those individual requiring statutory intervention. Also managed within the Mental Health team is a local authority worker within **Gwent Substance Misuse Service** to assess for rehab services. Streamline service for individuals to access inpatient rehabilitation placements. This integrated approach, alongside an innovative way of working led to the team being awarded the **British Association of Social Work (BASW)** team of the year award in 2015.

Partnership working to improve access to services and support for mental health and emotional well-being is

A young person diagnosed with ADHD had started committing offenses and hearing voices following a period using substances and being non-compliant with prescribed medication. By anxiety management sessions and supporting the young person to engage with and attend appointments with the substance misuse worker and CAMHS psychiatrist to address medication requirements, the young person managed to reduce their substance use to zero. The young person engages with support sessions offered, is no longer hearing voices and is compliant with prescribed medication. Positively the person is now proactive in requesting support from Police when incidents have occurred rather than taking matters into their own hands.

evident within the structure of the **Newport Youth Offending Service** (YOS). The YOS has a Clinical Nurse Specialist (CNS) seconded from the Aneurin Bevan University Health Board, who takes on referrals for young people with identified mental health needs, and a Substance Misuse worker (SMW), currently seconded from Barnardo's B@1 service, supporting young people identified with substance misuse issues. In this period

the number of young people referred to the SMW for a Substance Misuse Assessment was 37. 76% of these young people had a substance misuse assessment within 5 working days upon receipt of referral with 93% of those assessed commencing treatment within 10 working days upon completion of the Substance Misuse Assessment. 100% of the 31 young people referred to the CNS have commenced a Mental Health Assessment within 28 consecutive days upon receipt of referral. The longest a young person has waited to start the mental health assessment this year has been 14 days. Being able to provide specialist support and

access to services at the right time has resulted in more positive outcomes both in terms of reducing offending and improving the outcomes for the young person.

In relation to this quality standard 18 complaints have been received by Children's services and 9 by Adults services over the period 2016/17

PRIORITY OBJECTIVES FOR STANDARD B

- *To strengthen provision of emotional and mental health services for vulnerable people particularly children in care*

Quality Standard C - Taking steps to protect and safeguard people from abuse, neglect or harm

In this period there is evidence that both Children and Adult Services have been performing consistently in providing care and support to meet the assessed needs to protect people from abuse, harm or neglect and we have been responding effectively to changing circumstances and reviewing the achievement of individuals' outcomes.

Newport has seen an increase of 57% in the number of "adult at risk" referrals received during this period, (714 compared to 456 in the period 2015/2016). This rise in the number of referrals should be considered within the context that there is a new duty to report an **adult at risk** under the new legislation and more people are aware and are responsive to the requirement to report.

Newport have performed well in respect of the response to the "**Duty to report an adult at risk**", as 97.78% of all referrals received have a decision made within the statutory timescale of 7 working days in respect of the potential adult at risk. All adults deemed as "at risk" will have a Care and Support Plan which will be reviewed as part of the Adult Safeguarding Process, this is a multi-agency approach which formalises the expectations on each involved agency in order to safeguard the person. Although the person cannot attend the initial meeting due to sharing of confidential/ sensitive information (i.e. information about alleged perpetrator) the wishes and feelings of the person are captured and are central to the process itself. Multi-agency safeguarding outcomes are included in the Care and Support Plan alongside the personal outcomes which they wish to achieve. Advocacy in respect of safeguarding is a theme which will be evidenced in more detail later within this report. There is a robust reviewing process in place whereby all previous referrals/ contacts with the Local Authority are considered as part of the enquiry phase, and for every case where an adult is identified as "at risk" they will have a Care and Support Plan. No case will be closed without a review occurring which takes into account the views of the multi-agency professionals and the person themselves.

Protective factors and measures are always considered from the point of the enquiry and appropriate arrangements put in place. Within Adult Services we have recently re-designed the Care and Support Plan process to now incorporate the risk rating assessment tool for adults at risk within the care and support document. In order to be Act compliant and also to host best practice we have also worked with the regional transformation team to implement new formats for the reporting process for adults at risk.

Appointeeships are also a legal protective arrangement when a person has been identified as "at risk" from a financial perspective. In Newport we have a designated appointeeship team which is responsible for the management and review for 105 people in this period from a broad ranging client group.

Newport City Council is the supervisory body for all **Deprivation of Liberty Safeguard (DoLS)** assessments completed within care homes within the district; for all persons who are “ordinarily resident” in Newport, and for all “self-funders”. In this period 115 people were subject of a DoLS assessment in Newport, this is an increase of 13% in the number of people subject to a DoLS assessment in the previous reporting period. In response to the increase in the number of referrals a ‘screening tool’ was devised by the Gwent Deprivation of Liberty Safeguarding Consortium and agreed by Welsh Government for usage. The DoLS assessment and reviewing arrangements in line with the Care and Support Plan process have been identified as a key priority area for further development by Adult Services in the forthcoming year.

Partnership working is integral in effectively protecting and safeguarding people from abuse, neglect or harm. The new Act develops the themes of collaboration and multi-agency working to safeguard people at risk further by extending the legal duties to report where abuse, neglect or harm is suspected for both children and adults. There are many multi agency protective processes and forums which occur where protective arrangements are considered for those who put their own safety at risk or pose a risk to wider networks. Such arrangements can involve both Children and Adult Services participation and include **Multi Agency Public Protection Arrangements (MAPPA)**, **Multi Agency Risk Assessment Conference (MARAC)**, **Domestic Abuse Conference Call (DACC)**, S115 Meetings (Crime and Disorder Act 1998).

It is recognised that Newport has one of the highest rates of citizens discussed within the MARAC process when benchmarked with our neighbouring authorities (“Safer Lives” population analysis 2016), in this period there have been 166 High Risk cases referred to Newport MARAC (48 of these were repeat victims). Children’s Services have been involved in MARAC’s within this period where there have been 130 known “open” cases to the Local Authority. The information and protective arrangements agreed within these meetings (i.e. actions required of involved partner agencies) directly informed the Care and Support Planning for the identified child in order for Children’s Services to effectively safeguard them.

The role of the **Local Authority Designated Officer** is a further example of where Newport work in partnership to respond to allegations of abuse or neglect regarding professionals, staff members or volunteers working with children and vulnerable. In 2016/2017 there were 80 referrals about professionals considered. The number of cases discussed has increased upon last year’s figures. It is acknowledged that greater practitioner/ partner awareness on the professional strategy meeting process, the number of “duty to report” referrals received, and also the growing rate of investigations linked to online/social media related potential offences has resulted in better recognition and response when considering those people working with children and vulnerable adults.

The number of children named on Newport’s **Child Protection Register** as at 31st March 2017 is 118.

Every child identified on the Newport Child Protection Register has a Care and Support Plan which identifies their personal outcomes including ‘protection from abuse and neglect’. Whilst the conference makes the decision over risk, it is the work of the multi-agency core group to develop and achieve the identified needs through the core group process. Over the last year we have developed the core group process to ensure that the personal outcomes in the plan are central to the review and the distanced travelled in achieving these wellbeing outcomes can be captured. Positively, IRO’s have also reported that since the last child protection review that 92% of cases have been reviewed whereby the significant decisions/ recommendations from the last conference have been completed, illustrating that we are responding to and regularly reviewing the plans in place to protect and promote the well-being of children identified as “at risk” of harm within Newport.

The average length of time for children on the Child Protection register during this year was 265 days. It is important to note the context in which this statistic is supplied and it must be taken into account that the safety and permanency planning for a child identified “at risk” of abuse or harm should always be considered/ reviewed on an individual basis, as one child’s circumstances for registration will not be the same as another child’s circumstances even if within the same registration category. However, if a child is registered for over a year (following third review) then as a protective arrangement the IRO should request that a Multi-Agency Supervision session should be facilitated by the SEWSCB whereby cases which appear to be “stuck” or in hiatus can be explored to ensure that the case does not “drift”.

During this period when Care and Support Plans have been reviewed IRO’s have reported that 96% of conferences held were not experiencing “drift”. This statistic reflects that the steps being taken to protect and safely manage the identified risks are being appropriately managed by the local authority. It is important to note here that the small number of cases where “drift” was identified by the IRO are likely due to a lack of parental engagement with the process.

The percentage of re-registrations of children on Newport’s Child Protection Register within the year in this period is currently 10.91%, this is a slight increase on the number recorded in the previous period. Viewing the number of re-registrations should not automatically be framed in the context that there has been a failure to protect the child from abuse, harm or neglect during the original period of registration as the re-registration period may result from entirely separate circumstances to the original registration reason.

According to IRO monitoring the intervention by agencies, as implemented, has been appropriate to manage the risk of significant harm for 90% of reviews. However, in some cases it is not always possible for risk to be safely managed for the child/ young person to remain in the care of their parents/ care givers and when necessary, it is the duty of the local authority to act to prevent further risk of harm, in these cases swift identification and prompt intervention is required. The (Revised) Public Law Outline is a legal process where children identified as “at risk” have their cases presented to court under a strict 26 week timetabling framework, it is positively reported by the Senior Legal Adviser that Newport is performing within the 26 week timetable on all cases presented to court. It is also of note that within this period the Newport legal team has been requested to provide good practice examples of court reports (e.g. parenting assessments; legal meeting paperwork processes) to other local authorities in the West Wales region for modelling and good practice recommendations for staff.

Within the child protection conferences completed within this period it is reported by the IROs that in 99% of cases the *“parent/ person with PR were able to make a meaningful contribution to the conference/ review”* and in 95% of cases the young person's views, wishes and feelings were represented to the meeting.

When protective arrangements are being considered the voice of the person can also be heard via an advocate. The legal teams working on behalf of both service areas have proactively referred for independent advocacy where there has been an identified need since the 2016 period. Within Children’s Services when a care proceedings case is presented at court a parent is generally supported via the legal aid board however, any need outside of the legal aid board remit would not be covered. We have therefore funded independent advocates for parents during proceedings and made recommendations for independent advocates to support the child, specifically at LAC reviews. Within Adult Services the identification and need for independent advocacy has arisen in court of protection cases including Guardianship, similarly to Children’s Services where there is an identified need but this does not meet the remit of legal aid board funding, the local authority has commissioned independent advocacy for the person.

It is very positive to report that within this period the court has highlighted good practice by Newport Children's Services in relation to the care planning approaches of working with the parent and in the best interests of the child with a specific case and stated, *"The direction was sought by the local authority, which was endeavouring to act proportionately and in accordance with the family's Human Rights... I should add that the parents have nothing but praise for the local authority, and rightly so"* (HHJ Edwards, 2016).

During the year 2016/ 2017 the **Corporate Safeguarding Report** was developed and ratified whereby the council's corporate safeguarding responsibilities and how we deliver and achieve on these were scrutinised in addition to the specific aims and work plans of the teams that encompass the Safeguarding Unit. This report highlighted how we as a Council are committed to supporting and, when necessary, taking the steps to protect the citizens in our community. Both the corporate safeguarding action plan and safeguarding unit team plans have clearly defined outcomes on how we will deliver on the identified needs for "safeguarding" with the anticipated outcome that the citizens of Newport feel that their health, well-being, human rights and opportunity to live in a community free from harm, abuse and neglect is being promoted and supported by the local authority.

In relation to this quality standard 40 complaints have been received by Children's services and 16 by Adults services over the period 2016/17. Newport YOS underwent a re-inspection in June 2016, of the 6 areas of scrutiny the service was found to have attained 1 good; 4 satisfactory; and 1 unsatisfactory grading. The unsatisfactory grading related to the quality standard "Protecting Children and Young People", there is now a clear action plan in place to address the issues identified within this area for improvement and overall the inspection positively recognised that *"Newport Youth Offending Service (YOS) had made a step change in performance since the last inspection. The YOS was stronger in assessment and delivering good quality interventions...The YOS were aware of where they needed to improve and were constructively addressing the issues"*.

PRIORITY OBJECTIVES FOR STANDARD C

- *To increase social work capacity in YOS – to manage additional referrals from targeted police interventions and to improve risk assessments and joint working for young people in need of protection. This is an area identified by inspectors for improvement*

Quality Standard D- Encouraging and supporting people to learn, develop and participate in society

When considering the survey data from Adults with a Care and Support Plan who responded to the statement *"I can do the things that are important to me"* there was a lower agreement rate reported than we would have hoped for with only 45% answering Yes and 35% answering sometimes. However, this data needs to be considered within the context of it being a broad statement. It is impossible to interpret the reasons why a person feels unable to do the things that are important to them and the reason for not achieving this may sit outside the gift of the local authority. When the same survey group were asked to respond to the statement *"I am happy with the care and support I have had"*, 77% responded YES, therefore, indicating that the care and support the person has received from the local authority was satisfactory in helping them to meet their personal outcomes which have been based on what matters to them.

Opportunity to engage in meaningful learning, education and training is vital in establishing a community which is cohesive, inclusive, and sustainable both socially and economically. Improving skills and promoting

opportunities in education and learning is fundamental in the experiences of children and young people universally but as we are aware from research, our more vulnerable children in society, particularly those who are “at risk” or are “looked after”, are more likely to experience disadvantage or disruption in their education and learning when compared with their peers.

When considering the key performance data for all key stage 2 pupils in Newport 71.43% of pupils are achieving the core subject indicator in this period. The percentage of children achieving the core subject indicator at key stage 4 is 7.14%, this is a new measure introduced by Welsh Government and therefore any comparison with previous years’ key stage 4 data is impossible.

The use of the Pupil Deprivation Grant is also a measure/ indicator which we have used to reflect how resources are used to support children in attaining educational outcomes, the grant can be accessed for defined groups of vulnerable children which include “LAC” however is not exclusive to this group. In Newport 78% of the schools have a “looked after child” population. 37% of Newport schools received PDG funding from the Welsh Government in this period, equating to £155,000 for Newport schools to fund a variety of interventions which will promote and provide opportunity in achieving educational attainment.

The Letterbox Club and University of South Wales Partnership are schemes running within Newport which are specifically targeted for “looked after children” with the outcome of promoting and improving educational attainment. In 2016/2017 66 looked after children received the letterbox parcel and since 2015 25 looked after children and 24 foster carers have been supported to attend open days at various Universities.

There are times when a looked after child’s educational placement is disrupted which results in the child having to move schools, measures and actions are always taken by both Education Services and Children’s Services in order to attempt to prevent or minimise any changes in school placements for looked after children, but there are times when an alternate provision must be sought. In this period 6.8% of school aged looked after children experienced one or more changes in school which were not due to transitional arrangements. This percentage is a small population of the school aged looked after children within Newport and when interrogating the data further there have been positive transitions which have occurred (for example, placements for adoption) therefore, although the child has experienced a school move this has occurred in order to meet the personal wellbeing outcome for the child.

The **LAC Education Service** has been re-structured with a focus on improving educational attainment of looked after children by increasing partnership work with Education.

The Seamless Learning and Wellbeing Pathways have been developed within Education Services in this period which focus on improving the transition of learning between primary and secondary schools to address the dip in attainment noted at KS 3 plus developing and strengthening the approach to family and community engagement (FaCE), with specific reference to Mathematics. Parental engagement with their child’s learning is the ultimate goal and is the one that bears fruit in terms of children’s achievement as it relates to the attitude towards learning in the home. By developing links and pathways between Education Services and Preventative/ Children’s Services this too promotes a holistic approach in working with families.

Work is also underway with local provider CPI on the development of a specialist residential college for young adults with autism and learning disabilities located in the Ringland area of Newport. This will enable

people with learning disabilities to develop their independent living skills within their local community. It will provide a better choice of educational options for young people making the transition to adulthood.

Newport's day opportunities have been remodelled so that we can provide quality person centred care to meet the needs of people who are learning disabled with high support needs, recovery-focussed support for individual's experiencing mental health problems and vulnerable older people with complex needs including physical disability, sensory impairment, mental ill health or early stage dementia. Brynglas day opportunities gives the most frail or vulnerable people the opportunity to socialise confidently, benefitting from social integration with like-minded individuals, whilst giving respite to carers and families. The remodelling process engaged service users and their carers in respect of the resources and proposed provisions, these views were actively considered in the development of the day opportunities and how these would be facilitated/ hosted both on and off the Brynglas site. This remodelling has been favourably received by professionals and service users alike with one professional reporting;

"Very impressed with the refurbishment and provision for a wide range of service users. Really thoughtful attention to detail keeping the needs of the service user's central to the service. Will look forward to being able to refer people to this excellent facility".

In addition to the re-modelling of the Council's direct provision of day opportunities, we have engaged with the market to stimulate a more diverse range of services and community opportunities for adults with learning disabilities. For example, the Parc Pantry social enterprise at Bellevue Park now provides work opportunities in a catering environment for people who are supported by Flexible Options. A successful ICF bid has resulted in a targeted programme of travel training provided by Evolve, a social enterprise, with the aim of enabling vulnerable people to develop the confidence and skills to travel independently. Another initiative has resulted in a one year trial of an alternative day service currently provided at the YMCA by Circles Network. Using the learning outcomes from this trial, a formal tender is planned for July 2017 which will look to further develop the portfolio of community-based services for adults with learning disabilities in Newport. There is more support for young people with complex needs, through providers new to the area such as Mirus and Star College now offering specialist services. Local provider CPI has recently purchased the former Council site at Ringwood House with plans to modernise the facilities to include day services.

In relation to this quality standard 5 complaints have been received by Children's services and 15 by Adults services over the period 2016/17.

PRIORITY OBJECTIVES FOR STANDARD D

- *To strengthen the voice of carers and vulnerable people in the design and delivery of services – in order to promote the resilience and independence of citizens and avoid creating dependency on traditional forms of service delivery*

Quality Standard E- Supporting people to safely develop and maintain healthy domestic, family and personal relationships

In this period 70% of children with a Care and Support Plan have been supported to remain living with their family. Through the provision of services and support we have been working with the child and their family to achieve their personal outcomes and to prevent the child from becoming "looked after".

I.F.S.T figures illustrate a successful 26.6% reduction in the number of those children supported who were named on the child protection register post IFST intervention, there were no cases in this period where the child went onto become “looked after”, and 20.89% of those supported following the intervention were then closed to Newport Children’s Services- this reflects that the intervention was successful in meeting the needs of the child to no longer require care and support facilitated by the local authority.

14.5% of looked after children have safely returned home from care in this period, meaning that the child no longer has the legal status of being “looked after” and has been either reunited with their parents or provided with a stable home with a family member or connected person.

Between 2016 and 2017 the child protection team have been successful in supporting three children returning home to their birth parents, following their previous removal via care proceedings. The proceedings for each of these children, have been a demonstration of the positive working relationship the department and parents have been able to maintain, during an upsetting and challenging time in a child and parents life. We in the child protection team are very proud of this achievement and how each of these children are able to maintain the family life and experience the love, warmth, and connection with their birth parents.

Ideally a child will remain within one stable placement. There are however occasions when a placement move for a “looked after child” must occur. Within this period 10% of the looked after children in Newport experienced 3 or more placement moves, however, not all placement moves experienced were ‘negative’ or indicative of breakdown. Short breaks or transition placements in an emergency are positive steps ahead of to a permanent stable placement.

Unfortunately there was a very low level response rate received by parents completing the care and support questionnaire, of those parents who responded “reporting that they felt involved in any decisions made about their child’s care and support” 5 of the 6 participants did agree with this statement. 69% of Carers who participated in the qualitative survey reported that they felt “actively involved in all decisions about how care and support was provided for the person I care for”, only 57% of these carers responded that they “feel supported to continue in my caring role. 55% of the carers surveyed responded YES to the statement “I am happy with the support I have had”. Carers have told us that information and advice at the ‘right time’ is paramount to supporting their caring role. We are currently developing ways to improve the information we provide and the format in which it is offered in consultation with carers and our partners.

Carers have told us that their loved one’s well-being is often intertwined with their own well-being and they feel there are gaps in support for social groups for both carers and their loved ones to attend within Newport. The carer/ community connector service, in consultation with third sector providers, are in the planning stages of addressing these gaps and groups are being developed (for example a “former carers” group) in addition to developing a pilot support course for when caring comes to an end. Many carers have told us that life away from caring is essential to their well-being therefore since September 2016 innovative commissioning of third sector carer services and introducing alternative models of respite, including accessing carers grants, has allowed Carers’ greater opportunity for time away from their caring role in order to meet their own personal wellbeing outcomes.

The **Barnardo's Young Carers Service** has received 36 referrals from Children's Services (this includes referrals from preventative tier services), of these referrals 34 were progressed resulting in a service being received. This is a 24% increase in the number of referrals in the previous year. Positively 85% of all young carers referred to the service reported an increase in their skills & understanding related to their caring role and feedback from the young people themselves has highlighted the difference the service has made to their lives and those of the cared for person.

'I love young carers because I get to meet new people that understand me and are in the same situation as me'

'I love it because they helped me and my mum through some tough times and

Resulting from new legislative requirements under the Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 (VAWDASV), Newport has worked in collaboration with our regional local authority counterparts in being the 'pathfinder region' which has developed the regional strategy ahead of national guidance. There is a national training framework linked to VAWDASV (Wales) Act 2015 with requirements on public sector services to ensure that staff can recognise and appropriately respond when there are concerns for domestic abuse and sexual violence. In the past year Newport has specifically targeted this "Ask and Act" training across Education Services and Adult Services staff, we have trained 58 designated leads from Education Services (Primary and Secondary Provisions) and 48 professionals across Adult Services.

Independent Domestic Violence Advocates (IDVA) act as the voice of the victim in "high risk" MARAC meetings and as a key co-ordinator in ensuring that the person is held central to the process and that their voice is heard and respected when risks are being discussed and managed. The IDVA Service reports on a number of outcomes that seek to measure the difference made to the individual, in this reporting period in Newport;

- 151 people reported that they have been provided with the information and advice they need to access services and support and able to make informed choices as a result;
- 24% of people reported feeling safer;
- 25% people reported an improvement to their well-being/quality of life.

Focus on supporting children to recognise unsafe relationships; protecting themselves from abuse and neglect; and developing "healthy" attitudes towards relationships has been addressed by providing "healthy relationship" sessions universally to children in Newport Schools (primary and secondary).

In 2016/ 2017 Spectrum have provided 125 Healthy Relationship sessions to schools in Newport (1088 pupils) and 146 teachers have been trained in relation to "healthy relationships" and VAWDASV. Newport has joined with other Gwent authorities to fund a theatre production for all Year 8 children on the theme of Child Sexual Exploitation (CSE). During this period all year 8 pupils in Newport Schools would have participated within these workshops. Education social workers, youth workers and preventions staff have received CSE awareness training and are working alongside schools to deliver targeted educative sessions to children who are identified as being at increased risk of CSE. This has included keep safe work, healthy relationships work and sex education, it aims to engage children in developing skills to recognise risks, identify unhealthy relationships, and to know what support is available.

In this period we have supported 44 children at high risk of CSE. A significant number of our high risk cohort are "Looked After Children" who, as a result of the challenges posed in caring for children who are displaying the risky behaviours associated with CSE, were frequently moving placement and often being placed into out

of area placements or even secure accommodation. In responding to this challenge, we have developed an existing residential children's home provision to better respond to the risks identified and to enable children to remain living in Newport, thus maintaining family relationships, professional support networks and education, whilst sustaining a safety and disruption plan. The CSE Forum work plan, coordinated by the CSE Manager for Newport, sets out clear objectives for strategies in tackling and responding to concerns around CSE.

Operation Quartz is a specific CSE operation established within Newport, via information sharing and multi-agency collaborative working with partner agencies including the local authority, the operation has been successful in disrupting CSE activities and prosecuting offenders. During 2016, in collaboration with Gwent Police, Operation Quartz, piloted a Multi-Agency Sexual Exploitation (MASE) meeting, this has been seen to be successful, via multi-agency review, and is now being rolled out across Gwent.

The PREVENT duty was brought into law in Wales in July 2015 (Counter-Terrorism and Security Act 2015), it is a public sector duty to have 'due regard' to preventing people being drawn into terrorism. Within this period there has been significant training undertaken within Education services on the PREVENT Strategy, all secondary schools have received PREVENT training. Across the 28 primary schools that have undertaken training, all schools have ensured that as a minimum, all teaching staff are trained. Since the training has taken place it is positively reported that there has been an increase in the number of schools contacting for advice and assistance in order to clarify if a PREVENT referral is required. It is reported from the multi agencies involved that there have been successful diversions when working with the person in identifying unhealthy relationships and how the people around the person referred (e.g. family, wider network) are also supported. It is a priority objective that all social services staff and housing department employees will undertake the Prevent training within the forthcoming year.

The Adult Learning Disability Team along with a range of professionals can facilitate a range of bespoke interventions, to enable building healthy relationships. The interventions are dependent on the personal circumstances, including levels of cognition, social history, etc. This could be as a 1-1 intervention or via group work (mixed and single sex groups where appropriate), with themes identified by professionals, or responding to issues as they come to light.

In relation to this quality standard 14 complaints have been received by Children's services and 11 by Adults services over the period 2016/17. A focussed inspection was completed in July 2016 on the quality of life of children and young people who use the Oaklands service. The report concluded *"Overall, we (CSSIW) found that children and young people had a positive experience during their stay at the home and the quality of care they received contributed to the quality of their life. Feedback from parents of children who use the service described the home as providing a 'lifeline' and that they were confident that their child was 'happy and enjoying themselves and more importantly being well cared for by staff that we totally trust'"*. The inspection made a number of recommendations and also found that there had been a breach in the requirement of the completion of regulation 33 reports which require the views of children/ young people, parents and staff, and a breach in relation to the storing of confidential records of young people. These were rectified immediately.

The CSSIW inspection for Forest Lodge found that *"Children's well-being is generally good and their needs are mostly being met by the home...Children are supported to make decisions about how they wish to spend their time. They have opportunities to voice their opinions about the care they receive and feel listened to*

and supported by the staff team". The inspectors found that "Children are consulted about their care and involved in decisions about their day-to-day lives. We found they had a good understanding of their care and placement plans and were aware of their risk assessments... Feedback from children was generally positive about their experiences of living in the home. It was evident that they had good relationships with staff and we observed positive interactions and banter".

A non-compliance notice has been issued in respect of "Care and Supervision (Regulation 11 (1) (b)): The home had not always ensured adequate care and supervision of children placed at the home", this was attributable to third party access into the home. The report made a number of recommendations which have now been addressed by the staff team.

The inspection report for Cambridge House was conducted during a turbulent period, however, despite the issues identified the report does acknowledge that *"alongside the difficulties, effort has been made to engage children in constructive hobbies and interests and to divert them from involvement in illicit activities".*

A Non-compliance noticed was issued at the inspection in September 2016 and a continued non-compliance for the same point was included in the re-inspection in February 2017. This non-compliance is attributable to decisions made to admit children; who's known needs the home could not meet and who were likely to have a seriously adverse impact on the welfare and wellbeing of others.

It should be acknowledged that good practice and meaningful relationships have been forged and young people supported have benefitted from their placements, the inspection report acknowledges *"Some evidence was seen that children had started to settle again and that staff had begun to engage constructively with them...Children are encouraged to follow interests; to engage constructively in the local community and develop independence".*

The full reports are attached as appendices.

The Head of Children's Services has recently received communication from the Children's Commissioner for Wales acknowledging Newport's commitment to excellent residential care.

The views of some of the Young People currently being "looked after" by our residential services positively include;

"One young person told us she understands we try and keep her safe which at times means putting in restrictions that she doesn't like. Another told us meeting her every 2 hours makes her feel safer. She couldn't think of anything else we could do to keep her safer".

"She says she feels safe at Forest Lodge and doesn't think there is anywhere else she would feel safer living".

PRIORITY OBJECTIVES FOR STANDARD E

- *To develop a therapeutic milieu for children in our own residential homes and to explore regional approaches to commissioning residential care for children presently placed out of the Gwent region.*

Quality Standard F- Working with and supporting people to achieve greater economic well-being, have a social life and live in suitable accommodation that meets their needs

Newport offer support to people to achieve greater economic wellbeing from the IAA point of contact through to more bespoke services and legal interventions (i.e. Appointeeships). The types of support made available are dependent upon individual circumstances. There are a range of mechanisms and support agencies which ensure that the right financial help is available at the right time.

Newport Pathway teams support care leavers by engaging and supporting young people to gain appropriate employment and educational opportunities as part of their Care and Support plan. Two placements for children formerly looked after have been ring-fenced for work experience with the council with the opportunity of developing into an apprenticeship. The team routinely link with Careers to ensure that all young people have access to appropriate advice and guidance. We work in partnership with positive futures to provide opportunities for to develop self-esteem and leadership skills for young people not engaged in education, employment or training with a view to increasing employability. The pathway team links young people with citizens advice and offers assistance with attendance. Care and Support Plans include looking at budgeting and maximising income where appropriate.

The percentage of all care leavers who are in education, training or employment at 12 months is 50.00% whilst at 24 months after leaving care the percentage is 51.43%

Via a range of tenancy and floating support Supporting People engage with citizens in a number of ways to be active citizens economically and socially. The table below show the outcomes achieved by Supporting People over the period July to December 2016. Changes to the Welsh Assembly reporting framework mean the figures for January to march are not yet available. The table shows the % achieving, or making progress towards, these outcomes as part of their support:

	<i>Number of people with this outcome</i>	<i>% achieving outcome</i>	<i>% making progress towards outcome</i>
People are managing their accommodation	2,383	29.4 %	16.0 %
People are feeling part of the community	1,349	37.1 %	13.1 %
People are engaging in employment/voluntary work	614	41.2 %	11.2 %
People are managing their money	1,794	30.8 %	15.6 %

Financial inclusion support worker, funded by supporting people, works to maximise income and benefits and reduce debt via the Supporting People Gateway (including self-referrals). This worker engages with those who are either unable to gain accommodation, or at threat of losing their accommodation, as a result of financial issues, such as debt or welfare rights entitlement, to enable them to manage their finances. It is anticipated that changes in the welfare system, particularly universal credit, is likely to significantly mean that this service becomes increasingly necessary. Since October 2016 to March 2017 service users' annualised income had been increased through welfare benefit entitlement and grants by £120k and £12k of debt has been written off. The previous paragraph gives details on outcomes achieved by supporting people in terms of managing money.

From the survey 85% of people reported that they live in the right home for them; whilst a further 9% reported they did 'sometimes'.

The **Occupational Therapy** (OT) operate a service in a Community setting for Newport Adults with long term physical conditions that affect their ability to undertake activities they would like to do. This enables people to remain in their own homes. The team offer a Proportionate assessment, advice and information and also a specialist assessment if the person needs this, to work with people to achieve their outcomes. This may include assisting with the provision of or sign posting for purchase of equipment, recommending small or major adaptations, sign posting the person for Reablement to help them recover further or build confidence. The team have fully embraced and implemented the Social care and Wellbeing Act assisting more people with timely advice and information and proving a specialist OT service for the more vulnerable Newport residents and have under taken a Care Review project to ensure that Newport residents have the right sized care and support they need at the right time

Supported Housing Gateway provides the access point for accommodation for vulnerable citizens in Newport. Permanent or long-term housing support, including sheltered or extra-care accommodation, is

provided for older people, for people with learning disabilities and enduring mental health issues. In addition the Supported Housing Gateway is a point of access for temporary or short-term housing for homeless people with housing-related support needs. The level of support offered is based on the needs of the individual as based on assessment and may include refuge accommodation, supported housing, floating support and resettlement support. A range of providers exist and support is tailored to the individual need.

D has a crushed right arm and long standing circulation problems in his lower limbs. He sleeps on a bed in the living room and all his care needs are undertaken by his wife. The family do have a downstairs bathroom and shower, but it is in a very poor state of repair and is extremely hazardous for David to use. An application was made for a Disabled Facilities Grant from Newport City Council for a new wet room facility and it was agreed, but on the condition that a contribution of £2,000. However their joint income was such that they could not afford to pay the contribution. They were at first, very apathetic to the Physical Disability Support Worker. As with every new client an assessment of need was carried out and a support plan was created with the goals mutually agreed. It was clear that they were not claiming the disability benefits he is entitled to. Following a lengthy application process they were awarded PIP, and then, after initially being declined, were awarded ESA. They now feel confident enough to go ahead with the Disabled Facilities Grant and will have a modern and safe wet room.

Floating support is the term used to describe housing-related support services that are provided by support workers to people in their own homes. Newport City Council and its partners offer a range of housing-related support services including those for people experiencing domestic abuse, for people with memory loss or dementia and for people with learning disabilities, mental health issues substance misuse problems, offending behaviour and developmental disorders.

Telecare support also enables citizens to maintain their own tenancies. Community alarms enable people to call for help if they fall, are taken ill or experience an emergency at home, so that they can continue to live independently. Emergency calls are routed to a monitoring centre that is staffed 24 hours a day, 7 days a week. A range of sensors include: personal triggers, worn on wrist or around neck; bogus caller buttons, fitted near a door; falls detector pendants; smoke detectors; bed occupancy detectors; flood detectors; movement detectors and property exit sensors. The Council commissioned Merthyr Council's Lifeline Alarm Service in April 2014 for citizens living in owner-occupied or private rented accommodation. Since that time there has been a steady growth in numbers on the scheme with an additional 263 new service users in 2016/17, amounting to a year-end total of 653 vulnerable people currently connected to this valuable preventative service.

A pilot Hoarding and Cluttering Project was commissioned by the Supporting People Team with Newport Mind to scope options for a Newport service to address this growing problem. The final report makes five recommendations including: specialist training for support staff; the development of a specialist support service; the need for a multi-agency approach to hoarding and better, more co-ordinated data collection to identify the extent of hoarding difficulties.

Where possible the aim of housing support is to provide the skills to facilitate independent living. Ty Eirlys is a new scheme opened this year to support citizens to live more independently. Ty Eirlys is the bridge between supported living and independent living. The people living there predominantly have learning disabilities and enduring mental health issues. People will have their own apartments with a tailored support package that will meet their specific needs whilst having the benefit of core staff being available 24 hours a day. Alongside that people will receive housing support from the Newid team. The aim is for the people to engage with their individualised, tailored support package, develop independent skills and increase their community presence. We hope people will strengthen their social skills, take control of their lives and make everyday choices for themselves.

In the survey 74 % of adults said it was their choice to live in a residential care home.

The annual report to Quality of Care Support to Scrutiny on Residential Provision concluded that overall the quality of service provision delivered by both internal and externally commissioned providers is good. A large amount of time is spent monitoring the performance of care homes and domiciliary care, as these are services most used by Newport residents. A new outcomes monitoring tool that we have developed has enabled the Contracts and Commissioning Team to record and monitor providers performance more effectively. This tool is vital in ensuring that the team can monitor the quality, of an ever increasing number of commissioned providers. Newport have benefited from having a good relationship with providers who have welcomed the open and transparent approach to addressing some of the risks highlighted in section. With increased demand and external pressures such as the living wage, costs across the private sector are going to increase year on year. Newport are changing the way we commission services, by looking at new models of service delivery in order to help mitigate these risks, and have developed a new, robust and flexible fee structure for all residential care home placements which has enabled us to ensure: Market stability; to offer greater choice; to ensure more residents remain in Newport, instead of being placed out of county; and to enable providers to invest in their homes and services

In the survey 86% of children said they were happy with whom they lived. However this figure needs to be considered with care as only 22 responses were received. Providing the right placement for young people is part of the work of the Matching and Placement Support (MAPS) team. The MAPS team has two functions, searching for foster care and residential placements for children who are looked after; and providing support for looked after children and their carers using a therapeutic approach to understanding and providing care to meet the needs of our children. The MAPS team work with Newport children, who are looked after, being cared for by Newport approved foster carers or Newport Residential Childrens homes with a focus on developing the skills and understanding of our foster carers and residential staff to provide the best possible care for our children. In common with other local authorities in Wales providing placement choice continues to be challenging given the range of placement options.

The percentage of all care leavers who have experienced homelessness during the year is 10.92%. The survey reported that only 66% of children felt that the help, advice and support received had prepared them

for adulthood but as only three people responded to this survey the results need to be treated with a degree of caution. Newport Pathway team, in partnership with housing providers, have been developing a range of housing opportunities for care leavers as appropriate for the young person's independent living skills. This would range from support lodgings, shared flats, single person accommodation, as well as supported housing accessed via Supported People Programme. Gwent have commissioned IPC to look at the housing needs of those with complex needs. In addition we have developed a When I Am Ready offer which is made to all eligible young people. Currently we have 4 when I am ready arrangements.

95% of people reported they have received care and support through their language of choice, whilst a further 3% reported this was the case "sometimes". This year has seen the increase in use of professional translation services in all cases where English is not the first language of the family.

In relation to this quality standard 31 complaints have been received by Children's services and 0 by Adults services over the period 2016/17.

Newport has worked in partnership and also engaged with citizens to achieve this standard

Supporting People have developed a partnership framework that meets regularly with all commissioned partners to review and monitor projects on an ongoing basis. As result of this process issues can be picked up in a timely manner. In some instances this has resulted in remodelling services to deliver strategically relevant quality services more vulnerable people whilst also delivering better value for money. The development of supporting people services rely on good multi agency working, to ensure an holistic approach to meeting the housing needs of citizens. One example of this partnership approach is the development of a 'wet house' to support people with enduring alcohol problems. Under the aegis of the previous Local Service Board, a SIP Board project was established to look at developing accommodation solutions for entrenched street drinkers in the City. Partners include Gwent Police, the Office of the Police and Crime Commissioner, Public Health, ABUHB, Gwent Substance Misuse Area Planning Board, and the Council's Housing and Supporting People teams together with a local specialist support provider. Building on commissioned research undertaken by the University of South Wales, a two-phased approach was agreed by the multi-agency project group whereby firstly a dedicated floating support worker would be employed to identify cohorts of street drinkers willing to live in shared supported accommodation or a flat of their own. Two potential models have been identified: the shared 'wethouse' scheme and Housing First direct let model. Both work on the harm-reduction principle and recognise that some people will continue to drink but in a safe, secure and supportive environment. The second phase will look to identify suitable properties and wrap-around support.

The 16 –18 practitioner group is a multi-agency group looking at the provision for hard to engage young people to provide access to employment and education. The Pathway Service are also members of the Young Person Accommodation Group, Housing Action Group, Move On Panel, and part of the All Wales Leaving Care Forum all of which are multi-agency forums with aims of developing housing options for young people. It is also a focus of the YOS re-settlement panel to consider the needs of young people leaving custody.

Regular engagement with the Children in Care Council, facilitated by Tros Gynnal Plant, to guide service development on specific issues for children looked after and care leavers.

In 2016/17 Supporting People engagement with Newport citizens included: receipt of 1,105 individual GNME forms indicating housing and specific support needs; over 1,500 individual support assessments were undertaken for access to supported housing and floating support through the Newport Gateway and generic floating support service (The Lighthouse Project). In addition a separate Service User Needs Mapping Day was held where clients from thirteen projects attended. All the information obtained from the above exercises was fed into the needs assessment and identification of gaps in service provision as part of the robust annual planning process to inform the Local Commissioning Plan for the following year. Potential regional, cross-authority and joint commissioning proposals were also included, especially when informed by the Gwent Regional Stakeholder Engagement Day held annually in May each year. A number of new schemes have subsequently been developed or extended as a result of this process e.g. Gypsy Traveller floating support, expansion of hospitals support work with ABUHB, Family Intervention & Prevention scheme and regional development of the PREP (Prisoner Release Empowerment Project) and expansion of the BAWSO floating support scheme.

Also, when schemes are reviewed, all service users and recent ex-service users are invited to complete a short questionnaire from which a number are invited to in-depth interviews concerning their experience and outcomes of the scheme and the support they receive/d. This information is used to improve the quality of the service, re-model schemes to make them more strategically relevant and cost-effective or de-commission schemes to release funding for other identified priorities.

PRIORITY OBJECTIVES FOR STANDARD G

- To continue the development of person centred care and support in our re-ablement, domiciliary care, residential and nursing care and increasing the use of direct payments and telecare.
- To develop apprenticeship opportunities in the Council for people who use our services

5. How We Do What We Do

Our Workforce and How We Support their Professional Roles

Welsh Government support for regional developments and National Priorities have seen the implementation of Regional Boards for Workforce development that pull together national themes from across Wales. National priorities focused on the development of regional structures to take forward the new legislative changes brought about by the SSWB Act.

The initial priority of the workforce Board was to implement a workforce development strategy and programme of training that focused on introducing the new Act in a “whole sector approach”.

The **Regional Workforce Board** continues to map local needs into a Greater Gwent Regional shared training strategy, through the joint completion of Social Care Workforce Development Partnership (SCWDP) application for social care and social work funding arrangements. Examples of programmes of learning that reflect national priorities and have been developed to align with the SSWB ACT include some of the following:

- Qualification routes for social work
- Post qualifying programmes such as Continued Professional Education and Learning, Approved Mental Health Professional certification and Team Manager Diploma Programme
- Vocational QCF programmes and review linked to Qualifications Wales
- SSWB ACT Organisational Development programme

- Social Services practitioner initiatives
- Dementia strategy
- Health linked initiatives such as Care Closer to Home
- Achieving Best Evidence
- DOLs and Mental Capacity- and range of Mental Health related joint training
- VAWDASV
- Safeguarding Board joint training group

Locally, through our Training Needs Analysis, with team managers and senior leaders within the Local Authority, we have identified a number of programmes of learning such as

- Parenting Assessment Manual Software (PAMS)
- Fathers training
- Dementia training
- Medication project development
- Strengthening assessment / Qualifications and Credit Framework (QCF)

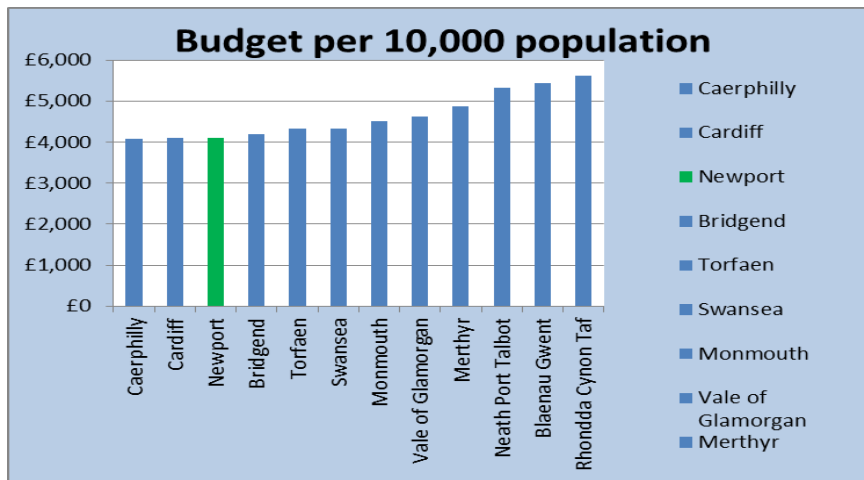
New initiatives continue to be shared amongst partners to disseminate effective models of practice and new approaches to workforce development through the Greater Gwent Regional Board.

Our Financial Resources and How We Plan For the Future

Social Services are currently engaged in the following shared arrangements with pooled budgets which are part of a section 33 agreement: Frailty & GWICES (Gwent Integrated Community Equipment Service). Both of these services show integration work with Health as we all the other local authorities in the Gwent area. Within Children services, we have many shared posts with Probation, Gwent Police & Barnardo's including our Head of Service.

The Social Services financial position is reported on a monthly basis from May onwards. Each month it is the budget managers responsibility to submit full year spend forecasts via our Budget Management System (BMS). The high risk areas such as community care, out of area residential placements for children and Fostering forecasts are assisted by financial forecasting tools so that they are as accurate as possible. Any major over or underspends against budgets are then flagged up as budget pressures or savings in the councils Medium Term Financial Plan (MTFP). This MTFP informs service planning and council wide decision making.

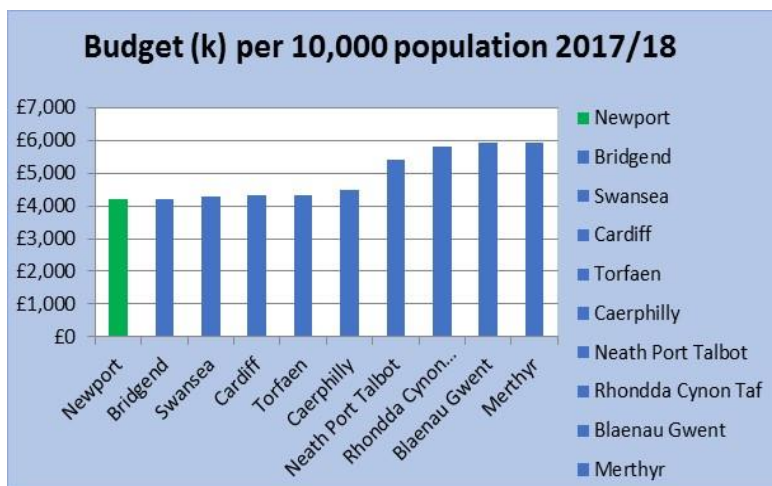
Compared to our benchmark and Gwent local authorities, the Social Services Budget for 2016/17 was third lowest per head of population.



The challenges of delivering Social Services in what is between the 4th or 5th most deprived local authority in Wales (Index for Multiple Deprivation 2014) has led to an overspend at the end of the year. The overspend in Adult Services was £463k which is just over 1% of budget and this is a result of a £1.1m overspend on community care budgets due to more people needing residential and nursing care, greater costs due to increasingly complex needs. The overspend in Children’s Services was £181k the which is around 0.8% of budget and the principle challenge is in finding placements for young people with complex needs and challenging behaviour. This budget alone had a variance of £890k and it is to the credit of staff that the overall position was considerably less.

For the year 2017/18, Social Services has the lowest net budget per 10,000 of the 10 local authorities in its comparator group, see figure 1 below.

Figure 1- – Spend Comparisons with Comparator Authorities – Budget per 10,000 Population 2017/18



Our Partnership Working, Political and Corporate Leadership, Governance and Accountability

The **Regional Partnership Board**, required under Part 9 of the Act, has been established and has met on bi-monthly basis since Act implementation date of 6th April 2016. It has held two workshop events to confirm regional integration priority areas and developed joint statements of strategic intent for: Older persons; Children with complex needs; Carers.

Other elements of the required Partnership and Collaboration duties, including the establishment of a regional citizen's panel and a regional value based provider forum, are also in place with the Gwent region being among the first to establish these. In order to both coordinate and develop work across the region there are also regular meetings with local authority and AHUHB communications leads and a **regional joint commissioning group** (RJCG) to look at impact areas and priorities for a regional level approach.

The regional joint commissioning priorities have been: Domiciliary care; Model Partnership agreement (for joint commissioning and pooled budgets for care home placements for over 65's); Third sector review and pre-implementation work to support the national framework agreement for placements for people with learning disabilities and mental health problems.

Population Needs Assessment (PNA) has been completed, to meet statutory requirements under Part 2 of the Act, with discussion and sign off by each local authority and local health board governance process, with report submission by deadline date of 31st March 2017.

The first Regional Partnership Board annual report was completed and submitted by due deadline of 31st March 2017, and this met requirements set out in Part 9 of the Act.

The Regional Partnership Board took forward a high level review of existing partnerships and integrated arrangements across health and social services and has agreed a number of Partnerships under the Board as follows:

- * Children and Families Partnership
- * Older Persons Integration Partnership
- * Mental Health and Learning Disability Partnership
- * Cares Partnership
- * Health, Social Care and housing Forum

All integrated pieces of work will come under one or other of these partnerships.

The Regional Partnership Board has also confirmed Locality Integration Partnerships reporting to the regional leadership group to take oversight of local cross-agency initiatives.

Political leadership and governance is delivered through the cabinet led by our Leader Debbie Wilcox and our Cabinet Member, Paul Cockeram. Scrutiny functions are delivered by a dedicated People Services Scrutiny Committee and we have a standing Corporate Parenting Panel for children in care.

Corporate leadership is delivered by the Senior Management and Corporate Management teams and for Social Services there is a People Portfolio Board chaired by the Strategic Director (People) who is the statutory Director of Social Services. Heads of Service then chair their own programme boards as well as leadership meetings.

Regional governance arrangements are in place for Safeguarding Boards (Adults and Children), the Area Planning Boards, the Violence Against Women, Domestic Abuse and Sexual Violence Board, the Integrated Family Support Services Board and the Frailty Board.

APPENDIX

- a) [Telling the story \(pdf\)](#)



Report

Cabinet

Part 1

Date: 19 July 2017

Subject Newport: City of Democracy

Purpose To outline the proposal to promote Newport as the “City of Democracy”

Author Will Godfrey, Chief Executive

Ward City-wide

Summary This report outlines the proposal to promote Newport as the “City of Democracy”. It identifies three strands of activity to underpin this work and the need to engage with partners cross the city to secure commitment to the programme of work. The report also sets out the requirement to allocate some funding to take this initiative forward.

Proposal To agree:

- 1) To adopt the headline “City of Democracy” for city branding for use in council publications and media.
- 2) To support the establishment of a festival of democracy to be held in Newport.
- 3) To explore further ideas for engaging communities in critical decision making across the city
- 4) To allocate funding of £100,000 to this initiative.

Action by Will Godfrey, Chief Executive and Beverly Owen, Strategic Director Place

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Cabinet Member for Community and Resources
- Head of Finance
- Head of Law and Regulation

Signed

Background

During 2016 the Newport Economic Network, the advisory group on economic growth, held a number of discussions about the need to develop a coherent story for Newport which could become the basis of city branding as well as the ongoing focus for collective advocacy for the city. The consensus of the group was the need to find a unique proposition which respects the history of the city whilst also having relevance for our present challenges and future opportunities.

Following these discussions the council agreed to commission work to explore how the “City of Democracy” concept could be developed. ResPublica, an independent think tank led by Phillip Blond, undertook this work and produced a comprehensive report which is attached at appendix 1. The report provided the focus of the Newport city summit in November 2016 and has attracted widespread support from numerous partners across the city.

The report identifies three strands of activity which underpin the concept:

- 1: City branding - helping to articulate a sense of unique and authentic difference that can make a city stand out in an increasingly competitive world.
- 2: Events - The development of cultural events and institutions to attract visitors and investors has been a central feature of urban planning in many metropolitan cities in the UK and internationally. This report sets out the proposal to develop a “Festival of Democracy” to be held in Newport.
- 3: Social & economic engagement with citizens and communities - Newport as ‘City of Democracy’ offers the promise of a shared future that can counter the effects of fragmented communities and refashion a mutual understanding of economics, politics and an enfranchised society

The ResPublica report outlines 10 recommendations to bring the City of Democracy concept into reality and these recommendations are the focus of the remainder of this report.

City of Democracy – Turning the concept into reality

The ResPublica report provides a detailed assessment of how the concept can be brought to life. The challenge is to create an authentic narrative which the council, partners and communities feel properly reflects the core story of Newport as well as providing a convincing basis for future communications and activities to promote the city.

To concept was initially tested with partners who form the Newport Economic Network. This is an advisory body, set up in 2015, to discuss how we can take a collective approach to city development. This group has a wide range of representatives – schools, further and higher education, industry, tourism, sport, housing association and government. As such it is well placed to consider the need to create a better sense of place and how we can then work together to secure the best outcomes for the city.

Partners from the network support the concept and the feedback from the city summit in November 2016 was overwhelmingly positive.

There is clear evidence that the cities which attract greatest levels of investment and therefore those which create the best opportunities for their communities are the ones where partners across the city come together to tell a coherent story and commit time, effort and resource to work collectively. Inevitably this is not without its challenges as different organisations will have individual interests. However if we are to create economic growth and develop a clear sense of place we need to manage these interests and set out an ambitious plan for the future of Newport.

The report has 10 recommendations which can essentially be categorised into 3 strands of work:

1: City Branding

Whether it's to boost tourism or to help create a general sense of civic pride, city branding has become an important part of place-making in many cities around the world. Currently Newport doesn't have a clear brand. This can cause confusion when marketing the city to investors. As the report sets out:

"The ultimate promise of city branding is to create enhanced awareness in key marketplaces which in turn increases customers, generating business, employment and prosperity."

Newport has at times been known as "Gateway City" or more recently, "City on the Rise". However these brandings haven't been used consistently or been derived from any city wide process. The "City of Democracy" branding has been endorsed by the Newport Economic Network and provides the opportunity for the first time to have a coherent basis for marketing, place shaping and inward investment.

This report therefore proposes that Newport City Council formally adopts the "City of Democracy" strapline as the basis for city marketing and destination management.

2: Events

City events bring communities together and can be the focus for investment and improving city identity. As the ResPublica report comments:

"Festivals and hallmark events have become an increasingly important aspect of urban regeneration strategies in cities and towns of all sizes and in countries globally. In the main the tendency has been to focus on sports and cultural themed events, but there are many other festivals and carnivals taking place around the world celebrating music, literature, food, art, religion, language, and horticulture amongst many others"

Perhaps the best examples in recent years in Newport are the Big Splash and the Food Festival.

The proposition in this report is to create a Festival of Democracy, which will provide a unique focus for Newport. This event will both reflect the strong history of the city, embodied by the chartist uprising of 1837, whilst also providing a focus for debates about democracy in the modern world.

3: Social and economic interaction with citizens and communities

Once again further detail about this strand of activity is provided in the attached report.

Newport City Council impacts on the lives of communities in many different ways. One of our key challenges is how we can engage communities in consultation processes and decisions which are vital for the future of the city. Whilst we have some excellent examples, such as the Citizens Panel and the Fairness Commission, there is more we could do to stimulate engagement in decision making which will help to bind communities together.

The attached report sets out a wide range of activities we could introduce to stimulate engagement and cabinet is invited to consider the proposals.

Financial Summary

Inevitably there will be costs associated with this initiative and this report proposes to make a budget provision of £100,000 over the next 2 years. It is also expected that partners will make a contribution as work proceeds. We would also seek, where possible, to spend this budget with local suppliers. At this point, these costs are anticipated to be one-off and most certainly at this level. This will be reviewed again at the end of the second year.

In considering the development of a festival we would seek grant assistance and sponsorship to reduce any costs.

We plan to cover these costs from the 2017/18 contingency allowance of £1.47m. Therefore there will be no additional budgetary implication for the council. To date, no allocation from the revenue contingency has been made and there is one further allocation from the contingency, recommended to Cabinet in these meetings papers – making the total £175k in the current 2016/17 financial year if they are both approved.

The revenue contingency budget is mainly reserved to deal with issues of over-spending and unexpected, significant financial problems. In saying this, the total allocation recommended is relatively small and financial forecasts suggest this is affordable at this level.

	Year 1 (Current) £	Year 2 £	Year 3 £	On-going £	Notes including budgets heads affected
Costs (Income)	75,000	25,000			
Net Costs (Savings)					
Net Impact on Budget	75,000	25,000			

Risks

At this stage it is difficult to identify risks. The initial task will be to engage with partners across the city to secure support. Initial feedback has been mostly positive

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Lack of engagement with partners	M	L	On-going discussions	Chief Executive

*Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The council is beginning the process of developing a new corporate plan and the work outlined in this report will be included if the recommendations within this report are supported.

Options Available and considered

- Option 1 – support the City of Democracy initiative.
- Option 2 – reject the proposals contained within this report.

Preferred Option and Why

Cabinet is recommended to support option 1. The report attached at appendix 1 sets out the significant advantages of having a clear citywide place shaping strategy. The City of Democracy concept will enable Newport to have a clear on-going strategy which will encourage investment and provide a focus for future city development.

Comments of Chief Financial Officer

The financial impacts are shown in the 'financial summary' section of this report. Current revenue forecasts show a potential forecasted revenue budget overspend of c£150k to date which is well below the revenue contingency budget and therefore there is headroom to approve this.

Cabinet are reminded that the contingency is reserved for dealing with revenue budget overspending and unexpected, significant financial issues/problems and allocating it in this way, at this early stage of the year, would generally not be recommended given the risk it introduces. In saying this, there is sufficient headroom to absorb this if Cabinet deem it a priority, understanding the risks.

Any on-going costs beyond the second year, when known, would need to be included for base budget funding, through the medium term financial processes.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The Council has specific statutory powers under Sections 140 and 142 of the Local Government Act 1972, to undertake marketing, events and promotional activities. In addition, there are general powers under Section 2 of the Local Government Act 2000 to incur expenditure and undertake any activity which promotes the well-being of the City and the people of Newport. The proposed adoption of the City of Democracy branding and its implementation in terms of organised events and social engagement is also consistent with the Council's objectives under the Well-Being of Future Generations Act in relation to economic growth and regeneration and building cohesive and sustainable communities, and the principles of involvement and collaboration.

Comments of Head of People and Business Change

There are no staffing implications at this time.

Comments of Cabinet Member

The Leader of the Council supports the proposal outlined in this report

Local issues

N/A

Scrutiny Committees

Engagement with scrutiny will be on-going.

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

N/A

Crime and Disorder Act 1998

N/A

Consultation

On-going discussions with Newport Economic Network who have been very support of the initiative.

Background Papers

ResPublica report from November 2016 which is attached at Appendix 1 to this report.

Dated: 12 July 2017

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Society

Society

Society

November 2016

Newport: City of Democracy

A Report by ResPublica for Newport City Council

Mark Morrin & Tom Follett



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ResPublica Acknowledgements

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About ResPublica

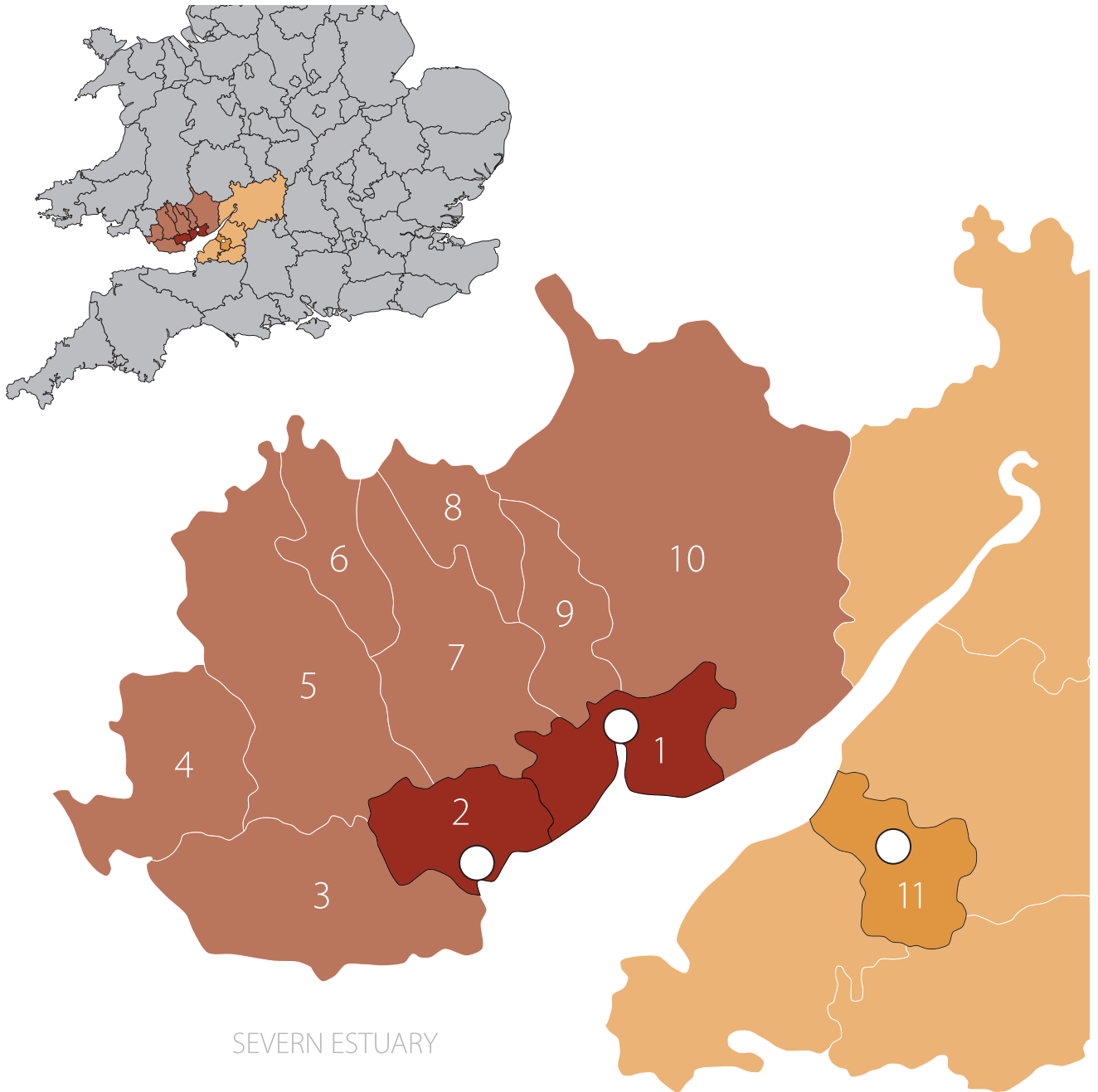
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Contents

Executive Summary	3
<hr/>	
1. Introduction	6
2. About Newport	7
3. Place Making and City Branding	11
4. 21st Century Democracy for Newport	15
5. Festival of Democracy	22
6. Conclusion and Recommendations	27
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LOCAL AUTHORITY AREAS OF NEWPORT AND THE CARDIFF CAPITAL REGION



1. Newport

2. Cardiff

3. Vale of Glamorgan

4. Bridgend

5. Rhondda Cynon Taf

6. Merthyr Tydfil

7. Caerphilly

8. Blaenau Gwent

9. Torfaen

10. Monmouthshire

11. Bristol



Executive Summary

“A ‘Festival of Democracy’ would be an ideal way to introduce the public to the concepts of 21st century democracy, to debate and test them in a controlled environment”

ResPublica was commissioned by Newport Council to explore the cultural re-invention of the city and how a new city brand can achieve this.

Place branding can play an important role in place-making, helping to articulate a sense of unique and authentic difference that can make a city stand out in an increasingly competitive world. This report sets out the case for a city brand that builds on Newport’s historical, industrial and cultural legacy to shape a new vision for the future. At the centre of this vision is the idea of ‘Democracy’, a concept that speaks to the city’s rich political history, its association with the Chartist movement and its legacy as ‘home of the vote’.

Newport as a ‘City of Democracy’ is a distinctive brand proposition that could be transformative. More than a superficial marketing exercise; it is something that has depth and meaning, something that can embody Newport’s ambitions, and re-position the city in relation to local, national and potentially international networks. It could allow a number of related activities – festivals to celebrate political history, democratic models of shared ownership, and new methods of participating in local decision making - to connect citizens and communities; shape public services; and drive economic development.

‘City of Democracy’ captures a sense of Newport’s cultural identity which, we argue, can play a significant role in place-making.

This type of cultural led development has been attributed, by some academics and urbanists, to whole city regeneration and in some places the emergence of a new cultural and ‘creative class’ (Florida, 2002).

The development of cultural events and institutions to attract visitors and investors has been a central feature of urban planning in many metropolitan cities in the UK and internationally.

Democracy is a tangible concept which, in its broadest sense, can encapsulate the social and economic interactions of particular citizens and communities that come to define a sense of place. And place, as the Brexit result reminds us, is a decisive determinant of outcomes, be they health, education or income. Newport as ‘City of Democracy’ offers the promise of a shared future that can counter the effects of fragmented communities and refashion a mutual understanding of economics, politics and an enfranchised society.

The effects of globalisation and particularly the impact of automation, out-sourcing and off-shoring has contributed to the hollowing out of many middle skilled jobs in Newport and other post industrial cities, leading to divergent employment, skills and income distributions. The City of Democracy brand could help shape a place-based response to globalisation offering the prospect of a more equitable future. This could, for example, build on the anchoring role of the University of South Wales in widening participation and further

raising overall skills levels to meet the requirements of the new economy.

Democracy is an ideal to aspire to, which, to be realised, requires citizens to be autonomous, capable, and invested with the information they need to participate in society. *Effective* democracy requires better use of the powers and resources available to society. The question for a *representative* democracy is how good its systems and rules are at representing the views of the people and whether there are more effective means of allowing a wider group of citizens to participate in the process of government.

The principles of localism and place-making, that are beginning to take root in Wales and around the UK, provide a real opportunity for communities to develop and transmit an unmistakable offer that can capture and build on their unique cultural heritage while forging the possibilities for a new but genuine future. Newport's city brand can enable communities to build on their local heritage and assets, and, anchored by a deep sense of civic ownership, help shape a new and locally distinct settlement. This could provide a major rebalancing of investment and economic growth.

A deep and fully realised understanding of the role of democracy could not only help Newport drive a place-making agenda but also transform local democracy itself.

Newport's legacy

Newport's story is intertwined with the history of Britain's economic and political development. As one of the first places in the world to industrialise, it was also instrumental in the development of the Labour movement and the right to vote – the armed uprising in 1839 by the Chartists being the last of significant size on British soil. The effect of subsequent de-industrialisation, experienced by many western economies, has not been without its problems, some of which persist today. Yet, the city has adapted better than most.

Newport has recovered from a period of economic decline to become an important base for employers from a range of sectors

in the nascent Cardiff City-Region. It is well connected via the Great Western Main Line and M4 to Cardiff, Bristol and London. Its population is better-educated than the Welsh average, with 35% of working age adults having a higher level of qualification (Level 4 or above – the equivalent of one year of university), and its workforce is more productive (productivity per worker, at £43,920, is almost equal to Cardiff's at £44,350). Recent regeneration projects, primarily in the city centre, have also helped to transform the city's profile.

However, Newport still needs to overcome certain challenges. It must tackle high unemployment and high levels of deprivation, concentrated in some areas of the city and which threaten to hold back future growth. To fully realise its potential Newport will need to create a more balanced economy, one that is less dependent on the public sector and large employers. It must secure its position linking South Wales to the West of England, grow its emerging digital cluster, and diversify its economy.

Newport as 'City of Democracy' can build on its political heritage to help promote the principles of inclusive growth, to ensure that future steps to attract business and investment can enable Newport to become an attractive place to live and work, where people can afford a good standard of living and play an active role in the wellbeing of the city.

City branding

Whether it's to boost tourism or to help create a general sense of civic pride, city branding has become an important part of place-making for many cities around the world. Responding to their own challenges, other cities have successfully used city branding to provide a focus and a strategy for life in the city. 'I love NY' is the first and perhaps most famous of city brands but Glasgow is also celebrated for its long running campaign which in its current form is branded 'People Make Glasgow'.

City brands are typically targeted at a wide audience of potential residents, investors, and culture producers. They often act as an

'umbrella' for various city sub-brands, such as destination management and inward investment, and when most effective they are strongly integrated with city marketing agencies and partner organisations.

Those cities that have succeeded in city branding have moved beyond early attempts at simplistic exercises in logo creation and 'sloganeering'. The lessons are that city branding is more likely to succeed where strategies are consistent and long term; where partners and the various agencies of city marketing are coordinated and integrated; and where the brand functions as the primary overarching platform for all city messaging and promotion, to which other sub-brands are strongly connected but clearly subservient.

We argue that if Newport is to embark on such a strategy, to re-vision and rebrand its social and economic future, then the concept of 'City of Democracy' can help achieve this by connecting with and renewing its cultural heritage. As a potential brand it is something familiar and known, an idea that has depth and which is in its own way uniquely and authentically associated with the city. It can speak directly to Newport's history as well as its connectivity to a global debate about the future of democracy. In this way, the brand can become more than an empty slogan. It can function as a platform for ideas that could once again make Newport a leader in the development of a new democracy.

Delivering a 'City of Democracy'

Making the concept of a 'City of Democracy' real and authentic could involve drawing on the links between cities and democracy in the past, and creating new ways of governing and representing Newport's people in the future. Historically, the republics of ancient Athens and Rome, and the medieval Hanseatic League alliance, remind us of a time when cities were in many ways stronger than nations. Today, cities are again taking on an increased role in governing all over the world, for example through the *Global Parliament of Mayors*. Cities are responding to global crises and the impacts of a global economy which

nations are ill-suited to deal with, and new democratic technologies enable their citizens to play an active role.

In Newport, the democratic context of the city is changing. The vote to leave the EU, the creation of the Cardiff City Region, devolution to the Welsh Government, and low turnout in council elections; these are all issues that combine to raise a complex of new questions.

The implications of 'democracy' span many areas. Economically, the legacy of co-operatives and friendly societies provide a way in which people could gain power through shared ownership. In the future, new fiscal powers for the region could enable prosperity to be better shared. With increasing growth, the displacing of lower-income families and small businesses must be managed to avoid disempowering communities without land assets. The skills system must also enable the council to actively help those 'left-behind' and who need help to participate in economic and political life.

To better represent citizens, Newport should stay involved with discussions on the future of the voting system in local elections and introduce new democratic tools, starting with small scale trials. These could include collaborative policy-making, virtual currency rewards, responsive notification of council decisions, and direct forms of democracy. These tools, some of which were developed by the EU-funded *D-cent* project, are already used in cities around the world such as Reykjavik, Helsinki, and Madrid. The Newport Citizen's Panel offers an idea test-bed to trial these new methods of involving citizens in decision-making.

A Festival of Democracy

A 'Festival of Democracy' would be an ideal way to introduce the public to the concepts of 21st century democracy, to debate and test them in a controlled environment. Festivals are increasingly regarded as an important element of urban regeneration globally and can be good value-for-money, often generating local

economic benefits, and leaving a lasting legacy. Newport is already looking to build upon its successful Food Festival and Chartist Festival, and a one-off or recurring Festival of Democracy would both draw in the city's communities and prominently promote the city to a wider audience.

All members of the local community, including heritage groups, schools, colleges, businesses and wider stakeholders can be involved in the design, organisation and delivery of an inaugural Festival of Democracy in November 2017, to coincide with the anniversary of the Chartist uprising. This could take place across a number of city venues, including locations associated with the Chartists. The festival will explore all facets of democracy and appeal to all members of the community, including those less likely to engage, with varied content that is both entertaining and intellectually challenging.

We suggest that this could include a TEDx event as part of the festival programme which will provide a platform for local speakers to address a global audience; public debates and competitions; and the trial of a collaborative policy-making tool to draft a 'declaration' to be released at the end of the festival. Alongside this we would envisage the conventional attractions of food, drink, music and performance as well as other carnival elements such as street events and historical re-enactments.

We propose that this should be an event organised in partnership with community groups, individual citizens and local business who will volunteer their time and services to staging such a festival. However, once a detailed budget has been prepared, identifying all elements of a festival programme, we anticipate that Newport City Council would need to fund at least half the required costs with the remainder coming from Welsh Government, the EU (where permissible) and private sponsors.

Outline recommendations

1. A branding strategy for City of Democracy should be agreed with all stakeholders and partners
2. Measures to support co-op and mutual ownership for established and new local businesses should be implemented
3. Newport should remain engaged with ongoing devolution discussions with Cardiff Capital Region around fiscal devolution, and to prioritise its digital cluster in growth discussions
4. Newport should closely track the influx of more affluent arrivals and the potential displacement of lower-income families and small businesses in the city and support Welsh Assembly Government efforts to pass Assets of Community Value legislation, with the aim of identifying such assets.
5. Newport should examine how community hubs can work with Jobcentre Plus, Families First and the Department for Work and Pensions (DWP) to deliver labour market interventions, including data-sharing from DWP.
6. Bring together employers and the University of South Wales to provide skills that will adequately prepare citizens for the disruptive effects of globalisation and automation
7. Explore incorporating the 'Newport Story' into the school curriculum
8. Use the Citizen's Panel to trial a range of new, collaborative digital democracy tools
9. Participate in discussions around electoral reform
10. Create a 'Festival of Democracy', drawing on both historic and modern contexts, generating debate and pioneering real-world uses of new democratic tools.



1. Introduction

“Newport as a ‘City of Democracy’ is more than a city marketing exercise; it is something that has depth and meaning not only in the past but presently and in the future.”

This report for Newport City Council sets out a 21st century vision for the city, one that builds on the city’s historical, industrial and cultural legacy to help shape a modern future, which promises a new direction for social, economic and democratic renewal. At the centre of this new vision is the idea of ‘Democracy’, a concept that speaks to the city’s association with the Chartist movement and its legacy as ‘home of the vote’. We present the case that this core idea can be transformative, to help enliven, engage and build communities.

Newport as a ‘City of Democracy’ is more than a city marketing exercise; it is something that has depth and meaning not only in the past but today, and in the future.

This said, we also believe that it can work as an effective branding platform that can help to capture Newport’s ambitions, and which can help re-position the city in relation to local, national and potentially international networks. As part of this overarching proposition we have developed a number of related themes and activities that can co-evolve, to not only help democracy drive a place-making agenda but also transform local democracy itself.



NEWPORT
CITY COUNCIL
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CASNEWYDD



2. About Newport

“Newport was the site of the last large-scale armed insurrection in Britain, the Newport Rising of 1839 led by the Chartists... a mass working class movement who sought political reforms”

Newport’s story is intertwined with the history of Britain’s economic and political development. It is a significant role that is perhaps now underappreciated. As one of the first places to industrialise, it has also been at the forefront of a deindustrialisation process, experienced by many western economies. This has not been without its problems, some of which persist, but Newport has adapted better than other places. It now has a range of large employers, with a promising digital cluster, and excellent connections to South Wales and Western England that have helped it adjust to changing economic circumstances. The causes which Newport’s Chartist movement fought for have become in large part an everyday reality for people in Britain and in democracies around the world. Building on this legacy can help to promote the principles of inclusive growth, to ensure that future steps to attract business and investment can enable Newport to become an attractive place to live and work, where people can afford a good standard of living and play an active role in the wellbeing of the city.

2.1 The Past – the rise of an industrial city

Newport, situated on the river Usk and at the confluence of the River Severn, has been a port since medieval times, gaining its first charter in 1314. However, it was

during the 19th century when the port became the focus of coal mined from the eastern valleys of South Wales that Newport grew to become the largest exporter of coal in Wales.

The period between the late 19th and early 20th century was a boom time for Newport when the population was expanding rapidly. New docks were constructed including Alexandra South Dock which opened in 1892 and was at that time the largest masonry dock in the world. The expansion of iron and steel works in and around Newport also contributed to its expanding economy with the opening of Lysaght’s Orb Works in 1898 employing 3,000 staff. Newport was at this time a major focus of international trade with 8 consuls and 14 vice-consuls.

Urban expansion took in Pillgwenlly and Lliswerry to the south of the river which eventually necessitated a new crossing of the Usk, provided by the Newport Transporter Bridge completed in 1906. Further extensions to the South Dock were followed in 1907 and 1914. However, the port had gone into decline even before the great depression, with falling coal production and competition from Cardiff, and in 1930 the Town Dock was filled in.

Yet Newport remained an important manufacturing and engineering centre and experienced something of a post-war resurgence with the help of a broad

industrial base including foundries, engineering works, and a market town that served much of Monmouthshire. The city attaining full cathedral status in 1949, the opening of the modern integrated Llanwern steelworks in 1962 secured new jobs in the industry, while the construction of the Severn Bridge and local sections of the M4 motorway in the late 1960s, made Newport the best-connected place in Wales. The recessions of the 1980s and 1990s nevertheless hit the community hard, with the decline of the steel and coal industries causing a significant loss of employment. The financial crisis of 2008 did not help, but the fragile economy did see recovery through a successful inward investment programme and an emergent high tech sector.

Newport has proven to be highly resilient to structural shocks. The city has acquired a range of new public sector employers and administration centres, including: the headquarters of the Office for National Statistics; the headquarters of the United Kingdom Intellectual Property Office (formerly known as the Patent Office); the headquarters of Wales and West Utilities; the shared-service centre for HM Prison Service; the Passport Office for much of the south and west of the UK; and the Wales headquarters of the Charity Commission and British Red Cross. In addition, large private sector employers have been attracted to the city such as Admiral Insurance, Lloyds Bank, the headquarters of insurance comparison site Gocompare, Airbus, Tata Steel, Panasonic, International Rectifier and SPTS. A Richard Rogers-designed Inmos microprocessor factory has also helped to establish Newport as a presence for emergent technology companies.

In addition, and alongside its industrial legacy, Newport also has a proud cultural and political history at the forefront of working class political movements. It was the site of the last large-scale armed insurrection in Britain, the Newport Rising of 1839 led by the Chartists.

The Chartists were a mass working class movement with a particularly strong hold in the South Wales Valleys. They sought political reforms, through a People's Charter, including 'a vote for every man twenty-one years of age, of sound mind, and not undergoing punishment for a crime'. The Chartists sought change through constitutional means including public meetings, demonstrations and petitions, although several outbreaks of physical resistance and violence erupted in different parts of the country. In 1839 a large scale armed rebellion marched on Newport to liberate fellow Chartists who were reported to have been taken prisoner there. This resulted in the largest civilian massacre committed by the British government in the 19th century, with over 20 demonstrators killed when troops opened fire on them.

Newport was also the place where the Miner's Federation of Great Britain was founded in 1889 and it has a strong association with the suffragettes. All this clearly identifies the city as an instrumental place in the development of the labour movement and the right to vote.

2.2 The Present – post-industrial Newport, how the city is performing

Newport was granted city status in 2002 and is the third largest city in Wales with a population of approximately 150,000 people, projected to grow to 170,000 by 2036. The city forms part of the Cardiff-Newport metropolitan area, with a population of 1,097,000. It is also situated between the two cities of Cardiff and Bristol, forming a pivotal role as part of the three Great Western Cities (GWCs), with a combined population of almost 1.8 million.

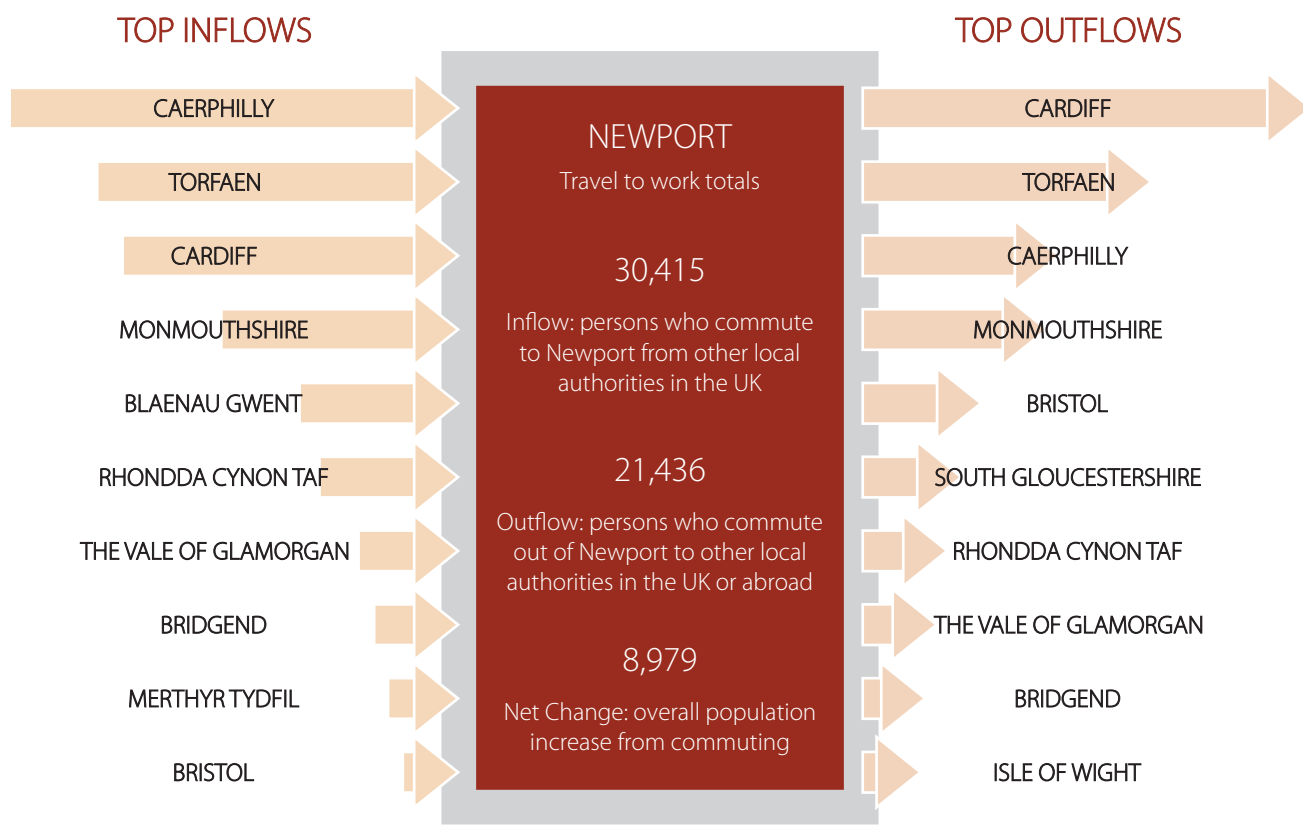
The City of Newport functions as a significant employment centre supporting nearly 69,000 jobs, with a job density

figure for of 0.81 jobs per working age person which is higher than the Wales and UK average.¹ It is therefore also an important commuter city with a Travel to Work Area that incorporates much of south Monmouthshire. It has a net inflow of approximately 9,000 workers, with the largest proportion of commuters travelling in from Caerphilly, Torfaen, Cardiff and Monmouthshire.² The city also provides an important connecting role across the Great South West conurbation with a larger number of Newport residents commuting out to Cardiff (the largest travel to work destination) and Bristol than currently travel in from those areas.

The resident population is educated to a higher level than the Welsh average, with over 35% of working age adults having Level 4 qualifications or above, and contains a higher proportion of managers, directors and senior officials than Cardiff, Bristol and the English and Welsh averages.³ This suggests that the city has already started to transition from a predominantly working class industrial economy into something more diverse and productive, one that is increasingly attractive to an aspiring and high achieving workforce. The city consistently ranks above the Welsh average for City Centre Competitiveness (Huggins, 2013)⁴ and consequently it is a major contributor to the Welsh economy, generating a total GVA of £4.74bn, with a GVA per worker of £43,920 almost equalling that of the capital, Cardiff at £44,350.⁵

In terms of business formation the city has a broad range of sectors of which the larger employment sectors include Production, Wholesale, Retail, Transport, Hotels and Food, Finance and Insurance Services, and Professional, Scientific and Technical activities. Heavy industry and manufacturing remains an important sector for the city, although employing fewer than in the past – the rolling mill is still active at Corus Llanwern steelworks and at the mouth of the River Usk, the Sims Metal Management plant hosts the world's largest industrial shredder for scrap metal with access by road, rail and sea. Tourism and the visitor economy have become increasingly important. Newport hosted the Ryder Cup in 2010 (when visitor numbers peaked at

TRAVEL TO WORK FLOWS - NEWPORT



All categories: method of travel to work (2001 specification)

Source: ONS, Census 2011

over 2.5m) and the NATO Summit in 2014. Newport will continue to attract more world-class events once the new Wales International Convention Centre is built in the city. A year on year increase from £181m in 2009 to £261m in 2014 reflects the value or tourism to Newport.⁶

Newport has an impressive inward investment and re-investment track record; the city ranks 3rd in a Lambert Smith Hampton study of the best office locations outside London and 7th out of 100 UK cities for robust economic growth to 2020.⁷ The city is also undergoing one of the largest regeneration programmes in the UK, with public/private sector investments potentially totalling £2 billion by 2020. This includes £15 million from Welsh Government to invest in Vibrant and Viable Places to convert run-down city centre properties into new homes

and spaces for business start-ups, stimulating further growth and business investment and furthering the vision to re-shape the life of the city centre. Newport's city centre retailers have recently voted to become a Business Improvement District.

In the last ten years Newport has established a sound platform for future economic growth, with a range of significant projects completed totalling around £230 million in value. Riverfront improvements, a new railway station, the new University of South Wales campus and reclamation of the Old Town Dock area are only a very small example of the wider developments that have taken place in the city. Together with other recent major investment programmes, such as the £100 million Friars Walk retail and leisure scheme, and the

£60m investment through the Welsh Governments Vibrant and Viable Places Framework, the City of Newport's steady history of economic regeneration activity affords the Council a prime position to maximise the opportunities that exist and address the challenges that remain.

The city is clearly evolving and there is a need to balance its industrial past with a future offer that can generate more and different growth for the benefit of all its citizens. This presents an opportunity to build a more cohesive community and create a new local narrative that can speak to both the National (Wales) and sub-national agenda (including its role as part of the Cardiff City Region and as a pivotal location in the Great Western Cities).

2.3 The Future – the opportunities for place making

While much progress has been made, Newport will need to overcome certain challenges. Unemployment is above the Wales and UK average and particularly high in some wards in the city such as Pillgwenlly, Tredegar Park and Bettws, which rank amongst the highest on the Welsh Indices for Deprivation, including for poor health. High unemployment, particularly amongst the younger population aged 18-24, alongside lower skills account for a 'productivity gap' compared with other stronger performing city economies in the UK and Europe.⁸

To fully realise its potential Newport will need to create a more balanced economy that is less dependent on the public sector (the city is ranked 57th out of 64 for private sector employment⁹) and larger firms (at 0.9% the city stands above the Wales average of 0.4% for large employers) which have impacted on lower levels of entrepreneurship and business start-ups. It will be necessary to raise average productivity across all the city's industrial sectors, to support wider private investment, and to encourage growth across a more diverse range of large, medium and especially new micro businesses.

Despite contraction manufacturing continues to offer access to higher skilled work through a number of internationally recognised companies, with Advanced Manufacturing, particularly related to energy technologies, identified as a future growth sector for the area. Other key drivers for growth over the next 10 years - both locally and regionally - include: ICT, Life Sciences, Finance & Professional Services, Tourism and Construction to meet predicted demand for physical regeneration and housing demand.

Evidence also shows Newport to have one of the largest digital clusters in Wales¹⁰, with Digital Technologies - particularly hardware and telecoms - identified as a growth sector for the area. Newport has an award winning university campus at the heart of the city where the Alacrity Foundation, set up a few years ago, is mentoring top graduates in entrepreneurship with a view to them establishing new technology companies. A number of blue chip IT and data services companies have also been attracted to Newport due to the physical security these sites offer and the area in general. Consideration will need to be given to how these sectors can be supported and strengthened as part of a place-based industrial strategy through the provision of an appropriately skilled work-force, and the availability of finance as well as tailored support to businesses in the region. Allied to this, opportunities for economic growth will need to include those currently locked out of the labour market or at risk of low skilled, low paid employment.

Further, Newport must become a key driver of economic growth across South East Wales and South West England. This will need to build on the rationale of agglomeration and how the economies of Cardiff, Newport, and Bristol can be brought closer together to achieve the benefits of scale, density and specialisation to accelerate growth across the region. The Great Western Cities (GWC) conurbation is estimated to be the largest and most connected economic area in the UK, with more people commuting across the metro area than between Manchester and Leeds in the Northern Powerhouse. Economic modelling has shown that a 20-minute reduction in journey times could result in higher productivity and lower welfare benefits.¹¹ The GWC area is already performing

in line with the UK trend. However if output per capita could match London (based on 2014 figures) then this would lead to a GVA uplift of £31.7 billion per annum.¹²

More than double the working population of Newport are employed in the private sector compared to the public sector, suggesting a large number of residents commuting out of Newport to private industry in other areas. It is possible that many Newport residents are commuting out to work because there is a lack of demand for job opportunities locally. However, while there is a need to grow and retain talent in Newport and to provide higher value jobs in the city, the benefits of 'constructed agglomeration' are based on collaboration between multiple cores aimed at achieving a larger scale and stronger economic position than can be achieved by individual centres alone. Newport will need to play a critical role to drive agglomeration forces in ways that benefit its own businesses and residents in the wider metro area. There are clearly challenges in working across national borders, including devolved fiscal and spending policies but the evidence from Europe where many citizens routinely travel to work across borders suggests that these matters can be overcome.

Connectivity is an important element of agglomeration and Newport is ideally situated to drive this agenda as a key connector city. This role has already been identified and advanced by Newport Smart & Connected City, the council's inward investment and marketing body which promotes Newport as a place to invest. This identity as a strongly networked location to visit and invest will help to establish Newport's future in a more outward facing and globally interconnected economy.

1 Nomis: Labour Market Profile – Newport: Jobs Density (2013) – Newport Economic Growth Strategy 2015

2 MetroDynamics, Britain's Western Powerhouse, February 2016

3 ONS annual population survey, NOMIS, 2015

4 Huggins City Centre Competitiveness Index, 2013

5 ONS Regional Gross Value Added (Income Approach): December 2015

6 Newport Economic Growth Strategy 2015

7 <http://www.keycities.co.uk/newport>

8 Newport Economic Growth Strategy 2015

9 Centre for Cities Index 2014

10 National Institute of Economic and Social Research: Measuring the UK's Digital Economy. Figure 4: Location quotients of digital economy companies by Travel to Work Area, 2012.

11 Peter Brett Associates, cited in Britain's Western Powerhouse, February 2016

12 MetroDynamics, Britain's Western Powerhouse, February 2016



3. Place Making and City Branding

“The ultimate promise of city branding is to create enhanced awareness in key marketplaces which in turn increases customers, generating business, employment and prosperity.”

Whether it's to boost tourism or to help create a general sense of civic pride, city branding has become an important part of place-making in many cities around the world. The rationale for introducing city branding programmes is that urban areas are increasingly competing against each other for scarce resources in a globalised world. Proponents see this as a means of differentiating and communicating their unique advantages to key audiences - students, tourists, migrants, and investors. The ultimate promise of city branding is to create enhanced awareness in key marketplaces which in turn increases customers, generating business, employment and prosperity.

3.1 Definition, history and practice

City branding has been defined as:

“The application of branding as a management discipline to the marketing of towns and cities, so as to provide an overarching framework of urban imagery and messages within which specific residential and external audiences may be more effectively addressed through targeted marketing and sales activities; the external audiences in question are typically those of tourism, inward investment, potential occupiers of property, and prospective students”.¹³

The branding and marketing of cities and towns is attributed in its first recognisably modern format to the *I love NY* campaign undertaken in New York nearly 40 years ago. In 1977 the State Department of Commerce hired an advertising agency to implement a \$4.3m marketing campaign aimed at accentuating the positives of the area, as a remedy to the negative images then prevalent about the city, especially those of financial and economic failure and of urban crime. The resultant ‘civic boosterism’ went on to inspire several more city branding campaigns in New York and all manner of merchandising. *I love NY* became a much copied logo and slogan, passing a longevity test which few other city branding projects surmount.



I love NY directly influenced other cities including those in Europe. In 1983, Amsterdam and Glasgow introduced the *Amsterdam has it* and *Glasgow's miles*

better city brands. In turn, other UK and European cities followed. By the beginning of the twenty-first century slogans were increasingly finding their way into urban centres and the regeneration toolkits of provincial cities as 'another way of selling cities'.¹⁴

In the UK this included, for example, Birmingham's (*Europe's meeting place*), Liverpool's (*Maritime city*), Stoke's (*Do china in a day*), Bradford's (*Bouncing back*), Manchester's (*We're up and going*), Edinburgh's (*Inspiring Capital*), and Leeds (*Live it. Love it*). City logos included the Belfast B; the Birmingham B; the Nottingham N, and the Manchester M. European city brands included: *The Hague: international city of peace and justice*, *Everything points to the Maastricht region*; *Live Riga*; *Rotterdam: World port, world city*; *Only Lyon* and the *Copenhagen: open for you*, *The Bilbao B*.

However, while city branding has gathered some momentum in Europe over the past half century, the practice remains the exception rather than the rule. The vast majority of cities and towns do not have an explicit city branding strategy, platform and delivery mechanism in place. Indeed there is widespread absence in both Europe's capital and second tier cities. London, Rome and Paris do not work to a formal city brand in promoting themselves, which given their relative and accumulated advantage may well be regarded as unnecessary.¹⁵ But neither are other 'lower' tier cities minded to undertake city branding projects, perhaps unconvinced about the benefits and outcomes of such practice.

3.2 City versus destination branding

The academic literature makes an important distinction between city branding and destination branding carried out by destination marketing organisations (DMOs). Destination brands are by comparison relatively widespread and unproblematic design frameworks within which places can enhance their profile and attract visitors, as first undertaken by spa towns and seaside resorts.

In Europe most nations practice destination management with nearly all principal cities boasting a DMO and destination brand. However, in most cases there are few instances of a wider city branding enterprise. Typically, city brands transcend destination marketing in that they seek proactively to target audiences wider than those of the visitor economy to include existing residents and businesses, potential inward investors, students and cultural producers (film/TV).

Crucially, city brands supply an overarching set of imagery and messages within which the targeted marketing activities of various agencies (typically DMOs, inward investment agencies, chambers of commerce, transport authorities and universities) may more effectively bring about a desired outcome. The 'umbrella' of city branding is its hallmark, serving to differentiate it from the destination branding to which it is nearly always linked and to emphasise its multi-dimensional nature.¹⁶

While destination brands can be found in most urban contexts, city brands are much less common. The norm is for there to be a destination brand, but no city brand. Further, where city brands do exist, the destination brand nearly always acts as a sub-brand of the city brand. In other words, the city brand is utilised for various strands of 'official' city marketing activity, including the destination marketing undertaken by DMOs to penetrate city break, events and convention markets, while also embracing other key audiences referred to above.¹⁷

In Berlin, Amsterdam and Glasgow the city brand is currently being used amongst other things as a 'tourism' sub-brand. Here the effectiveness of the city brand has been made possible by the development of integrated city market agencies, such as the Berlin Partner, Amsterdam Marketing and the Glasgow City Marketing Bureau. These have emerged as prototypes for other cities seeking to coordinate a spectrum of different target audiences.¹⁸

Glasgow Case Study

Glasgow's city brand is currently known as PEOPLE MAKE GLASGOW (2013). This is the third iteration of a city brand that started in the 1980's with Glasgow Miles Better and which continued with Glasgow: Scotland with Style. The latest campaign is implemented by the city's dedicated marketing bureau, a subsidiary company incorporated in 2004 and formed to promote and improve the well-being of people in Glasgow. These objectives are achieved through a range of strategies directed towards increasing the economic activity within Glasgow as a place to live, work and pursue leisure activities, and also as a city to conduct business and attract inward investment.

Glasgow's current brand has a unique story. It was developed through a global, digital conversation which asked the question "What makes Glasgow a great city?" Over 1,500 people from 42 countries contributed to the conversation by sharing their brand ideas, stories, images, videos, music and poems. Overwhelmingly, the number one response from contributors was that it's the people of Glasgow that make the city great, which, ultimately, led to the development of PEOPLE MAKE GLASGOW as the city's new brand. PEOPLE MAKE GLASGOW can also be used with an extender word – an emotive word which can be used to get a more specific message across about an industry focus, campaign or theme PEOPLE MAKE GLASGOW: Home; Creative; Greener; and so on.



**PEOPLE
MAKE
GLASGOW**

3.3 Evidence of what works

While city branding platforms may prove to be the exception rather than the rule they have nevertheless multiplied and become more sophisticated in recent years. However, their effectiveness and ultimate value remains difficult to assess. Failure rates amongst city branding projects are very high.¹⁹ There are reportedly just two exemplary practices of city branding platforms now operative in Europe; the I Amsterdam and People Make Glasgow. The perceived failure of many campaigns has become a significant factor behind the reluctance of many municipalities to risk using city branding.

The actual practice of city branding in early twenty first century Europe belies its potential. For the most part city brands come and go, with very little evidence of impact and effect. There are numerous reasons cited for this:

- City branding is often the source of misunderstanding and confusion as to its purpose, structure and application. It has been suggested that city leaders often “don’t understand the benefits and concepts involved in place branding”.²⁰
- Cities present a large, complex, and multi-dimensional set of propositions which, unlike corporations, are difficult to reduce to a number of core values, products and messages that can be controlled as a “cohesive and unique brand”.²¹
- City branding aims to create the umbrella under which more targeted, sectoral marketing activities can occur. In practice, fully-fledged sub-brands tend to be weakly reflected, unless integrated by a dedicated city market agency.²²
- City branding projects prove resistant to evaluation and the establishment of precise impacts and rates of return on investment (ROI). It is simply too difficult to control for what might have happened in any event – the so called counterfactual – with or without a city brand.²³
- Even when the key institutions of a city are keen to introduce place branding

the costs associated with achieving a minimal level of visibility and impact can be prohibitive when balanced with other statutory obligations which take a higher priority and when the benefits are so hard to quantify.

Europe’s near 40 year experiment in city branding presents a backdrop populated and characterised by infrequency and (where city branding does exist) varying degrees of success. Those cities that have succeeded have moved beyond early attempts at simplistic exercises in logo creation and ‘sloganeering’. The lessons are that city branding is more likely to succeed where:

- The brand functions as the overarching platform for all city messaging and promotion, to which other sub-brands are strongly connected but clearly subservient
- The commitment to the brand is practiced by all key city institutions including local businesses
- The practice is consistent and the strategy long-term
- The various agencies of branding and city marketing are coordinated and integrated.
- The commitment to funding is sustainable and commensurate with achieving at least a minimum level of impact.

3.4 Branding Options for Newport

There are a number of options for a Newport city brand, which play on its local history and existing associations, some or all of which could be associated and used as part of an overarching city branding platform.

Gateway to Wales

Newport is already known as the ‘Gateway to Wales’, a strap line which is used in various promotional materials for the city. While this is an effective and accurate description it only speaks to one half of Newport’s connecting role in the region. Situated between Bristol

and Cardiff, Newport is at the heart of the growing Great Western Cities conurbation. The city is strategically placed on the M4 Corridor with excellent road and rail links beyond the region to the cities of Birmingham and London and to Heathrow and Gatwick airports. In this context Newport is a Gateway for Wales to connect with the major agglomeration economies of England.

Smart & Connected

Smart & Connected serves as Newport’s inward investment tagline. This speaks to Newport’s potential to grow and prosper as a vital ‘Connector City’ within what is currently the largest economic sub-region in the UK. This portrays one possible future for the city as an attractive place for businesses to invest and as an affordable commuter city in which to live and work. Positioned to serve both the wider travel to work areas of Bristol and Cardiff, as well as other surrounding towns in Wales, the idea of a ‘Connector City’ also presents the possibilities for a new economic base and local job market as an interlocutor that facilitates interactions between larger employment sites, businesses and supply chains. The multi-million pound investment in the city’s broadband and digital connections also plays to the smart city agenda to become “Super Connected”.

City on the Rise

City on the Rise is the strap line which Newport Council has used in recent years to promote its ambitions for the city and particularly its achievements in regenerating the city centre, including Friars Walk and the retail quarter. It successfully captures the sense that Newport is changing for the better, that it is open for business, and an attractive proposition for investors. It can also act as a positive and uplifting phrase to attract new young wealth creators and families by playing to the excellent quality of life which the city affords.

Backing Newport

The 'Backing Newport' campaign by South Wales is a supportive strap line that has been recently adopted to promote the city in the local press. This campaign has highlighted recent developments that are helping to transform the city. It has also featured the many assets that make the city an attractive place to live, work and do business including; beautiful countryside, coastlines and the wetlands nature reserve; its leisure facilities - new walking and cycle routes linking the city centre and its rural hinterland; and impressive sporting links - Newport Gwent Dragons, Newport County AFC, the Football Association of Wales Centre of Excellence, an internationally recognised golf course, and the Wales National Velodrome which is one of only five internationally recognised cycling facilities in Britain.

Home of the Vote

The city is also famous for its historical connections with the Chartist Movement and proudly associates with this tradition as the 'Home of the Vote'. The local organisation 'Our Chartist Heritage' formed to coincide with the 175th anniversary of the Uprising in Newport, aims to promote Newport and South Wales as a root of modern democracy. The celebration of the Chartists contains the kernel of an idea that can help to connect Newport's local history as an important city in the development of democracy and universal suffrage, with an outward facing message of national and global significance.

City of Democracy

The concept of Newport as a 'City of Democracy' is a potential brand that could speak to the city's historical legacy while giving expression to a modern 21st century understanding of the democratic ideal.

A city made famous by the long struggles to achieve the rights and freedoms which we enjoy today can play a leading role in shaping the democratic processes of tomorrow. This could promote and celebrate the city's democratic heritage for the social, cultural, educational and recreational benefit of the general public, helping to champion citizenship and participation in the democratic process. It could also help to drive tourism via associated festivities to attract visitors to the area.

3.5 Preferred option, 'City of Democracy'

There are a number of slogans, strap lines and campaigns that are currently and simultaneously in use. While each has its merit none could accurately be described as an intended city branding strategy or over-arching platform as currently practised in other cities or understood in the literature.

If Newport is to embark on such a strategy, to re-vision and rebrand its social and economic future then it will need to light upon something that can connect with and renew its cultural heritage. The concept of 'City of Democracy' clearly achieves this. As a potential strap line it is both fresh and new, in so far as it is not currently in use. But at the same time it is something familiar and known. The idea has depth and is in its own way uniquely and authentically associated with the city.

As a potential brand platform 'City of Democracy' can speak directly to Newport's history as well as its connectivity to a global debate about the future of democracy. There's a real opportunity for Newport to take the lessons from 'democratic cities' elsewhere and from other periods of history, and combine them with new ideas and

techniques. In doing so, it could become 'City of Democracy' not just in name but in nature.

In this way the brand can become more than an empty slogan. It can function as a platform for the development of a whole programme of action including festivals, educational inputs and community engagement, incorporating the work of the local chartist heritage groups and wider participation in public services. Newport has been pioneering in Wales in setting up the Fairness Commission (which we discuss further, below) and there are options, both large- and small-scale, that Newport could take up to be a leader in the UK on democracy.

It is not presently clear how pre-existing brands and slogans currently used across the city might fit within a 'City of Democracy' branding platform. It is possible that they could simply co-exist without need for explanation or reference. However, there is the risk that such an approach would dilute and limit the effect of the over-arching brand. The 'City of Democracy' tagline may function as a distinct offer within a destination management plan, or even more narrowly in relation to a specific event or series of events, including a festival. But again this may serve to minimise the potential of the brand.

There will be a need for Newport City Council to review how the separate functions of destination management, inward investment, and overall city marketing are managed and brought together as part of a coherent strategy that can be best served by the 'City of Democracy' brand. At the same time there will be a need to consult widely with residents and business about the future city brand and how this might work. Buy-in from the local business community will be especially important in transmitting the brand.

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4. 21st Century Democracy for Newport

“There are a number of key democratic technologies which Newport should consider offering to citizens in small-scale projects.”

Cities and democracy have long been associated. None is better known or documented than the city state of Athens, the first and originating democracy. Indeed the very term ‘democracy’ refers to the power of people and place. At this moment in history cities and their global networks are increasingly at the centre of debates about the new democracy as they – and not nations – drive the world economy. Cities are moving beyond networking to become more influential players in the globally interconnected world.

Examples of niche practices and societal trends are beginning to emerge that are redirecting democracy as a vehicle for regeneration and citizen empowerment. This is a discourse that is challenging traditional democratic institutions and practices, while across Europe new players - communities, citizens, social entrepreneurs - are mobilising and taking up responsibility for the public domain. This chapter will begin to explore some of the ideas that could be taken forward by Newport to build on its heritage and help to further involve local citizens in a new democratic settlement for the 21st Century.

4.1 Democratic cities

Over time and across nations the relevance of cities to democratic life has alternated in its relative strength and weakness. City democracy as a means of government pre-dates the nation state, although historically the power and sovereignty of local government has waned in relation to the central state. In recent decades, although more recently in the UK, we have seen an emerging global trend towards decentralised governance. The effectiveness of national democracy, or lack of, has shaped the relative independence and power of democratic city governments. In response to contemporary challenges, cities are working together to tackle problems in new ways and represent their citizens in an effective way.

4.1.1 Democracy's crisis of legitimacy

In order to understand the prospects for city democracy we must look at the current state of democracy in general. The picture is not a rosy one. Global challenges have pushed established norms of governance to the brink and trust in democratically elected politicians is at record lows across Europe.²⁴

On the economic front, the aftermath of the 2008 financial crisis has taken much longer to recover from than previous recessions. High youth unemployment in the years after the crash has shaken trust in the ability of governments to steer the economy, while the continued and visible prosperity of internationally mobile professionals has stoked public resentment. In response to global competition, demands for strong state intervention in sectors from steel to media have grown, but it is not clear that the state has the ability or the capacity to deliver a return to pre-2008 sustained economic growth.

On the social front, global instability and stagnant economies in the Middle East have precipitated a refugee crisis that has stoked nationalistic sentiment across Europe, with unprecedented movements of displaced people raising difficult questions over integration, national identity and control over borders. Immigration is among the top two concerns in every EU state except Portugal.²⁵ At the same time, social liberalisation and identity politics have created populations that are increasingly diverse in identity, values and worldview.

These challenges have created insurgent nationalist movements of a variety of forms, from Brexit to Trump that view the existing political order as undemocratic, counter to the interests of ordinary citizens and culturally distant or even dismissive of 'traditional' identities. Anti-immigrant populist parties in Europe such as Front Nationale and the Alliance for Germany advocate for a return to the state as sovereign representative of 'the nation', but at the cost of the globally interconnected networks of international trade. Caught between economic stagnation and political fracture, nation-states as we know them are, in many ways, 'stuck'.²⁶ With the nation-state caught between economic stagnation and popular revolt, the challenge of dealing and advancing globalisation has been taken up by another actor – the city.

4.1.2 Failure of the nation-state, rise of the city-state

There are good reasons why we might think that the city-scale is a good place, perhaps the best, to address the challenges of the 21st century, which we might divide into reasons of 'effectiveness' and 'representation'.

With regard to the 'effectiveness' of the state, cities are the places where globalisation "crystallises out" – where transnational corporations (TNCs) locate their offices and staff, where expertise and supply networks are located. They are the staging posts for interacting with the global economy, where its best and worst effects are manifest – access to global exchange of ideas and markets, but high levels of inequality and powerful interests of capital.²⁷ The effects of globalisation are present at the city level in a way they are not in the imagined national scale of politics.

In the international arena, cities have been instrumental in pushing for ambitious climate change emissions reductions agreements via the Climate Alliance group. A Global Parliament of Mayors, based in The Hague, has been established, following a 2013 proposal by US political scientist Benjamin Barber in his book *If Mayors Ruled the World*.²⁸ Many large cities operate city 'embassies' in other countries, conducting diplomatic affairs and speaking to investors.

Politically, this has the effect of distinguishing municipal politics from national politics in both form and content. Municipal governments tend to have a more pragmatic, non-ideological politics and politicians who are more interested in 'getting things done' than posturing, says Barber.

In terms of 'representing' citizens and communities, city governments also do not need to rely, as nation-states do, on an imagined national community with particular, 'special' characteristics as a source of legitimacy and a social contract communicated by national media and national symbols. Rather, city governments can appeal to the real community that

exists at the city level, where citizens and businesses interact with each other and are part of local networks that are much more tightly integrated than national ones. In the frequency and intensity of urban citizens' interactions with each other, they are giving life to their own social contract every day.

Political scientists have observed from the 1970s that the city provides a level and a forum for democratic participation that the nation cannot, where an ordinary citizen can acquire "confidence and mastery of the arts of politics". In that way, it can offer a form of democracy deeper than mere voting for representatives. Political crises at that time led some to postulate that city-states would come to play an increasing role in governing economic and public life.²⁹ But it is only in the last 8 years, with the type of policy challenges globalisation has created becoming clear, that this has become a political reality.³⁰

4.1.3 Cities as the original centres of politics and democracy

Historically, the city has provided a focus both for effective governance and popular representation. On the first point, from the 13th to the 16th centuries, the Hanseatic League united the maritime cities of Northern Europe in a security alliance that shared a legal system, economic regulation, and a defence compact. In an age when nations were too inflexible and centralised to secure trading networks and provide for defence, city governments and businesspeople developed those things themselves.

In terms of representation, the main reference point for historical studies of city-democracy has been the classical city-states of ancient Rome and Greece. These cities represented their citizens by means of both popular assemblies, where all eligible voters could speak and create laws, and elections for officials. Citizens were expected to take an active role in the running of the city. As these cities grew, however, democracy proved impossible to function at a large scale with the paper and sail-based technologies of the time.

4.1.4 Cities leading a techno-democratic renewal

The mass-participation style of democracy of the classical city-states has been laid claim to today by a number of cities and popular movements that are using new technologies to enable the participation of citizens in the democratic and policymaking processes to an extent not seen before.

Forthcoming developments in technology and devolution may make it possible for more radical changes to the way city democracy works in the future. Technological developments have enabled new theories of representative and participatory democracy that can improve city governance and renew local accountability.

'New Democracy' parties are trialling direct and delegative forms of democracy such as 'liquid democracy' (see below), or citizen initiatives such as in California, Switzerland and other US states.

One technology used by 'Pirate parties' in Europe has been '**liquid democracy**', a hybrid of direct democracy and representative democracy. Every citizen can have a direct decision making role, transfer decision making to a delegated proxy, or actively inform the decisions of their representatives in real time.

The d-cent program, funded by the EU, has produced a toolbox of democratic web-based technologies, including a collaborative policy-making and discussion tool used by Barcelona Town Hall, and rewards for democratic participation in the form of virtual currency trialled in Iceland and Finland.

4.2 Democracy in Wales & Newport today

Newport today operates both in terms of powers and representation in a context familiar to other councils in Wales and the rest of the UK, but changing international and national circumstances may significantly change the role of the city council in years to come. The city council has already engaged with ideas about representation and values (for example establishing a Fairness Commission and Citizen's Panel) and should build on these successes.

4.2.1 Effective city-governance in Newport

Newport's ability to democratically make and change policy exists in an evolving context. The UK's vote to leave the European Union may see powers at the European level transfer to the UK parliament, or potentially 'pass through' to the Welsh Government. Legislative power is vested in both the UK Parliament and Welsh Assembly, with the latter receiving powers over 'delegated matters' from the former. There is ongoing discussion about moving to a 'reserved powers' model, where matters are assumed to be under the competence of the Welsh Assembly unless specified otherwise.

Below the Welsh Government, but above the local authority tier of government, Newport and nearby local authorities have come together as part of the Cardiff Capital Region city-region to manage strategic priorities. This has two components; the South Wales Metro network and a Cardiff Capital Region Investment Fund of approx. £495m.

At the local authority level, Welsh councils have powers to do anything that may enhance the 'wellbeing' of residents in their areas, but the Welsh Government intends to grant councils a 'general power of competence' so that they may do anything that a person generally may do (such a power is already in place in England and Northern Ireland³¹).

4.2.2 Representative democracy in Newport

Securing participation in local democratic processes is vital for the legitimacy and effectiveness of local government, but turnout in local government elections is not high. In particular, turnout among the young in local government elections is continually low.

Low levels of engagement in local democracy are problematic for a number of reasons:

- Lack of scrutiny of spending and policy decisions
- Lack of a feeling of participation in place leadership 'things being done to us'
- Lack of legitimacy for council as steward of the city to public and government
- Difficulty in passing large or controversial measures - perceived as unsupported
- Failure to communicate priorities of voting public - disconnection of council from non-voters.

Newport operates a leader-cabinet system, with councillors elected by First Past the Post in individual wards. However, the city has already taken important steps towards embracing new ways of actualising democracy and representing its citizens.

Firstly, the city has established a Fairness Commission, the first and only one in Wales, to ensure the council's decisions are taken in accordance with a locally-defined criteria of fairness. The commission both reviews council and budget decisions, and inputs into the council's improvement objectives. It also has a role in promoting discussions about 'fairness' in local society, sponsoring and helping to organise community events to that end. The Commission is approximately 15 people, drawn from local institutions and advocacy groups.

Second, the city has established a Citizens Panel of approx. 1000 residents which it consults approximately 4 times a year on council policy. The Panel was consulted on their definitions of 'fairness' to decide what fairness meant for the Fairness Commission. The Panel was also consulted as part of the statutory process for the Wellbeing of Future Generations planning process.

4.3 Effective city-governance in Newport tomorrow

Newport has a real opportunity to consider how democratic participation of citizens can be deepened and extended so that they have an effective influence on other areas of public policy. In particular, there is opportunity for influence over the economic life of the city and its citizens. The vote to leave the European Union has directed increased political attention, from all parties, towards those who have not experienced the upsides of economic liberalisation and global trade. Within Newport, there are pockets of deprivation ranked among the highest in the Welsh Index of Multiple Deprivation. At the same time, it is acknowledged in Newport's Strategic Economic Plan that Newport's economy is over-reliant on the public sector, ranking 57/64 UK urban areas for proportion of private sector jobs.

4.3.1 Economic democracy

Making sure growth is 'inclusive' and equitable could offer an opportunity for Newport council to use its role as an anchoring institution to convene and stimulate types of growth that offer democratic opportunity to all citizens. Newport has already committed to creating 'an excellent economic environment', moving Newport up the value chain into high growth sectors, and developing indigenous businesses.

Alongside these ambitious goals is the challenge of how to create businesses that create broad and shared prosperity, important in an economy such as Newport's, which lacks an existing diverse private sector. This means giving workers a real stake in their businesses, enabling them to share in economic success.

South Wales has a distinguished history on which to build of the co-operative movement, of the friendly societies that foreshadowed the NHS, and of a tradition of working together for self and community improvement. The Welsh Government has previously looked at how it can support the development of modern, successful co-

operatives and mutually-owned businesses.³² There is now an opportunity for Newport to look at how this could be done at a local level. The city already hosts an outstanding example of modern co-operation in Loftus Garden Village, a citizen-led initiative to create quality housing for residents. Further work should begin on a comprehensive local co-ops strategy, as well as a number of interim measures.

4.3.2 City-based economic policy

The challenge of resolving exclusion and poverty will require a much more place-centric approach to economic policy. With central Government looking at a modern industrial strategy, it is vital that implementation in Wales responds to the different situations between Welsh areas, and does not treat the country in a homogeneous way. On the one hand, Newport needs the powers to respond to difficult economic conditions and create a more prosperous city with a solid industrial base. On the other, it needs to ensure that growth is 'inclusive' and does not help some parts of the city while abandoning others.

Effective use of the levers of economic policy is vital to create the right conditions for inclusive growth. In particular, local government finance has emerged in the UK as an area where different tax systems could be fairer and more efficient.

4.3.3 Land use and land distribution

As the city's economy becomes increasingly successful, and transport improvements mean it is increasingly well-connected to Cardiff, Bristol and London, there will be future challenges in shaping the growth of the city and accommodating changes to the makeup of the city. Increased prosperity is to be welcomed, but increases in property prices could see working-class neighbourhoods change in character, and existing communities and institutions pushed out. This is a challenge that many growing cities face.

Newport has already taken action and established a Local Development Order (LDO) in the centre, the first in Wales. This

LDO streamlines the planning process by establishing clear pre-application requirements for city centre developments.

Moving forward, there are a number of additional steps the city could take to ensure there is a positive relationship between land use and shared prosperity in the city. To accommodate a rise in property prices in the city, consideration should be given to placing a greater emphasis on ownership within the planning system. The relevant provisions of the Localism Act to designating Assets of Community Value do not apply in Wales, but the Welsh government is consulting on passing equivalent legislation.

4.3.4 Skills for democracy

Economic democracy means all citizens having the skills and opportunity to participate in the economic life of the city. Newport has already committed to working with partners on a more demand-led approach to skills. It should also now look at how its community hubs can work with Jobcentre Plus on delivering labour market interventions for working age individuals. By bringing together Families First and Department for Work and Pensions (DWP) budgets, Newport could create an integrated employability system that gives everyone who engages with the welfare system the skills to succeed. A key enabler for this is likely to be data-sharing with DWP and HMRC to accurately identify every inactive individual.

A better, more demand led skills program would be of benefit both to the agency of citizens acting as democratic agents, and to the wider economic prosperity of the city, because better skilled citizens will be able to contribute more productively, and in turn create their own businesses and lead innovation in established ones.

As the governance of the Cardiff Capital region develops, skills policy may become more integrated at a regional level. Therefore, should Newport take the initiative on this policy area, it should not be seen as precluding the development of a regional skills policy, but a trailblazer area to lead the way for the wider city region on modern skills policy.

4.3.5 A democratic education

Curriculum reform in Wales is increasing the emphasis on the story(s) of Wales, on the role of citizenship, and on the values of a democratic citizen. There is an opportunity to embed the 'place-based' agenda into the school curriculum to give students a grounding in the context of their 'place', and in particular the roles, entitlements, rights and responsibilities of a citizen of the city.

The Welsh Government has trialled implementation of the UK Government's National Citizenship Service. If this programme is rolled out across Wales, the provider in Newport should consult with the council to identify how it could incorporate 'democratic citizen' aspirations, such as tolerance, diversity, and difference.

4.4 Representative democracy in Newport tomorrow

To embody the concept of a 'City of Democracy', Newport has a number of options, some more radical than others. To make the idea more than a catchphrase, Newport will need to show it is committed and open to real changes in the way the city works. The options available can be implemented at both small and large scale, reducing the barriers to action.

4.4.1 Digital democracy and services

Introducing a greater element of user-based democracy into both decision-making and service provision can provide an answer to both the challenge of a lack of civic engagement and in the need for higher quality services with constrained resources. Citizens can thus engage in both 'official, political' processes, and also through informal and user-driven decision-making and action. Official and unofficial processes are complementary, and equally essential to the success of our places.

There is evidence from abroad of place benefits from the participation of local people and organisations within processes such as participatory budgeting, referenda, and citizens' juries. There is no one model to

adopt, rather a spectrum of options which seek to position all stakeholders as part of the production and delivery of services. It is a question for local consideration how elected local government and the range of stakeholders in cities - business, civil society and citizens - can make decisions about how to plan, finance and manage the public realm and space.

There are, however, a number of key technologies which Newport should consider offering to citizens in small-scale projects. These are collaborative policy-making, virtual currency rewards, responsive notification of democratic decisions and liquid democracy. Doing very small-scale trials of these projects means Newport can achieve maximum exposure and genuine experience with radical new democratic techniques on a very small budget and with no risk to wider council processes. They are here set out in more detail:

4.4.2 Collaborative policy making

A policy drafting tool that allows organisations to work with their members to produce transparent and crowdsourced policies. The tool supports the idea of collaboratively producing policy by allowing members of a community to review, comment and annotate versions (drafts) of a policy. The feedback provided by the community is then made accessible to the policy writers so that it can be included in the next version of the draft. Through the tool, users can gather community opinion, generate ideas, share, discuss, vote and collaborate with experts to draft the new policy. This could include specific policies, manifesto pages, election promises, etc.³³ A collaborative policymaking tool has been used in a number of cities both to suggest general ideas, and to generate solutions to objectives.³⁴

Reykjavik, Iceland: In the 'Better Reykjavik' program, citizens submit ideas online and present them via the website. Other citizens can amend the ideas. The top 5 ideas each month are addressed by the City of Reykjavik in the appropriate

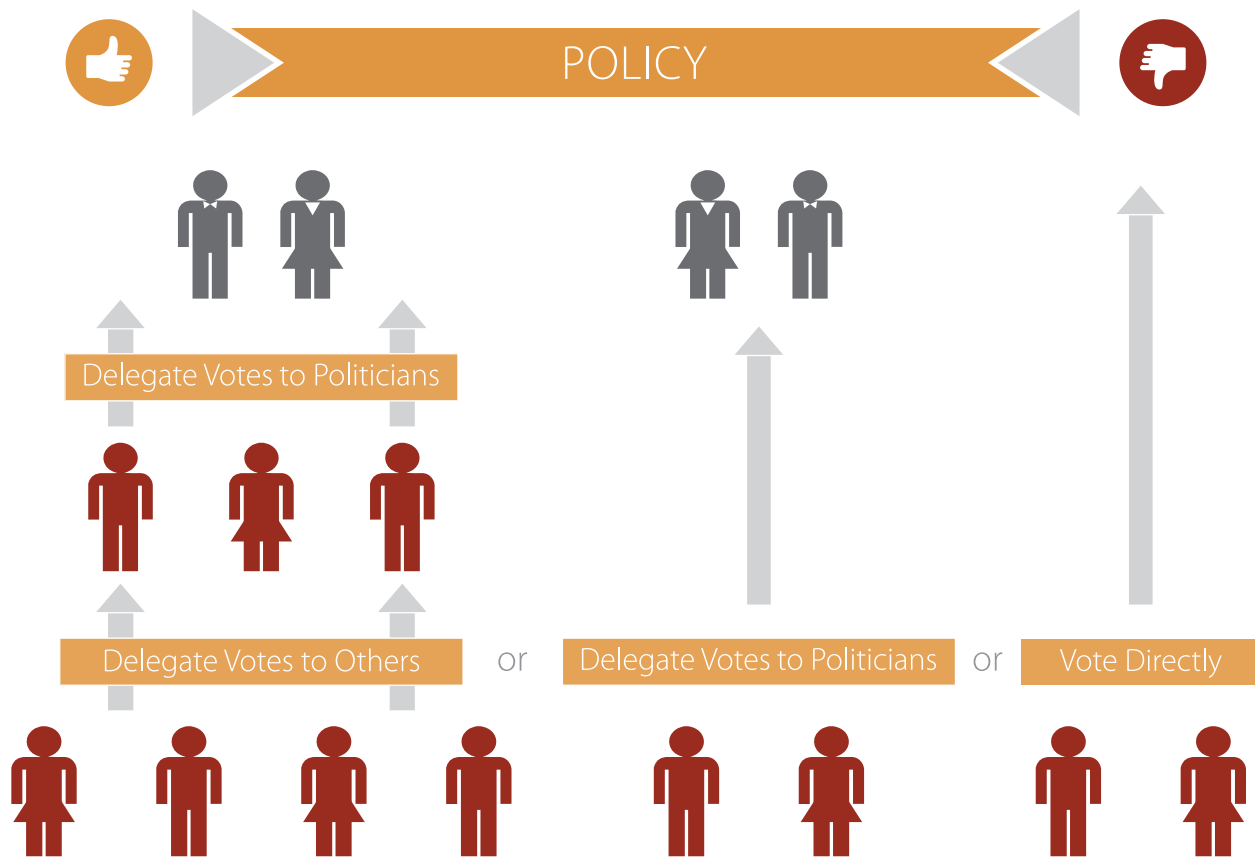
committee (with no obligation to implement them). Implemented ideas include war relic interpretation panels and school field trips. In addition, each year, the 'Better Neighbourhood' program allocates 1.8m euros for public realm and infrastructure improvements in each part of the city, that are proposed and voted on by residents from each area, using their municipal ID. Only projects that city planners find are viable can proceed.

4.4.3 Virtual currency rewards

A toolkit to let people run reward, remuneration and incentive schemes. It allows for collective deliberation on social currency systems, i.e. the rules of engagement and reward as a function of reputation management. Communities can run decentralised incentive and reward structures in terms of tolerance to risk. It allows communities and organisations to engage in transactions that have real world desirable impact and that they produce and construct collectively.³⁵ Put another way, it means tokens of currency can be rewarded online based on agreed standards of participation in the social endeavour, for example in political participation or community volunteering.³⁶

Catalonia, Spain: The 'Eurocat' currency is a method of allocating credit and a method of guaranteeing against credit default. It is a type of 'timebank' that can issue credit to members (SMEs and individuals), guaranteed by other members of the currency. It is being deployed in response to the economic crisis in Catalonia driven by difficulty in accessing liquidity, reducing business turnover.

LIQUID DEMOCRACY



Source: ResPublica/BlondCreative

4.4.4 Responsive notification of democratic decisions

This tool allows citizens to search for municipal decisions that match their interests. Once a citizen has performed a search, they are given the option of subscribing to future municipal decisions which match their search criteria. Their email address and search criteria are then stored and emails are generated and sent when a new decision is made.³⁷

Helsinki, Finland: The Open Ahjo service, provided by the City Council, keeps citizens up to date with matters that interest them relating to all municipal decisions made by the Helsinki City Council. Currently, the Open Ahjo interface contains over 40,000 agenda items and over 21,000 issues from more than 8,000 meetings.

4.4.5 Liquid democracy

This is a system of democracy that combines representative and direct democracy. Citizens can vote directly on issues they feel confident they are well-informed on, or delegate their votes on certain categories to people they trust, who can then also delegate their votes to others as they see fit. Any citizen can declare themselves a 'politician' and make a case for other citizens to delegate their votes to them. Citizens can take back their right to vote directly at any time, or delegate their vote to another citizen. The system is implemented by open-source software.³⁸

Friesland, Germany: Liquid Feedback has been used at the municipal level in the Friesland region of Germany. The Council of Friesland pays a small fee for the use of an online Liquid Feedback website for its citizens. "Liquid Friesland" has been running for several years, giving local citizens a way to propose policy ideas and directions, which are then voted on by people using the software. Liquid Friesland is primarily a reference system - member votes are not binding policy for the county. Ideas taken forward include changing the cost of child day-care.

There is opportunity to integrate these technologies with work already going on within Newport on the 'Newport Digital Passport', modelled partially on the Estonia model of E-passport. The promoters have identified potential for expanding out and commercialising this passport to reach many more citizens.

One way in which the proposals outlined could be tested on a small scale and introduced as concepts could be via a festival in the city – a 'Festival of Democracy'. This is set out in full in the next section.

4.4.7 Voting system reform

A key concern for democratic participation is turnout in local elections. Among the possibilities suggested are the possibility of lowering the voting age to 16, and adopting different systems for local elections such as Proportional Representation. Significant legislative change would be required for these options to be available, but Newport could play an active role in groups of local authorities and civil society that are interested in such a change.

4.4.6 Implementing these democratic technologies

The Newport Citizen's Panel offers an ideal opportunity to run a small-scale trial of these democratic technologies with people who are used to engaging with the council on policy decisions. As well as providing a useful opportunity to trial new ways of democratic engagement, such a trial would provide benefits for the council. First, the Citizen's Panel could operate more responsively and in greater granularity. Second, it could become akin to a 'local think tank', with high quality debate enabling it to produce detailed and technically proficient policy proposals.

4.4.8 Gaining popular support and testing what's possible

It is acknowledged that the proposals outlined here are potentially radical ones. Therefore, it will be important to secure engagement from local stakeholders and to introduce the concepts outlined gradually.

As democratic methods, it is important that these proposals are seen as being in collaboration with, and supported by, a broad base of the community. And as a set of ideas, it is important that these proposals have life breathed into them and are tangible to citizens.

24 <http://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/STANDARD/surveyKy/2130>

25 Ibid

26 <http://www.newstatesman.com/politics/uk/2016/11/closing-liberal-mind>

27 (Scott, 2001) (Harrison, 2012)

28 <http://www.globalparliamentofmayors.org/>

29 <https://www.cambridge.org/core/journals/american-political-science-review/article/the-city-in-the-future-of-democracy/247B40D5887B604CBADCC1EB295E7E18>

30 <https://cityterritoryarchitecture.springeropen.com/articles/10.1186/s40410-015-0029-2#CR12>

31 <http://researchbriefings.files.parliament.uk/documents/SN05687/SN05687.pdf>

32 (<http://gov.wales/docs/det/publications/160209-review-commission-en.pdf>)

33 <http://tools.dcentproject.eu/pdfs/Collaborative-policy-making.pdf>

34 <https://betrireykjavik.is/group/47/successful>

35 <http://tools.dcentproject.eu/pdfs/Blockchain-reward-scheme.pdf>

36 http://dcentproject.eu/wp-content/uploads/2015/10/design_of_social_digital_currency_publication.pdf

37 <http://tools.dcentproject.eu/pdfs/Citizen-notification.pdf>

38 <https://liqd.net/en/about/>



5. Festival of Democracy

“The festival must achieve two things. It must strengthen links with the community, enabling ordinary members of the community to contribute to the design and delivery of the event. At the same time it must secure prominence in the tourism market...promoting the City to a wider audience”

5.1 Role of festivals and events in promoting cities

Festivals and hallmark events have become an increasingly important aspect of urban regeneration strategies in cities and towns of all sizes and in countries globally. In the main the tendency has been to focus on sports and cultural themed events, but there are many other festivals and carnivals taking place around the world celebrating music, literature, food, art, religion, language, and horticulture amongst many others.

Perhaps the biggest and most famous brand associated with a city-based event is the Olympics, and although primarily a competitive multi-sports event the incentive for many cities bidding to host the Olympics is not only the occasion to showcase their city on a world stage but the opportunity it presents for transformative place-making. This was certainly the case with Barcelona, where the staging of the Olympics in 1992 was instrumental in re-inventing the city's image and identity. Similarly the successful bid to host the London Olympics in 2012 was premised on the much needed physical regeneration of East London. Participation in other international sporting events is also prized by potential host cities and nations – including International Athletics events, the FIFA world cup and many others. In the UK both Glasgow (2014) and Manchester (2002) have benefited from hosting the

Commonwealth Games and cities amongst the nations of England and Wales have participated in the Rugby World Cup.

Culture also plays a significant role in the image making of cities. Glasgow (1990) and Liverpool (2008) have both been successful hosts of European Capital of Culture, a year-long festival of activities designed to promote European culture within the Union. In Liverpool over 350 different cultural events attracted additional visits generating an economic impact of £800 million across the city and wider region contributing to a total £4bn invested in the physical transformation of the city. The success of Capital of Culture and the level of competition between UK cities to be designated a City of Culture combined with the limited options to do so – since its inception over thirty years ago only two UK cities have achieved this status – has led the UK government to introduce an equivalent UK City of Culture Prize. The inaugural holder of the award was Derry-Londonderry in 2013. In 2017, Kingston upon Hull will take the title.

Newport has a strong reputation for tourism and destination management. In recent years the city has delivered high calibre international events such as the Ryder Cup (2010) and the NATO summit (2014). The City has also successfully delivered the Newport Food Festival which, since its inception in 2011 has gone from strength to strength. And in 2016 the city organised its first Chartist Festival to

celebrate its historical association with the movement. Looking to the future Newport is building upon this experience, and with new resources such as the forthcoming convention centre at the Celtic Manor, is ambitious to deliver more.

5.2 Typology of events

There are three main types of events that can be identified. These include:

- Rolling events, running from year to year (e.g. Carnivals such as Notting Hill or Rio)
- Site specific, one-off events (e.g. the Great Northern Exhibition in Newcastle scheduled for 2018)
- Roving events which different cities compete to host (e.g. Capital of Culture; the Olympics).

The proposition to promote Newport with a Festival of Democracy is clearly one that originates from the City itself. It is something that is uniquely associated with and relevant to the local community. It could be a one time event of limited duration, possibly over a single day or weekend, to coincide with the anniversary of the Newport Uprising in November. Or it could be recurring, depending on the success of the inaugural event, which takes place annually. This could become a day or period of celebration that forms a new local tradition and which could evolve into a season or series of events. It has been suggested that the summer months maybe more suitable for outdoor festivities, although there are clearly many carnivalesque events celebrated throughout the year including, Halloween, Bonfire Night, Christmas and New Year.

The focus of the festival, as the name implies, will be the idea of democracy. But it will need to explore all facets of the concept including the more intangible aspects of this broad theme and not just the heritage of the Chartists, although this can and should play its part. Importantly the festival must achieve two things. It must strengthen links with the community, appealing to all citizens including those less likely to participate, and enabling ordinary members of the community to contribute to the design and delivery of the event. At the same time it must

secure prominence in the tourism market by attracting new visitors, increasing visitor spend, and promoting the City to a wider audience.

5.3 Scope and content

There are a number of international organisations, networks and events dedicated to the promotion of cities and democracy. Many of these generate online content through website blogs and other social media, such as [Cities in Transition](#), but also organise the coming together of relevant experts to discuss and debate the issues relating to cities, including their governance and the implications for technology in the 21st Century.

The Smart Cities agenda, with its focus on how digital technologies are impacting on the functions of the city, is a dominant theme. The [Smart Cities Expo World Congress](#), established in 2011 and running annually, is a three day event in Barcelona. This is the international summit for discussion about the link between urban reality and technological revolution. This is primarily a professional and institutional meeting point providing a platform for new ideas, networking, experiences and international business deals that gathers together the highest level of stakeholders, in the context of urban development. The format for the Smart Cities Expo includes conferences, seminars, roundtables, large scale exhibition space, and awards. In 2015 the expo attracted 14,288 visitors and 421 speakers from 568 cities across 105 countries.

[Democratic Cities](#) is another organisation that seeks to develop shared resources and platforms to develop new perspectives on democracy for cities. In May 2016 the organisation held an international conference in Madrid, with content and workshops delivered across six consecutive days. The event attracted high profile speakers including academics (Francesco Berardi, Writer and philosopher) politicians (Manuela Carmena, Mayor of Madrid) journalists (Paul Mason, The Guardian) and political activists (Julian Assange, founder of WikiLeaks).

These events, hosted in recognised global cities, are clearly aimed at an international audience with the primary intention of advancing a specific debate to a largely informed audience. Whilst contributing to the reputation of their host cities for convening elite world class events they are not however exclusively designed to promote the city or associate the host explicitly with the ideas discussed. We suggest that Newport can borrow some of the ideas for content from these existing networks and international events even if the scope and purpose of a localised Festival of Democracy differs.

One format which could be adopted for Newport's purpose is [TED Talks](#). TED.com is a nonpartisan not for profit organisation devoted to spreading ideas, usually in the form of short, powerful talks. It began in 1984 as a conference where Technology, Entertainment and Design converged, and today covers almost all topics — from science to business to global issues — in more than 110 languages. TED talks are widely available via YouTube as well as through its own website and as packaged programmes available on Netflix and other streaming services.

TED has a number of variously themed brands which are of interest and relevance to Newport. These include [TedCity2.0](#) which is a dedicated platform for all issues relevant to cities including health, housing, transport, education, entrepreneurship, public space etc. The City 2.0 website creates a space for the myriad of stories and collective actions being taken by citizens around the world. It has evolved from an international community of grassroots movers and shakers, to develop content that celebrates a complex picture of the future city.

The independently run [TEDx](#) events also help share ideas in communities around the world. This format supports independent organisers who want to create their own TED-like event in their own community. A TEDx event is a local gathering where live TED-like talks and videos previously recorded at TED conferences are shared with the community. TEDx events are fully planned and coordinated independently, on a community-by-community basis. The

TEDCity2.0



content and design of each TEDx event is unique and developed independently, but all of them have features in common and must comply with strict **rules** covering branding and sponsorship.

5.4 The proposition for a festival in Newport

5.4.1 Timeline and schedule

It is our estimation that a Festival of Democracy will take the best part of a year to develop. On this basis an event planned for November 2017, to coincide with the anniversary of the Chartist Uprising would represent a good timeframe for an inaugural event. Such an event could be limited to a single day or happen over the course of a weekend.

5.4.2 Conference

The Festival of Democracy should have at its heart a forum for discussion and debate. We therefore suggest that the

community of Newport is encouraged and supported to host a TEDx event, with the working title '**TEDxNewport – City of Democracy**'. A TEDx event will require a volunteer from the community to act as a principle applicant or '**Organiser**'. This named person will have significant responsibilities for curating the content of the event and ensuring that the conditions of the TEDx **brand** are complied with.

A TEDx event will provide a platform for members of the community, for example representatives from local heritage groups and businesses, to participate and present live talks – typically 18 minutes in length – on relevant themes. This could include:

- The history of the chartists in Newport and their relevance to modern democracy
- The future of City Governance
- The next step for devolution in Wales
- Digital Democracy – a Citizen's passport for Newport
- A manifesto for a meaningful commute
- Improving access to opportunity in Cities

The TEDx format is essentially a series of individual speakers, without panels or audience participation. However, breakouts and workshops can be held during intervals in the main speaking programme. The TEDx event could be limited to less than half a day in duration, depending on content and willing participants, but it cannot exceed one day in length. A TEDx event could also invite expert speakers and show related TED Talk videos from the extensive online library – for longer events, 25% of the total number of talks must be official TED Talk videos – but the focus should be to showcase local voices.

Attendance at a TEDx event is limited to 100 individuals unless the principle organiser and primary licence holder has previously attended an official TED conference. Entrance can be free or admission fees charged but they must not exceed \$100 per ticket. Sponsorship can also be sought to cover the costs of venue hire and recording equipment (all live talks must be filmed) but this must not exceed \$10,000 for events with 100 attendees or less. However, since TEDx is a non-profit format the primary

objective is not to raise funds but to provide a medium for the community of Newport to address a potential global audience.

5.4.3 Debate

A public debate on the future of democracy could be convened, perhaps in the Civic Centre or other appropriate venue. Guest speakers, drawn from the local community or invited from further afield, could speak for and against a given motion, for example: "Democracy is Dead, Long Live Autocracy" and a public audience invited to vote on the outcome.

The format could also be opened out to local schools and colleges to stimulate debating societies in the build up to the festival. A debating competition between schools could identify young talented public speakers who could be encouraged to participate in a public debate.

5.4.4 Decide

At the festival, examples of new democratic techniques and technologies should be trialled in real life. This offers the immediate benefit of making the festival an authentic example of democracy in action, with participants contributing to a real-life event and 'declaration' to be released at the end of the festival. Adding this element of authenticity will ensure real public interest and media engagement.

However, running such a real-world mini-trial also offers citizens a taste of how these new democratic techniques work. Assuming the process achieves participation is successful, it should create a community of people who have experienced the opportunity and could be recalled for support to roll out a further implementation later on.

Running such a trial also creates a precedent which can be cited as an example of the City of Democracy concept being actualised, which can be cited in discussions with potential funders, whether in the private/third sectors or in the public sector. To that end, representatives from interested academic parties should be invited to participate in the event

and process and write-up the event in appropriate academic journals. Newport has a precedent for this in a recent article published in the journal *Local Government Studies* on the Newport Fairness Commission, by Professor Steven R. Smith of The University of South Wales.³⁹

How it would work

The form of the small-scale trial should be an implementation of the collaborative policy-making platform developed through the European D-Cent project. This would involve interested festival attendees being invited to register for the web-based policymaking software Objective 8 or YourPriorities.⁴⁰

The group could be 'seeded' with a few core participants from the academic community and citizens' groups. The group would be set the task of compiling a 'declaration' document to be released on the final day of the festival. The declaration would be both a statement of the achievements/highlights of the festival and forward-looking manifesto. The trial would be publicised along with the festival before the event and electronic invitations dispatched to stakeholders. The software platform is designed to be scalable – to work as well with a group of any size, small or large.

5.4.5 Carnival

The Festival will need to include a wide range of citizens of all ages across the communities of Newport. It will therefore need a broad appeal and should incorporate the conventional attractions of food, drink, music and performance. Opportunities for street-based events and pop up venues in designated locations should be supported by the council to help create a carnivalesque atmosphere.

Opportunities for the public to 'vote' in a number of categories including for example – best street performer, best musician, best food – could enhance the theme of democracy. Awards and prizes should be considered and winners announced at the end of the festival and featured in the local press.

A re-enactment of the march on John Frost Square with crowds dressed in 19th century costumes, carrying lanterns and torches could incorporate elements of the Chartist tradition. This is something that local community groups and schools could help participate in and prepare for.

5.4.6 Merchandising and branding

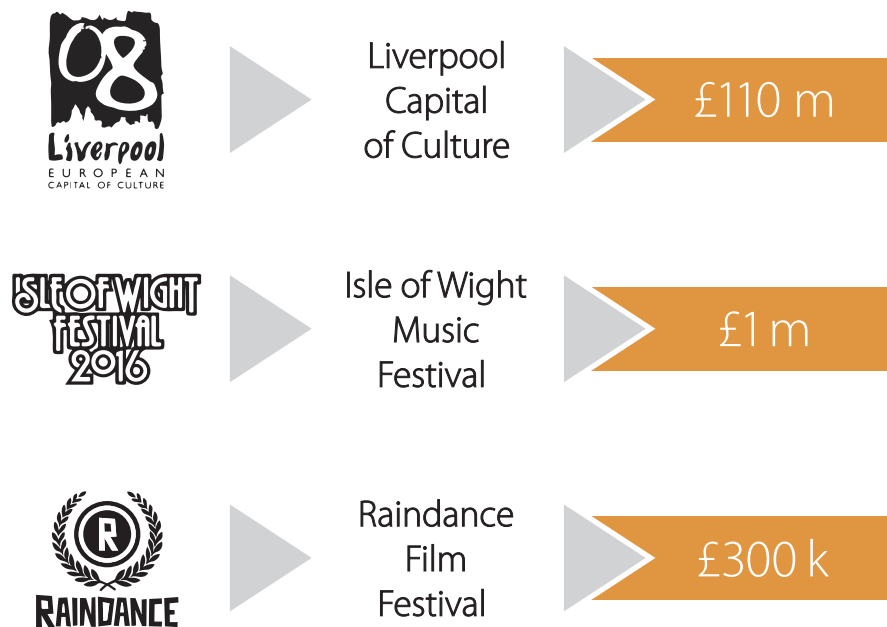
The Festival is the main promotional vehicle for the City of Democracy brand. We anticipate that logos and strap-lines will have been agreed and designed in time for the festival. All advertising and promotional materials will need to bear the agreed brand and we anticipate that the City Centre will be adorned with street banners and flags suspended from street lamps and columns in time for the Festival.

Official merchandising can be an important source of revenue for commercial festivals and events. We therefore recommend that the council explores the possibility of a partnership venture with a professional merchandising company to maximise any potential revenues from this activity.

5.4.7 Media coverage

If a TEDx event is organised, there will be the requirement for the principle organiser to conform to strict PR and media guidelines. Otherwise we envisage that the Newport Council will be responsible for engagement with local media to ensure maximum publicity and coverage in the region.

FESTIVAL COSTS



Sources:

Liverpool - Creating an impact: Liverpool's experience as European Capital of Culture, by: Beatriz Garcia Ruth Melville Tamsin Cox available at www.impact08.net

Isle of Wight - <https://www.theguardian.com/music/2015/jul/09/cost-of-staging-music-festival>

Raindance - <https://stephenfollows.com/full-costs-income-raindance-film-festival/>

5.4.8 Costs, funding and sponsors

Festivals are a burgeoning worldwide industry. There are 139 festivals in Wales and 210 in England, according to the Visit Wales/England search engines, a small sample of which include: Cardiff's Festival of Voice; The Abergavenny Food Festival; Portsmouth's Victorian Festival of Christmas; Bristol's Harbour Festival; and Bath's Jane Austen Festival. But while many are booming there are inevitable casualties along the way. Most

festivals start small and increase in size year on year. And this principle should apply to Newport's Festival of Democracy.

It is difficult to estimate the potential cost of a Festival. No two are by their nature identical in theme or scope. The budget for Liverpool's Capital of Culture was £110M (2005-2008); the budget for the annual Isle of Wight Music Festival is £1m; and the annual Raindance Film Festival budget is just over £300,000. However, there are

clearly a number of essential costs that will need to be considered. These include venues and equipment, marketing and promotional materials, as well as staff time and costs involved in organising and delivering the event.

One of the main objectives of the festival will be to increase visitor spend in the city. This will largely accrue to local bars, restaurants, shops, hotels and host venues participating in the event but not directly contributing to the cost. While this will be a welcome boost to the local economy opportunities to involve local business in funding events should be explored. The main sources of revenue that might typically be raised include corporate sponsorship, admittance fees and licensing.

In the case of most municipally led festivities the expectation is that local government will foot the greater share of the bill. However, as a community led event it is hoped that community groups, individual citizens and local business will volunteer their time and services to staging such a festival.

We propose that once a detailed budget has been prepared, identifying all elements of a festival programme, Newport City Council should seek to fund at least half the required costs with the remainder coming from Welsh Government, the EU (where permissible) and private sponsors.

39 <http://www.tandfonline.com/doi/abs/10.1080/03003930.2016.1157069?needAccess=true&>

40 <http://tools.dcentproject.eu/>



6. Conclusions and Recommendations

“Many of the options which we recommend can begin small at potentially low-cost, with the scope to scale up”

Newport is a city on the rise, one that is visibly changing and with the aspiration to achieve more. Situated at the gateway between England and Wales, the city is at the centre of one of the largest urban economies in the UK. As an important connector city between Cardiff and Bristol, Newport is ideally placed to drive economic growth across South East Wales and South West England. Given the scale of the opportunity we believe that there is a strong case to be made for rebranding Newport’s identity as a strongly networked location to visit and invest. This will help to establish Newport’s future as a more outward facing and globally interconnected economy.

The City of Democracy brand identifies Newport with a global story whose imagery and messages could successfully connect with both internal and external audiences. But if the brand is to have currency and meaning it will need to breathe new life into existing democratic structures and processes. This will need to consider how to effectively influence, change and extend the quality and depth of democracy within the city.

Of course, in a time of stretched resources it’s important that new developments don’t detract from day-to-day service

delivery. Many of the options which we recommend can therefore begin small at potentially low-cost, with the scope to scale up depending on the levels of success and commitment.

Recommendation 1: City Branding

The concept of ‘City of Democracy’ as a city brand is an association that has credibility and depth. It provides a potentially powerful platform for place-making in the future, speaking to both local history and contemporary concerns about the global condition of democracy. There are, however, a number of risks to be considered as the chequered history of city branding strategies indicate. The lessons are that city branding is more likely to succeed where the strategy is consistent and long term; where the various agencies of branding and city marketing are coordinated and integrated; and where the brand functions as the over-arching platform for all city messaging and promotion.

Additionally the extent to which local businesses and stakeholders recognise an overarching city brand will be critical to its success. For companies and other public-

private sector institutions, city branding is clearly not their core business. They will need to be persuaded to buy into the concept and incorporate the brand for maximum effect.

- The 'City of Democracy' strap-line should operate as an overarching brand. This should be agreed by Newport City Council in consultation with all city stakeholders and partners.
- Newport City Council should review how the separate functions of destination management, inward investment, and overall city marketing slogans are managed and brought together as part of a coherent strategy that can be best served by the 'City of Democracy' brand.

Recommendation 2: Economic Democracy

Making sure growth is 'inclusive' is vital to offer democratic opportunity to all citizens. There is now an opportunity for Newport to look at how this could be done at a local level, building on South Wales' distinguished history of co-operatives.

- The city and its stakeholders should consider a discrete business support offer for start-up co-operatives and mutuals
- The city and its stakeholders should consider a co-op start-ups fund
- The council could incorporate special treatment for co-operative enterprises in its procurement policy, building on councils' incorporation of social value in procurement.
- A toolkit for existing businesses in the city to examine how moving towards a mutual or co-op ownership model could benefit them

Recommendation 3: City-based economic policy

With the UK Government looking at a greater role for industrial policy, it's vital that the city and its people have influence over the direction of industry and growth, building on what's been achieved elsewhere.

- Newport council should ensure investments to create an innovation ecosystem around the National Cybersecurity Academy are prioritised via its participation in the South East Wales Growth Commission
- Newport council should remain engaged with future discussions with the Cardiff City Region on fiscal devolution. It should consider developing a position to inform discussions with the wider city region on:
 - Ability to levy small additional taxes to encourage particular behaviour or raise money for a particular budget
 - Ability to set different levels of business rates and to vary the criteria for assessing rateable value

Recommendation 4: Land use and land distribution

Democratic power is linked to socioeconomic position, so it is vital increased prosperity doesn't squeeze out today's citizens' ability to influence change. The city needs to prepare today for the impact of forthcoming transport improvements, which will raise property prices. This could be a boost for construction, but will require careful management.

- Newport should support Welsh Assembly Government efforts to pass Assets of Community Value legislation. If such legislation is passed:
 - The city should conduct a citywide sweep to identify Assets of Community Value
- Newport should closely monitor housing affordability in the city to minimise the displacement of lower-income families and small businesses.

Recommendation 5: Skills for democracy

Citizens need skills and opportunity to participate in democratic life, but too many lack essential skills. The city can use its convening power to do more, and central government must get out of the way where unnecessary rules prevent progress. Better data-sharing could allow the council to focus resources on those who need it most.

- Newport should examine how community hubs can work with Jobcentre Plus on delivering labour market interventions.
- The prospects for bringing together Families First and Department for Work and Pensions (DWP) budgets should be examined
- DWP and HMRC should be approached to discuss data-sharing, for those who are most in need of help

Recommendation 6: Democratic responses to globalisation

Public support for democracy relies on delivering a good standard of living for all citizens. Globalisation challenges this through the loss of middle-skilled jobs, through the rapid global roll-out of new disruptive technologies and automation of labour. Newport needs to ensure that its people will be able to play a full role in the economy of the future.

- Bring together employers and the University of South Wales on a regular and formal basis, with a formal process of shaping courses to provide broad-based skills suited for growing sectors
- Explore with the University of South Wales how learning can be transferred into local employers, in order to boost productivity in all sectors and raise wages

Recommendation 7: A democratic education

There is an opportunity to embed the 'place-based' agenda into the school curriculum and young people's experiences to give students a grounding in the context of their 'place', and in particular the roles, entitlements, rights and responsibilities of a citizen of the city.

- Engage with the Welsh Government on the local dimension of reform of the Welsh Curriculum.
- Explore with local schools directly the potential for incorporating the 'Newport Story' and being a 'Citizen of the City' into learning.
- Engage with the area's provider of the National Citizenship Service trial on the theme of the placements

Recommendation 8: Digital democracy and services

To make City of Democracy more than a catchphrase, Newport will need to show it is committed and open to real changes in the way the city works. There are a number of key technologies which Newport should consider offering to citizens in small-scale projects. Doing small-scale trials means genuine experience with radical new democratic techniques with no risk to wider council processes.

- Create small-scale trial projects to engage citizens:
 - As part of the Festival of Democracy, trial a collaborative policy-making workshop culminating in an event (see below)

- Use the Citizen's Panel as a lab to trial:
 - Virtual currency rewards, as part of the Citizen's Panel
 - Responsive notification of democratic decisions, as part of the Citizen's Panel
 - Liquid democracy, as part of the Citizen's Panel

Recommendation 9: Voting system reform

Persistently low turnout among the young means radical solutions are required. Changing the voting age or the voting system would require a major change in the law, but Newport can still stay involved in discussions with other councils.

- Newport should participate in any cross-local authority discussions around electoral reform

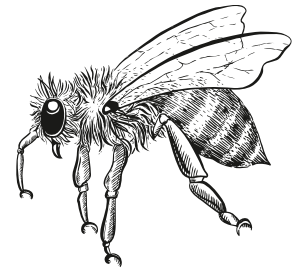
Recommendation 10: Festival of Democracy

The proposition to promote Newport with a Festival of Democracy, will build on the city's growing reputation for tourism and destination management. The idea is genuinely associated with and relevant to the local community and will help to drive the City of Democracy brand. This could be a one-time event, or depending on its success something which takes place annually growing in size and profile to establish a new local tradition. A festival can help to strengthen local engagement by enabling all members of the community to contribute to the design and delivery of the event. It will also help to attract new visitors, increasing visitor spend, and promote the City to a wider and potentially global audience.

- We recommend that the council work closely with all members of the local community, including heritage groups, schools, colleges, businesses and wider stakeholders to organise and deliver an inaugural Festival of Democracy in November 2017. This should:
 - Coincide with the anniversary of the Chartist uprising but explore all facets of democracy in the 21st century, including concepts of city governance, democratisation of public services, digital democracy and other global themes
 - Appeal to all members of the community, including those less likely to engage, with varied content that is both entertaining and intellectually challenging
 - Support a local volunteer to act as the principle applicant to organise a TEDx event as part of the festival programme
 - Explores the possibility of a partnership venture with a professional event management / merchandising company to maximise any potential revenues from this activity
 - Seek funding (at least half the required costs) from Welsh Government, the EU (where permissible) and private sponsors
 - Trial a collaborative policy-making workshop culminating in an event and 'declaration'. A festival group should on day one of the festival craft a summary event for release at the end of the festival.



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Society

The UK has one of the most centralised states in the developed world and one of the most disaffected and politically passive populations in Europe. We hold our leaders in contempt, but despair of doing anything for ourselves or our community. The dysfunction at the highest level of society stems from the collapse of our social and personal foundation. There is little doubt that we are becoming an increasingly fragmented and individualist society and this has deep and damaging consequences for our families, our communities and our nation state.

Starting from the bottom up, the collapse of the extended family and the ongoing break-up of its nuclear foundation impacts on all, but disproportionately so on the poor and on their offspring. Too many children at the bottom of our society are effectively un-parented as too much is carried by lone parents who are trying to do more and more with less and less. We know that the poorer you are, the less connected with your wider society you tend to be. Lacking in both bridging and bonding capital and bereft of the institutions and structures that could help them, too many poorer families and communities are facing seemingly insurmountable problems alone, unadvised and without proper aid.

Based on the principle of subsidiarity, we believe that power should be devolved to the lowest appropriate level. Public services and neighbourhoods should be governed and shaped from the 'bottom up', by families and the communities. These neighbourhoods need to be served by a range of providers that incorporate and empower communities. Moving away from a top-down siloed approach to service delivery, such activity should be driven by a holistic vision, which integrates need in order to ascertain and address the most consequent factors that limit and prevent human flourishing. Local and social value must play a central role in meeting the growing, complex and unaddressed needs of communities across the UK.

The needs of the bottom should shape provision and decision at the top. To deliver on this, we need a renewal and reform of our major governing institutions. We need acknowledgement of the fact that the state is not an end in itself, but only one means by which to achieve a greater end: a flourishing society. Civil society and intermediary institutions, such as schools, faith groups and businesses, are also crucial means to achieving this outcome. We also need new purpose and new vision to create new institutions which restore the organic and shared society that has served Britain so well over the centuries.

Society

Society

Society



Many cities have adopted a 'city brand' to appeal to potential investors, visitors and residents. But what makes a city brand successful, and could it work for Newport?

In this report, we set out the case that a "City of Democracy" brand for Newport could not only help achieve the authenticity and inspiration that makes city brands successful, but if followed through with sincerity, could transform democratic life in the city and make Newport a leader in engaging its citizens.

We find that the creation of a Festival of Democracy would give the city a chance to explore and strengthen democratic ideas and processes, making Newport a 'City of Democracy' in both name and practice.



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Report

Cabinet

Part 1

Date: 19 July 2017

Subject Newport Economic Network

Purpose To seek agreement to establish a formalised structure for the Newport Economic Network

Author Will Godfrey, Chief Executive

Ward City-wide

Summary The Newport Economic Network was established in 2014 as an informal sounding board of partners across the city. A great deal has changed since 2014 and it is now time to consider a more structured network to enable the city to meet the challenges which lie ahead.

Proposal Cabinet to:

- 1) Agree to formalise the Newport Economic Network as set out in this report.
- 2) Agree the continued participation of Newport City Council in the network.
- 3) Ask the Chief Executive, in consultation with the Leader, to make arrangements to invite appropriate stakeholder representatives to serve on the network.
- 4) Agree for council officers to continue to provide appropriate support to the network

Action by Chief Executive, Strategic Director (Place), Head of Regeneration, Investment & Housing

Timetable Immediate

This report was prepared after consultation with:

- Leader of the Council
- Cabinet Member for Regeneration & Housing
- Chief Executive
- Strategic Director (Place)
- Partner Organisations through the Economic Network

Signed

Background

A report was presented to Cabinet in July 2014 which set out the need to establish an informal sounding board of partners across the city to co-ordinate discussions about economic growth in the city.

It was agreed at that time to proceed with creating the Newport Economic Network (NEN) and for Newport City Council to participate along with other partners. The NEN has met quarterly since 2014 on an informal basis.

A great deal has changed since 2014 which makes it appropriate to review the current arrangements. I have set out some key developments below:

- 1) The Cardiff Capital Region City Deal was signed in 2016 which will develop a comprehensive investment programme for SE Wales. It is imperative that Newport continues to play a positive and active role in this initiative to secure the best outcome for the local economy.
- 2) Great Western Cities partnership with Cardiff and Bristol has been created as the UK's western economic powerhouse, focusing on working together to maximise investment across the three cities.
- 3) The EU referendum in June 2016 where the UK votes to leave the European Union. This has potentially far reaching economic consequences and individual areas need to take the initiative to take advantage of any opportunities which may arise.

Cities are key to the UK economy and Newport is vital to the success of the Welsh economy. Whilst there will always be challenges to face, Newport is well placed to take drive economic growth and has seen a number of significant developments in recent years. The opening of the Friars Walk retail and leisure scheme in 2015 has transformed the city centre and the opening of the Wales International Convention Centre in 2019 will bring significant economic activity to Newport. The city continues to grow and the Cities Outlook report 2017, published by Centre for Cities shows that for the first time Newport has the highest productivity per worker of cities in Wales (as measured by Gross Value Added).

The Well-being of Future Generations (Wales) Act requires Public Service Boards to assess the state of the city's economic, social, environmental and cultural well-being, and set objectives that are designed to maximise the contribution of partners within the city to achieving those goals. The Single Integrated Plan 'Economy and Skills' theme is part of this work, with new objectives being developed as part of the all partner Well-being Plan for the City.

As we move to the next stage of the city's development, it will be more important than ever for partners to work together effectively and a successful economic partnership can be key to helping economic growth.

Proposed Structure

Economic growth partnerships are well established across many parts of the UK. The successful partnerships share a number of characteristics:

1. Clear vision for the future
2. A common message is developed and all partners are advocates
3. The focus is on delivery
4. There are clear measures of success
5. It is understood that circumstances change and the partnership needs to be flexible to deal with this change.
6. Everyone commits long term and understands this is the key to success.

In 2014 the NEN was established as an informal network with representatives from the following sectors:

- Business
- Education
- Housing
- Sport

- Welsh Govt
- Leisure & Tourism
- Newport City Council

Representatives from each of these sectors were invited to participate and the meetings have been held on an informal basis.

We are now proposing to formalise the structure as set out in the diagram at appendix 1.

The purpose of the Newport Economic Network will be as follows:

A collective of stakeholders with a mutual interest to promote and develop the economy of Newport. The network will identify key priorities, marshal resources and co-ordinate activity to deliver economic opportunities for all communities across the city.

We have looked across the UK at different economic partnerships to learn lessons from others, ensuring that our proposed structure will be as effective as possible. We have also looked at evidence from across the world, particularly the United States, to understand how other economic partnerships work. Each partnership reflects the unique circumstances facing each city/city region but all have once common characteristic – a recognition that economic success is driven by key stakeholders working together to a mutually agreed agenda.

Another frame of reference we have considered is the work of the Regional Entrepreneurship Acceleration Programme (REAP) at the Massachusetts Institute of Technology. Wales has been part of the latest cohort and this experience is helpful when considering the best way to proceed. The purpose of the programme is as follows:

The MIT REAP is a multi-year program for multi-organization, cross-functional teams. The program is designed to help regions facilitate economic development and social progress through the creation of an actionable strategy to support innovation-driven entrepreneurship (IDE). As part of the program, participants attend three day workshops twice a year for at least two years, where they are exposed to the theory and practice of developing regional clusters of innovation-based entrepreneurship.

Having collected all this evidence and reflected on relevance to Newport we are proposing the network should operate as follows:

1. The network will have an independent chair with the council providing support to ensure it runs effectively.
2. The sectors we identified in 2014 are still broadly relevant and we will invite representatives to serve based on our knowledge of each sector.
3. We will continue to engage the wider stakeholder community across the city through an annual city summit.
4. We will create 6 sector groups which will feed issues for discussion into the network. The groups will largely follow those identified as part of the city deal governance as follows: innovation, skills and employment, connectivity, regeneration and infrastructure, destination management, business support and inward investment.
5. The network will aim to meet on a quarterly basis and notes from the meetings will be published on the council's website. However the network will not be part of the formal council governance arrangements as it will remain an informal gathering of opinion shapers across the city.

Support to the network will be able to be provided within current staffing resources.

Financial Summary

There are no on-going revenue costs associated with the running of the network. There may be some requirement to consider funding for individual projects and these will be considered when they arise.

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

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Can't identify suitable chair for the network	M	L	Discussions are already taking place with potential candidates	Chief Executive

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The overall mission statement of Newport City Council is "Improving People's Lives". Continued economic growth in the city is key to delivering this mission. As such putting the Newport Economic Network on a formal basis will help the council deliver its mission .

There are clear links between the Well-being objectives and the Economic Growth strategy, which would be supported by the work outlined in this report.

Options Available and considered

Option 1 – Disband the Network

Option 2- Leave the Network to operate on an informal basis

Option 3 – Formalise the Network and co-ordinate resources across the city

Preferred Option and Why

Option 3 is the preferred course of action as it maximises the input of partners across the city. By formalising the network we can provide better access to resources and the capabilities of partners to develop a co-ordinated approach to developing the city's economy.

Comments of Chief Financial Officer

The report confirms there are no direct financial impacts coming out of the proposals here – the support and co-ordination will be met from existing resources.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. There is clearly an on-going need for partnership working between key stakeholders from both the public and private sectors in order to deliver future economic growth in Newport. This form of collaborative arrangement is also consistent with the well-being principles under the Well Being of Future Generations Act and the Council's well-being objectives regarding the promotion of economic growth and regeneration. The current Newport Economic Network has provided an effective basis for collaborative working but the proposed governance arrangements will provide a more formal, structured basis for this economic growth partnership going forward. However, the NEN will not be established as a formal partnership or separate legal entity in its own right and it will not exercise any formal decision-making powers on behalf of the Council. Any financial contribution towards individual projects will be the subject of a separate executive decision by the Cabinet.

Comments of Head of People and Business Change

There are no direct staffing implications.

The report develops partnership working and ensures that the council is working towards Newport and Wales wellbeing objectives through promoting economic growth. The Assessment of Local Wellbeing published this year has indicated that regeneration and business growth should remain a high priority in the forthcoming Local Wellbeing Plan, which is being developed with partners across all sectors.

Comments of Cabinet Member

The Leader of the Council supports the proposals in this report.

Scrutiny Committees

Scrutiny will comment on an on-going basis.

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

The Newport Economic Network is set up to promote economic growth across the city. This is central to delivering on many aspects of the seven well being goals in the Act. It has particular relevance to the following; A prosperous Wales, A more equal Wales.

The Well-being and Future Generations (Wales) Act seeks to improve the social, economic, environmental and cultural well-being of Wales. Public bodies should ensure that decision take into account the impact they could have on people living in Wales, in the future. The 5 main considerations are:

- Long term: working with stakeholders and partners will enable businesses to grow and sustain jobs in the longer-term, leading to a more prosperous and resilient Newport and a more prosperous Wales.
- Prevention: working in partnership towards economic growth. Job creation will help reduce unemployment rates leading to a more prosperous Wales

- Integration: supporting economic growth will help sustain businesses, and improve the well-being of Newport's residents by providing more equal job prospect, helping to keep the unemployment level down and providing opportunities for school leavers.
- Collaboration: the proposal is all about working with existing and new partners to develop collaborative working and leading to a more prosperous Newport.
- Involvement: All the recommendations in this report fully support the findings of the recent Your Newport Survey in which there was an emphasis on employment.

The proposal is in line with the Council's well-being objectives published in March 2017, specifically, to "Promote economic growth and regeneration whilst protecting the environment"

Crime and Disorder Act 1998

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

Consultation

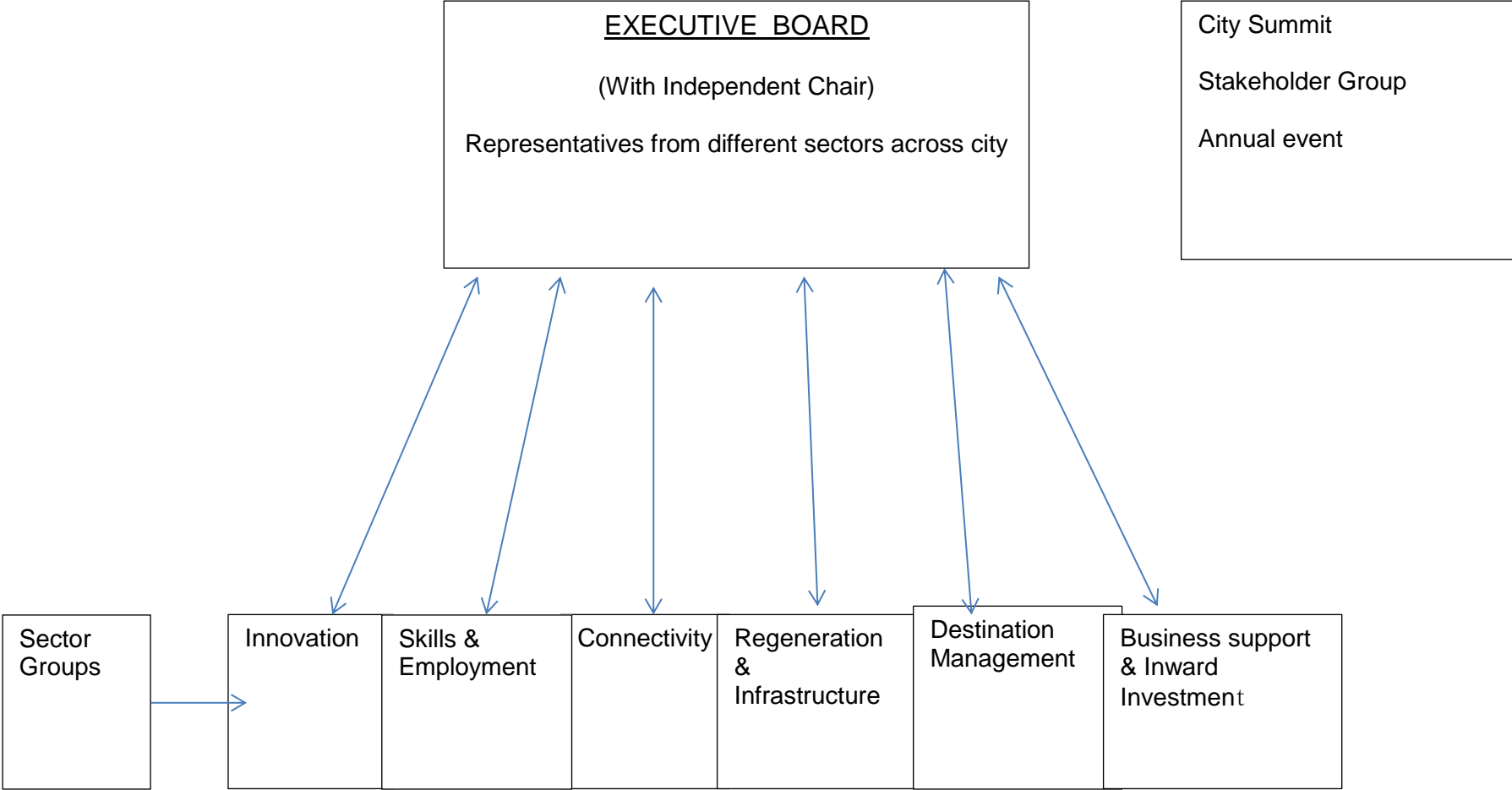
Members of the current network are very supportive of the proposal in this report.

Background Papers

N/A

Dated: July 7th 2017

NEWPORT ECONOMIC NETWORK – Appendix 1



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Report

Cabinet

Part 1

Date: 3 July 2017

Subject **Progress update on the action plan to address the Wales Audit Office recommendations and proposals for improvement.**

Purpose To present Cabinet with the progress made in addressing the recommendations and proposals for improvement made by the Wales Audit Office in their Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations 2015/16.

Author Chief Executive

Ward All

Summary

- Newport City Council was the first authority to go through the Corporate Assessment process and has made good progress since the findings of this first assessment were reported.
- This update provides Cabinet Members with oversight of the council's progress against Recommendations and Proposals for improvement made by the Wales Audit Office during the Corporate Assessment review cycle.
- At the October 2016 Cabinet meeting the Wales Audit Office presented the findings from their 'Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations 2015/16' which examined 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.
- This reduced the number of recommendations from 7 to 4, this shows that the council has improved despite continuing financial and legislative pressures.
- The council compiled an action plan to address the WAO' recommendations and proposals for improvement which was also presented to Cabinet in October 2016.
- This report is a quarterly update of progress made against the actions outlined in the council's action plan and actions planned for the next quarter. This enables Cabinet Members to consider whether actions remain appropriate to meet the recommendations and proposals for improvement, and to evaluate whether actions have been completed in a timely manner.
- 11 actions remain under recommendation 2, however significant progress has been made against these actions as a result of the new scrutiny arrangements agreed at the Council AGM in May. The new arrangements were designed to address the issues raised by WAO, and it is therefore expected that these actions will be signed off once the new Committees are fully up and running.

- Proposal** Cabinet are requested to:
- Note the progress made towards meeting the recommendations and proposals for improvement and query any areas where progress has been delayed.
 - Receive further quarterly monitoring reports on the progress towards meeting recommendations and proposals for improvement.

Action by Chief Executive, Strategic Directors and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

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

Signed

Background

Corporate Assessment

The Wales Audit Office carried out a full Corporate Assessment of the Council in 2013.

The full 2013 Corporate Assessment examined the council's capability to deliver its priorities and improved outcomes for citizen and identified 7 recommendations and a number of Proposals for Improvement.

Corporate Assessment Review

During 2014/15 the Wales Audit Office reviewed the progress the council had made against the 2013 recommendations and proposals for improvement.

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. As a result of the review the seven original recommendations were reduced to four.

The 4 recommendations are summarised below, the outstanding actions are expected to decrease significantly following the agreed changes to the council's scrutiny arrangements.

Recommendations (Note: reference numbers do not coincide due to recommendations closed by the WAO e.g. recommendation 3 has been closed)		Number of actions identified in initial action plan	Number of actions completed	Number of Outstanding actions
Recommendation 1	The Council should ensure that Members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take, and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently.	3	1	2
Recommendation 2	The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include: <ul style="list-style-type: none"> 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. 	14	3	11
Recommendation 4	The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should: <ul style="list-style-type: none"> 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 	12	11	1

Recommendations (Note: reference numbers do not coincide due to recommendations closed by the WAO e.g. recommendation 3 has been closed)		Number of actions identified in initial action plan	Number of actions completed	Number of Outstanding actions
	staff, address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance.			
Recommendation 5	<p>To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:</p> <ul style="list-style-type: none"> • Enable Members to effectively challenge and scrutinise service performance: <ul style="list-style-type: none"> ▪ 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. 	6	3	3

Accountability and Monitoring Arrangements

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

Financial Summary

- There are no direct financial implications associated with this report

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Reputational risk to the council if future WAO Corporate Assessments show lack of progress.	H	L	An action plan to address each recommendation and proposal for improvement has been compiled and shared with the WAO. Progress made is monitored regularly to ensure that actions are carried out in a timely manner.	Chief Executive

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

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

Options Available

- To accept the progress made and approve the actions planned for the next quarter.
- To not accept the progress made and/or not approve the actions planned for the next quarter.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report.

Comments of Monitoring Officer

There are no direct legal implications arising from this report. Separate comments are included in the action plan update.

Comments of Head of People and Business Change

There are no direct staffing HR implications arising from this report. This action plan progress update allows monitoring of planned actions to ensure that they are appropriate and carried out within a reasonable time frame. Separate comments are included in the action plan update. The Wales Audit Office consider the Wellbeing of Future Generations (Wales) Act in the course of their work therefore, by addressing the recommendations made the council will ensure it is meeting its duties under the act.

Comments of Cabinet Member

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

Equalities Impact Assessment and the Equalities Act 2010

Not relevant to this report

Children and Families (Wales) Measure

Not relevant to this report

Wellbeing of Future Generations (Wales) Act 2015

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

The Act places a duty on the public sector to:

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

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

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

The Wellbeing of Future Generations Act 2015 which came into force in April 2016 sets the context for the move towards long term planning of services. A programme of training for senior management and elected members is underway so that the wide-ranging and transformational implications of the Act are understood and can be embedded in the Council's ways of working.

Key documents and processes have been revised so that they incorporate sustainable development and wellbeing principles. Over the last three years extensive public engagement has been undertaken in relation to setting service delivery priorities and identifying which services matter most to people, and contribute to their wellbeing. This will continue to inform future planning.

Crime and Disorder Act 1998

Not relevant to this report

Consultation

Not relevant to this report.

Background Papers

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

Cabinet Report "Corporate Assessment: Update on the Action Plan" (21/12/16)

Appendix One: Corporate Assessment Action Plan 2016/17 – Progress Update

Dated: July 2017

Corporate Assessment Action Plan 2016/17 – Progress Update

Appendix One

Completed actions are highlighted in grey

Recommendation 1

Recommendation 1	The Council should ensure that Members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take, and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently.
WAO's Intended outcome/benefit	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.
Responsible Officer	Chief Executive Head of Law & Regulation

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
1.1	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.	March 2017	Cabinet reports are received by SLT for consideration of content and quality before submission to the Cabinet cycle.	This is now embedded in the process, no further actions planned.	Chief Executive
1.2	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 processes	July 2017	Reports will be considered by Heads of Service before consideration by SLT and submission to the decision making or scrutiny process	To continue this process and assess its effectiveness	Chief Executive

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
1.3	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.	July 2017	The new template is now being used. An updated template has also been made available for reports to Scrutiny	Keep under review	Head of Law & Regulation

Recommendation 2

Recommendation 2	<p>The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:</p> <ul style="list-style-type: none"> • 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.
WAO's Intended outcome/benefit	<ul style="list-style-type: none"> • The areas of focus of each of the committees is clear, linked to corporate priorities, regularly updated and considered in an open forum. • The Council's constitution accurately reflects existing arrangements and clearly sets out roles and responsibilities. • Members are able to fulfil their roles effectively and are held to account for these roles. • Scrutiny is used effectively to inform policy development and hold Cabinet Members and officers to account for performance. • Members and officers are equipped and supported to undertake their roles.
Responsible Officer	Head of Law & Regulation

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
2.1	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)	July 2017	Pre-meetings are continuing for the new scrutiny committees	We have planned questioning and chairing training for September	Head of Law & Regulation
2.2	To introduce an effective system for scrutiny of the Public Services	By April 2018	A new scrutiny committee structure was agreed at this	The new committee for partnership scrutiny has been	Head of Law & Regulation

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
	Board, in response to the statutory duty placed on scrutiny by the WFGA (Scrutiny AR Action 2)		year's AGM, including a separate committee for partnership scrutiny.	appointed and will start training and developing its work programme over the summer.	
2.3	To introduce a new report template to improve the quality and focus of the information that is presented to Committees (Scrutiny AR Action 3)	By November 2016 meeting cycle	A new template has been introduced and is in use.	Continue to review and amend as necessary, to improve the quality and focus of information that is presented to the Committees.	Head of Law & Regulation
2.4	To continue to develop the links between Scrutiny and Auditors / Inspectors / Regulators, in particular to support work programming and training (Scrutiny AR Action 4)	Ongoing	Outcomes of the peer review with Caerphilly and Monmouthshire will be reported in the Scrutiny Annual Report.	Further links with AIRs will be reviewed once the new committees are up and running.	Head of Law & Regulation
2.5	To continue implementation of the Public Engagement Strategy agreed in 2015 (Scrutiny AR Action 5)	By April 2017	Implementation ongoing. We are in the process of reviewing the website content.	The new Chairs will need to review the Public Engagement Strategy for the new Council term.	Head of Law & Regulation
2.6	Cabinet work programmes are presented to each cabinet meeting	By April 2017	This has been implemented and is ongoing	Implemented	Head of Law & Regulation
2.7	The Democratic Services Committee are reviewing the various elements of the Constitution	Ongoing	This has been implemented and is ongoing	Implemented	Head of Law & Regulation
2.8	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)	July 2017	See 2.1 above		Head of Law & Regulation
2.9	To introduce a new report template to improve the quality and focus of the information that is presented to Committees (Scrutiny AR Action 3)	By November 2016 meeting cycle	See 2.3 above		Head of Law & Regulation

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
2.10	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)	July 2017	See 2.1 and 2.8 above		Head of Law & Regulation
2.11	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)	Meetings already diarised	We need to plot these meetings now the new Council and administration is in place.	We need to plot these meetings now the new Council and administration is in place.	Head of Law & Regulation
2.12	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)	By December 2017	We are introducing a new system for performance reporting, including scrutiny consideration.	To finalise and implement the new system for performance reporting.	Head of Law & Regulation
2.13	To update and deliver the training and seminar programme for Members, including training to support: - Budget scrutiny - Performance scrutiny - Implementation of the Wellbeing of Future Generations Act (Scrutiny AR Action 8)	July 2017	Training for the new Committees is underway.	Review ongoing training programme.	Head of Law & Regulation
2.14	To work with current Members to develop an effective scrutiny induction programme for Elected Members after the 2017 election. (Scrutiny AR Action 9)	July 2017	Programme implemented.	Review ongoing training programme.	Head of Law & Regulation

Recommendation 4

Recommendation 4	<p>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:</p> <ul style="list-style-type: none"> • 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.
WAO's Intended outcome/benefit	<ul style="list-style-type: none"> • The Council has effective workforce planning arrangements in place, which will help it deliver its vision and priorities. • Staff appraisals are consistently undertaken and to a good standard and these are used to inform staff development.
Responsible Officer	Head of People & Business Change

Action Update

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
4.1	Creation of a workforce plan review group	February 2016	Completed		Head of People & Business Change
4.2	Publication of workforce plan	June 2016	Completed		Head of People & Business Change
4.3	Second version of workforce plan in place for 2016/17	June 2016	Completed		Head of People & Business Change
4.4	HR Business Partners to meet with Head of Service to discuss workforce objectives for 2016/17	June 2016 onwards	Completed		Head of People & Business Change
4.5	2016/17 objective for workforce planning set in both service planning and individual objectives	May 2016	Completed		Head of People & Business Change
4.6	Carry out self-assessment audit to assess current performance and	December 2016	Completed		Head of People & Business

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
	identify future priorities				Change
4.7	Conduct enhanced training on workforce planning for all HR/OD officers	December 2016	Completed		Head of People & Business Change
4.8	Feedback to managers on quality of appraisals sampled	October 2016	Feedback provided on sample of appraisals		Head of People & Business Change
4.9	Options to review current processes are investigated to bring about technology in the PM cycle and modernise the system	July 2017	<p>Currently on a pilot for new performance management system to move to a continuous performance management process instead of an annual appraisal</p> <p>Pilot was conducted from January – March 2017 with a group of 100 employees across all service areas.</p> <p>Review of the pilot was successful and contracts have been agreed to implement full roll out across the Council.</p> <p>Sessions have been taking place with senior managers to explain the project and a full comms plan will come out to employees later in July</p>	<p>Make determination as to whether to proceed and roll out across the Council. Plan roll out of training and support to use the system</p> <p>Roll out is fully planned and has commenced with senior managers.</p> <p>Comms to staff will commence in July 2017.</p> <p>KPI will be amended to show % of successfully achieved objectives</p>	Head of People & Business Change
4.10	Review of Coaching for Performance course and recommendations made on future procurement	August 2016	Review undertaken and we will continue to run the course but add additional coaching support in the form of ILM qualifications	Implemented	Head of People & Business Change
4.11	Solutions identified to offer both coaching and mentoring ILM qualifications	August 2016	ILM in coaching and mentoring has been identified and a cohort of 14 managers signed up – this commenced January 2017	Implemented	Head of People & Business Change

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
4.12	Creation of action learning set network	October 2016	<p>ILM in action learning sets identified and offered to managers but take up low at this point.</p> <p>Informal action learning set took place in one service area in November</p> <p>Focus will be on coaching at this time</p>	Implemented	Head of People & Business Change

Recommendation 5

Recommendation 5	To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should: <ul style="list-style-type: none"> • Enable Members to effectively challenge and scrutinise service performance: <ul style="list-style-type: none"> ▪ 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.
WAO's Intended outcome/benefit	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. Performance is frequently discussed and challenged by scrutiny and members have sufficient time to do so. Members have the necessary skills to challenge and scrutinise effectively.
Responsible Officer	Head of People & Business Change

Action Update

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
5.1	New Performance reporting framework in place ensures more information is provided to scrutiny and Cabinet Members in a timelier manner.	Framework agreed by Cabinet and Scrutiny Chairs September 2016	This has now been implemented	No further action planned	Head of People & Business Change
5.2	New performance management system will allow information on performance to be more visible and readily available around the authority.	New System Implemented April 2016 Further development continues.	Further work has been carried out on the system by Performance Management Officer. Development plan in progress and further training has been rolled out. There are now many more users who can access the system to view and comment on performance.	The system will continue to be developed	Head of People & Business Change
5.3	Exception dashboards and reports for service plans highlight key areas.	July 2017	New Service plan template is in use for the 2017/18 service plans and new peer review process has been introduced	The Service Planning process and template will be reviewed on an annual basis to ensure that process continues to	Head of People & Business Change

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
				work and is adapted to the changing environment in which the council operates. A new reporting framework will be developed in conjunction with Scrutiny.	
5.4	Performance reports that go to Cabinet now go to the Scrutiny Chairs for Information.	Framework agreed by Cabinet September 2016	This has now been implemented, detailed improvement plan Cabinet update sent to Scrutiny for information for Q1	No further actions planned, this will be ongoing.	Head of People & Business Change
5.5	Heads of Service have regular briefing meetings with Cabinet Members who in turn brief the Leader of the Council.	Framework agreed by Cabinet September 2016	Heads of Service have had regular briefing meetings with Cabinet Members. Cabinet Members then brief the Leader of the Council.	This is now embedded, no further actions planned.	Chief Executive
5.6	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	Induction programme delivered.	Review ongoing training programme.	Head of Law & Regulation

Proposal for Improvement 1

Proposal for Improvement 1	The Council should: 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.
WAO's Intended outcome/benefit	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.
Responsible Officer	Head of People & Business Change

Action Update

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
1.1	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.	The first report will go to cabinet on 17th October.	Cabinet have received the Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations 2015/16. The Quarterly update on progress against the Corporate Assessment Recommendations and Proposals for improvement is now considered by cabinet as a report in its own right.	No further action planned	Head of People & Business Change
1.2	The action plan will provide a more detailed update of progress made.	January 2017	The reporting process outlined in response to Recommendation 1 (ref 1.1 and 1.2) will ensure that sufficient detail is included. The Quarterly update is now submitted to Chief Officers prior to submission to Cabinet to ensure that enough detail has been included.	No further action, this is now part of the process.	Head of People & Business Change

Proposal for Improvement 2

Proposal for Improvement 2	Review the timespan for completion of return to work interviews.
WAO's Intended outcome/benefit	Return to work interviews are undertaken on a more timely basis for mutual benefit to the Council and the employee.
Responsible Officer	Head of People & Business Change

Action update

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
2.1	Newport is in the second quartile for sickness absence based on 2015/16 data, and is joint 7th based on the number of days lost per FTE. 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. 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.	September 2017	<p>We have rolled out People Manager on iTrent to managers in the organisation. We anticipate that this action will shorten the length of time to complete return to work interviews and will increase the percentage of returns within the timeframe.</p> <p>All managers are now enrolled on using People Manager on iTrent and are completing sickness information directly on the system themselves.</p>	<p>Further consideration of the removal of the paper form and move to an online form.</p> <p>We are working towards removing all paper forms in HR activity and are investigating the option of building an iTrent form so that the RTW discussion can take place electronically and therefore remove the form. This should result in a much higher percentage (if not all) RTW's taking place within the 7 day timeline.</p>	Head of People & Business Change

Proposal for Improvement 3

Proposal for Improvement 3	Review whether it has appropriate capacity and capability within its People and Business Change service area to strengthen workforce planning.
WAO's Intended outcome/benefit	The Council has the confidence that it has the necessary resources and support to address workforce planning to meet its priorities and vision.
Responsible Officer	Head of People & Business Change

Action update

Ref	Planned Actions	Completion Date	Progress to date	Planned next quarter	Responsible Officer
3.1	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. Officers will be effectively trained on workforce planning There is a risk in terms of capacity within the HR/OD team as Newport has considerably fewer HR FTE than comparable Councils and priorities will need to be assessed accordingly.	September 2017	Workforce Plan 2016/17 published and all service areas have completed their template for the year with their workforce planning objectives identified. HR Business Partners are working proactively with Heads of Service to discuss their templates as part of normal business discussions and each member of the HR team has contribution towards the workforce planning progress report.	<p>Currently working on a longer term workforce plan for the organisation which will match up to the next People Plan – i.e. a 5 year plan for both</p> <p>HRD network are piloting workforce planning template and we intend to see whether this tool is appropriate for Newport.</p> <p>HR Business Partners will move towards greater emphasis on workforce planning support to the organisation by a restructure which introduces HR Advisors to pick up employee relations casework – this will provide greater capacity to HR Business Partners to focus more on workforce planning</p>	Head of People & Business Change

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Report

Cabinet

Part 1

Date: 19 July 2017

Subject Budget Consultation and Engagement

Purpose To report to Cabinet on the process of public consultation and engagement, taking into consideration the budget process and new requirements as a result of the Wellbeing of Future Generations Act 2015

Author Policy, Partnership and Involvement Manager

Ward City Wide

Summary Newport City Council will ensure residents and service users can have their voices heard on decisions that affect them and the city. This will be achieved through a programme of engagement activity, undertaken with partners on an ongoing basis, and formal and informal consultation on service delivery options available to the Council.

In 2016 the involvement of residents and other stakeholders in budget proposals and other decisions was important as this is one of the five principles of sustainable development set out in the Wellbeing of Future Generations Act 2015. This report sets out how we can meet the relevant statutory duties and outlines principles for engagement, a timetable of activities and the key stakeholders.

Proposal Cabinet are invited to note and endorse the proposed approach and principles of engagement, including monitoring by Scrutiny.

Action by Head of People and Business Change, all Heads of Service to ensure robust engagement with stakeholders on Medium Term Financial Plan business cases

Timetable Immediate and over the course of 2017/18.

This report was prepared after consultation with:

- Business Improvement and Performance Manager
- News and Editorial Manager
- Head of Finance
- Head of Law and Standards
- Head of People and Business Change
- Children and Young People's Participation Officer

Signed

Background

As part of the budget setting processes for 2015/16 and 2016/17 the Council received over 3,000 and 1,000 responses respectively. This was the result of a wide ranging engagement programme which included electronic and traditional hard-copy surveys, presentations in ward meetings, face to face engagement at 23 venues across the city and extensive public communications e.g. in Newport Matters and social media. Partner organisations, particularly GAVO for the voluntary sector, were significantly involved in supporting the budget consultation for the first time 2016/17. For the 2017/18 budget there were 371 responses to the formal budget consultation in December 2016/January 2017, and this was in addition to a major public engagement programme to support the Wellbeing of Future Generations Act work which received over 2,300 responses; which can help to inform strategy and priorities both for the Medium Term Financial Plan and also in the longer term. The corporate aim in recent years has been to increase participation in budget planning through greater awareness, providing better information and being increasingly open and transparent e.g. in terms of publishing the results of consultation and accounting for the decisions made.

Since its inception in 2012 Newport Fairness Commission has considered the Council's approach to consultation and engagement on an annual basis, particularly with regards to the budget and medium term financial plan. In their response to the 2017/18 budget the Fairness Commission encouragingly noted:

"There are clear steps forward in the Council's handling of the consultation process, and in the potential for creative thinking about how best to deliver services in straitened financial circumstances."

"it is important to acknowledge what the NFC sees as steps forward in Council practices in the wake of these austerity measures being applied. For example, the consultation process for this round of budgetary proposals – while subject to the usual alarmingly tight time-constraints imposed by the Welsh Government (WG), plus the lateness of information being provided by the WG to local government decision-makers – is considerably improved compared with previous rounds."

One Newport Engagement Strategy

Engagement is underpinned by various statutory duties, most notably the Wellbeing of Future Generations Act 2015 (WFG Act) which introduces a requirement for "involvement" of stakeholders in decisions that affect them. Similar duties are also in place covering the involvement of children and young people under the Children and Families (Wales) Measure 2010. The Welsh Government, the Future Generations Commissioner, the Older People's Commissioner and the Children's Commissioner have all emphasised the continued importance of engagement with the public and stakeholders and have paid close attention to how local authorities are meeting their duties under the WFG Act.

The One Newport Engagement and Participation Strategy was developed to ensure that Public Services Board and its partners involve citizens, service users, agencies and practitioners in the design and delivery of services in Newport. This strategy also sets out how the statutory requirements of the guidance Shared Purpose, Shared Future will be addressed and how residents are engaged.

Development and delivery of the strategy is supported by the partnership Engagement Group, through a developing programme of work as outlined in this report (Timetable 1 and Annex A).

Engagement duties under the Wellbeing of Future Generations Act 2015

The WFG Act is intended to bring about sustainable development by improving the economic, social, environmental and cultural wellbeing of Wales, local communities and individuals. The Act requires public bodies to work collaboratively, in an integrated way, to think more about the long term, to work better with people, communities and to anticipate and prevent problems.

Under the WFG Act engagement with the public and stakeholders should not be limited to the budget process and 'involvement' will increasingly become a key principle of sustainable development and an essential part of public service planning and delivery. The Act places a clear requirement on all devolved Welsh public services to **involve** "a diversity of the population in the decisions that affect them"¹. Meeting this statutory duty will require the involvement of numerous different sections of the population by:

- **Characteristics** - including protected characteristics under the Equalities Act 2010, these are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion, sex, sexual orientation. The responses from these groups should be monitored and analysed to identify any differences from the wider population.
- **Area** – ensuring geographical communities from across the local authority area are involved.
- **Sector** – seeking the views and involvement of public sector partners, third sector organisations, education institutions and the local business community.

The WFG Act guidance states that public bodies "... must ensure that the people they involve reflect the diversity of the population that they serve. This entails involving the people and communities whose wellbeing they are seeking to improve. The sustainable development principle recognises both the needs of current and future generations..." and includes children and young people and older people."

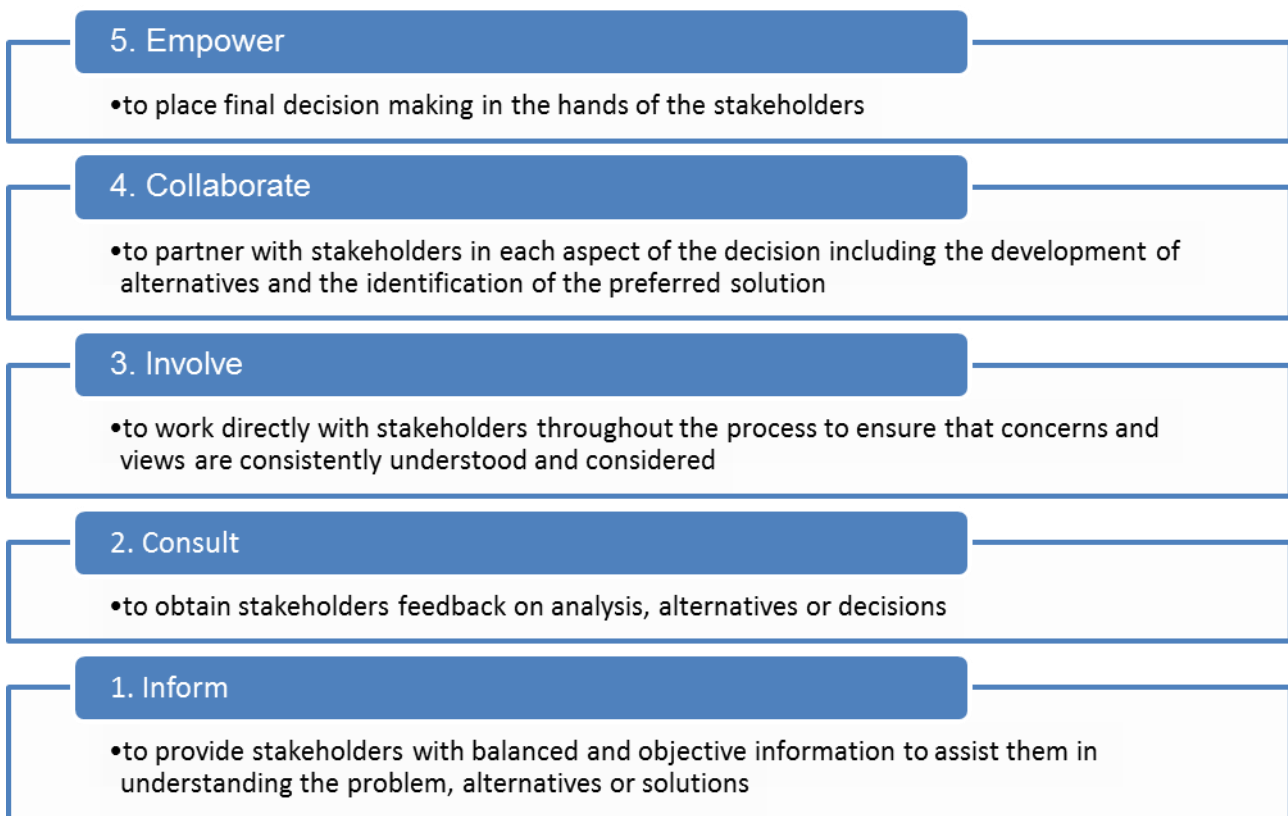
The 'involvement' duty under the Act builds on similar existing duties as set out in the National Principles for Public Engagement and the National Participation Standards for Children and Young People.

The 'Involvement' duty under WFG Act

The terms 'involvement', 'consultation' and 'information' have different meanings, whereas 'engagement' is a wider, catch-all term which covers all these activities. The different engagement activities can be thought of as a hierarchy, with each level introducing a greater degree of public participation and engagement, this is shown in figure 1.

¹ Extract from 'Shared Purpose: Shared Future' core guidance on the Wellbeing of Future Generations Act

Figure 1 **The hierarchy of engagement methods**



In common with most other local authorities NCC has generally been involved with level 1 and 2 informing and consulting with stakeholders, however the WFG Act states that we must go further by involving people in decisions which affect them (level 3).

There are a further two levels which develop the degree of participation and are in line with the implicit principles of sustainable development as set out in the guidance, but are not considered to be statutory duties on us. However good practice suggests that we should aim work towards collaborative programmes and empowerment of communities; there are initial examples of this in Newport including some innovative community development projects e.g. Maindee Unlimited taking over the running of the local library.

Collaboration as described in figure 1. has a different meaning to the ‘collaboration’ duty ‘ set out in the WFG Act which relates to public service organisations working together. A practical example of this duty could be that we should ensure that when setting our budget and medium term revenue plan we engage with partner organisations so that they are informed of our proposals and can assess the possible impact on their own services and objectives. This duty would go further than consultation and implies that the service providers should work together to ensure that they tackle complex, long term challenges therefore maximising their collective impact (the ‘integration’ duty)

As mentioned earlier in the report, in 2016/17 the Council led on a major public and partner engagement programme to inform the Well-being Plan (as required by the WFG Act). This achieved over 2,300 responses which is the biggest response rate we have achieved for a ‘visioning’ type engagement exercise. This year we will be following up on some of the insight gained from this exercise e.g. with regards to young people’s perceptions of crime and safety, whether people think Newport is still becoming a better place to live etc. However the main focus of public engagement work this year will be in relation to the Council’s budget as is outlined in the following section of this report and Annex A.

Engagement on the 2018/19 Budget and Medium Term Financial Plan

A two phase approach to engagement has been adopted in recent years as outlined below. Each year the Council has sought to progressively improve the engagement arrangements and to learn from our experiences.

Phase 1 - public 'conversation' – which relates to the period before formal budget proposals are made public in December. In this phase engagement work will be mainly concerned with informing the public of the context to the budget proposals, seeking suggestions for savings and alternative ways of working and general opinions. However during this phase it is also expected that service areas will seek to engage with the users of specific services which are likely to be facing budgetary pressures or potential restructuring. As this engagement will take place before specific proposals have been put forward it will most probably be about exploring options, seeking the general opinions of stakeholders and gathering information which will inform the development of detailed business case proposals. It is at this stage that Fairness and Equality Impact Assessments (FEIAs) need to be completed for business case proposals and if they are to be meaningful they should be undertaken as early as practicable in the process and should be revised as proposals are developed. Cabinet Members can play a vital role in ensuring that business cases are based on solid stakeholder engagement and have been subject to robust Fairness and Equality Impact Assessments ahead of key decisions being taken.

Phase 2 - formal budget consultation – which relates to the release of formal budget proposals for public consultation. In this phase stakeholders are invited to respond to draft business cases and indicate whether or not they agree with them and to make specific comments on them. This is primarily undertaken using on-line surveys and is promoted through NCC social media, however alternative formats are also prepared, e.g. so that people with sensory impairments can take part. With the introduction of the WFG Act and 'involvement' duty it is important that engagement on the budget is considered in the wider context of the work on the Act e.g. how budget decisions relate to the Council's wellbeing objectives and the sustainable development principle. Furthermore it is recognised that the understanding and insight gained through budget engagement should grow year on year and has a wider relevance than for just a single year's draft budget proposals.

Key principles for budget engagement

The pre-budget 'Conversation Stage' of engagement should commence during the summer. This will mainly be based on informing the public on the budget setting process and how they can keep informed e.g. timescales, how the public can keep informed and how they can make suggestions.

The budget setting process should be built on what we already know and an identification of gaps. Newport Matters should be used to respond to the earlier consultation to close the circle.

If the public are to be meaningfully engaged they must be provided with clear and understandable information which sets out budget proposals, what they aim to achieve, the main impacts, financial, staffing and other figures. In 2017/18 we started to monitor whether budget consultation respondents thought the individual proposals were clearly explained and this will continue in the next budget planning cycle.

Fairness and Equality Impact Assessments (FEIA) should be brought forward in the process of developing business cases, so that they can inform and shape the proposal. Heads of Service are responsible for direct engagement with service users and the public who are likely to be affected by decisions. This should be in addition to the formal budget consultation in December/January.

A multi-channel communications programme is a vital part of the engagement programme to ensure citizens are well informed and have a chance to meaningfully participate. We should clearly define the parameters for consultation so that 'good management' decisions are communicated but not consulted upon.

Scrutiny has a valuable role with their overview of the budget engagement programme and their contribution to its development.

The following timetable indicates the key timings and can be read in conjunction with the engagement stakeholders matrix in Annex A.

Timetable 1.

Dates	Activities
July – December 2017	<p>Pre-budget – ‘public conversation’ phase</p> <p>Various public events throughout the period (see Annex A for details)</p> <p>Service areas to engage with stakeholders as budget proposals are developed. Fairness and Equality Impact Assessments to inform engagement arrangements</p> <p>Presentations at ward meetings on the ‘Budget Challenge’ to help provide understanding and context</p>
December 2017 – January 2018	<p>Formal public consultation</p> <p>Following December Cabinet public consultation commences</p> <p>Consultation with Fairness Commission</p> <p>Consultation with Trade Unions and Schools Forum</p>

Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income) Net Costs (Savings) Net Impact on Budget	Not applicable 	Not applicable 	Not applicable 	Not applicable 	Costs are to be met with existing budgets

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to undertake adequate and appropriate consultation on decisions, leads to potential judicial proceedings	H	M	Ensuring we have a robust consultation process in place will minimise the risk of future challenge to decisions, which could result in significant cost to the organisation	Head of People & Business Change
Failure to adequately judge public opinion, prior to making a decision	H	M	Ensuring we have mechanisms in place for the public to express their views and then ensuring that these are presented to decision makers so that they can be considered at the same time as the decision is being made.	Head of People & Business Change
Failure to undertake appropriate involvement of stakeholders leading to adverse opinions from regulators and criticism from Welsh Government, Future Generations Commissioner	H	M	Ensuring we have sound mechanisms in place to involve stakeholders in order to inform the Wellbeing Assessment and Local Wellbeing Plan	Head of People & Business Change

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

- Corporate Plan (currently under review)
- Strategic Equalities Plan
- Medium Term Revenue Plan
- Newport 2020
- Single Integrated Plan/Wellbeing Plan
- Wellbeing Objectives
- Local Wellbeing Assessment
- One Newport Engagement Strategy (PSB)

Options Available and considered

1. To note and endorse the proposed approach to engagement.
2. To note and endorse the proposed approach and principles of engagement, including monitoring by Scrutiny.
3. To direct for further work to be completed on the engagement programme.

Preferred Option and Why

To endorse the proposed approach to engagement, including monitoring by Scrutiny, which strengthens the role of elected members and their engagement in the budget setting process.

Comments of Chief Financial Officer

There are no financial implications to this report as the report is asking to endorse the proposed approach to engagement and monitoring.

Engagement and consultation will increasingly be crucial as the Council continues to make difficult budget decisions which affect services to the public. A key factor in this process is ensuring residents feel their views are valued and can influence outcomes and proposals and thinking.

Comments of Monitoring Officer

The Council has a number of legal and statutory duties regarding consultation and engagement when it comes to the planning and delivery of public services. Specific statutory duties will require public consultation in relation to proposed budgetary savings and service delivery changes and there is also an overriding duty to have regard to the public sector equality duty under the Equality Act in relation to the impact of any decision on particular disadvantaged groups. In addition, the Council is now subject to a number of target duties regarding how functions are discharged generally, for example the sustainable development principle under the Well-Being of Future Generations Act and one of the specific requirements in relation to public involvement in decision-making. A failure to consult or engage properly or to have regard to these target duties could leave the Council's decision-making processes open to legal challenge. Therefore, a robust and consistent approach is required to ensure that these engagement and consultation duties are complied with.

Comments of Head of People and Business Change

My comments are contained within the body of this report. A progressive approach to engagement will be vital going forward in ensuring that the Council's decision making processes are not only legally compliant but also reflect the views and needs of communities and build on their assets as we look to develop sustainable services in an increasingly challenging financial climate. It should be stressed that engagement should not be considered a corporate function but as a way of working that is intrinsic to good service delivery and planning and ultimately improving wellbeing.

Comments of Cabinet Member

The recommendations in this report represent good practice in the face of budget pressures that are mostly outside of our control. If we are to protect services we may need to expand our engagement and explore opportunities to increase community involvement in the development of services as shown in stages 4 and 5 in figure 1. There are many examples of good practice that include some projects that have developed outside of the Council's direct running but provide valuable and essential services to our residents, often working in partnership with us. I believe that Scrutiny have a vital role in the development of collaborative programmes that will allow us to go beyond the statutory service delivery requirements and sustain services in the face of continued financial pressures.

Local issues

No local issues.

Scrutiny Committees

Please include a record of any consultation with scrutiny committees. Please add here details of any consultation and the outcomes.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Children and Families (Wales) Measure

The Children and Families (Wales) Measure 2010 requires that children and young people are involved in decisions which affect them. This report outlines how this will be achieved in relation to the 2018/19 budget planning process. Service areas are as part of their Fairness and Equalities Impact Assessments required to identify potential impacts on children and young people and how they are to be engaged in relation to the proposal. Newport Youth Council will also play a part in representing young people in responding to the budget consultation.

Wellbeing of Future Generations (Wales) Act 2015

- Long term: Engaging with the public and other stakeholders can inform long term strategy and decision making and can help build cooperative and sustainable approaches to service delivery. Yearly budget consultations should not be considered in isolation and should be considered along with other engagement exercises e.g. for the Wellbeing Assessment and also against the findings previous year's budget consultations.
- Prevention: Robust engagement and participation arrangements should give us a better understanding of the needs and also the assets of our communities which should inform our planning of services to focus on the things that matter and to be more preventions focussed in the longer-term.
- Integration: As part of the business improvement it will be vital to identify how individual proposals relate to the wellbeing goals (under WFG Act) and could impact on other Council services and external agencies. This evaluative thinking is part of the Fairness and Equalities Impact Assessment process
- Collaboration: We are increasingly working collaboratively with partner organisations to access harder to reach communities e.g. through GAVO's Engage Project which works with seven such groups. Engagement work is also planned through a multi-agency group to share resources and avoid duplication and consultation fatigue.
- Involvement: The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the City we serve is the underpinning principle

of the budget consultation and should be the basis for accountability and openness in decision making with regards to financial and service planning.

Crime and Disorder Act 1998

There are no direct impacts on crime and disorder arising from this report.

Dated:

Annex A - Newport City Council Budget - Stakeholder Engagement Matrix

Stakeholder groups	Main interests	Planned methods of engagement (and key stakeholders)
Public and minority groups	Children and young people, older people, Persons with protected characteristics (9 groups identified in Equalities Act 2010 i.e. age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion, sex, sexual orientation)	<p>Methods – Budget survey (Online and printed versions), Have Your Say questionnaire</p> <p>To be promoted through the following channels:</p> <ul style="list-style-type: none"> • Newport Matters (all households) • Social Media 20,000 contacts • One Newport – partner organisation contacts • Citizens Panel (700 local residents) • Newport City Homes resident events - (NCH tenants), Various dates in the summer • Maindee Festival – Fair Play Theme (all ages) • Sports in the Park – various dates in the summer (children and families) • Newport Food Festival (all ages) • National Play Day (all ages) • Newport 50+ Information Day (older people) • Rainbow Newport –social media contacts (LGBT+) • SEWREC networks – BME contacts • Newport Youth Council and Unity Youth Forum – (young people) • Ethnic Youth Support Team – BME young people • University of South Wales – (students and staff) • Coleg • GAVO – voluntary sector and Engage project which works with hard to reach groups • Newport Interfaith Group – contact network (multi-faith group) • BME Community Leaders (BME contacts)
Geographical communities	Wards and neighbourhoods of Newport. Including urban and rural	<ul style="list-style-type: none"> • Ward Meetings – budget and financial context provided by Heads of Service with Elected Members also in attendance • Elected members are also encouraged to promote engagement and participation in the budget consultation with their constituents • Face to face sessions in public venues across Newport

		<ul style="list-style-type: none"> • Citizens Panel survey. Previous surveys have gained responses from all wards however numbers for some wards will be relatively low and not statistically valid. However ward based engagement data can be supplemented with the in depth data available through the 'Ward Profiles' produced by the Council. • All Newport libraries will promote survey participation to all customers for one week in January (date to be confirmed) • Community Councils (representing more rural areas)
Business sector	Business leaders, chambers of commerce, cooperatives and unions	<ul style="list-style-type: none"> • Engagement with Newport Economic Network • Circulate survey through NCC business networks • Trade Unions to respond on behalf of members.

Any further events to be notified to one.newport@newport.gov.uk



Report

Cabinet

Part 1

Date: 19 July 2017

Subject Update to Medium Term Financial Strategy

Purpose To update the Cabinet on the current financial outlook and resourcing for Welsh local authorities, and outline the current planning assumptions and projections which form the basis of Newport City Council's medium term financial plan.

Author Head of Finance

Ward N/A

Summary The Chancellor's budget in March confirmed that the economic outlook remains unchanged with continuing austerity and visible impact on local services. Whilst the macro picture for public finances has improved slightly, with borrowing in 2016/17 expected to be £16.4bn less than previously forecast, it remains at £51.7bn. The Chancellor set out a trajectory of gradually reducing annual deficits for the next few years, confirming the tight spending environment for public services as the UK begins the formal process of exiting the European Union (EU). Although it has been suggested that the new Chancellor might reduce the level of cuts in the short term, this is likely to come at the cost of additional – and possibly even larger – cuts later on.

Under this context, the Council needs to follow a robust strategy in planning for and delivering against its medium term financial outlook. 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 these challenges and deliver sustainable services to the public whilst continuing to meet the Council's priorities.

This report updates the Council's financial strategy by reviewing and updating, where necessary, the key contextual issues affecting our planning assumptions, key issues around managing risk, performance and financial resilience and to update the resulting budget challenges over the medium term.

The report sets out some of the key strategies already in place to reduce and minimise some of the financial challenges identified and other strategies to address the potential budget gap over the medium term.

Proposal Cabinet is asked to:

- Approve the current key planning parameters in setting out the current budget gap for 2018/19 and the medium term, noting that this work is subject to on-going refinement;
- Note and approve the current working strategies officers are working under to provide budget solutions to the current financial challenge;
- In particular, to approve the working strategy in relation to schools funding in the next financial year which funds school inflation, demographics and school reorganisation

pressures whilst noting that this could be reviewed in light of the draft settlement when known;

- Agree the approach to the one off funding that was allocated to schools from 2016/17 unused contingency budget. This was one off funding which is to be reviewed as part of the 2018/19 budget process;
- Note the Head of Finances comments and observations on the current risks facing the budget, how they are being managed and financial resilience issues;
- Note the current level of reserves, projected use and their utilisation in the context of the medium term.

Action by HoF / SLT / CMT – develop budget proposals and discuss with Cabinet
HoF / Chief Education Officer – discuss schools funding strategy with school's / school's forum and develop plans to meet the financial challenges of the funding strategy outlined.

Timetable Included within this report

This report was prepared after consultation with:

- Senior Leadership Team
- Statutory officers

Signed

Background

Economic Context

1. This budget strategy update report is written in the context of continued and sustained financial restraint. While stronger economic activity is expected in the short term, the medium term outlook for public finance remains essentially unchanged since the Autumn statement 2016. Although the Chancellor set out the government's strategy to return public finances to balance as soon as possible in the next parliament, the commitment is now to 'return the public finances to a sustainable position in the long term'. Although the Office of Budget Responsibility (OBR) expects the level of Gross Domestic Product (GDP) in 2021 to be broadly the same as forecast in the Autumn statement the profile of the growth has changed. The OBR now forecast GDP growth of 2.0% in 2017, 1.6% in 2018, 1.7% in 2019 followed by 1.9% in 2020 and 2.0% in 2021.
2. Global growth remained broadly stable in the second half of 2016. The International Monetary Fund (IMF) forecasts that global growth will increase slightly to 3.4% in 2017. It judges that the outlook has improved in advanced economies while growth prospects have marginally worsened in emerging countries. Uncertainty around the global outlook is heightened at present, associated, among other things, with policy and political risks.
3. The OBR anticipates that effects of rising inflation, largely caused by the post referendum sterling depreciation, and stronger GDP growth will give a shallower, but slightly longer period of slower growth. In the longer term, the economy is expected to adjust to new relationships within the European Union (EU) and the rest of the world. The OBR has not attempted to predict the precise outcomes of negotiations; however, it is believed that the effects of leaving the EU on trade are unchanged from those which underpinned the Autumn Statement 2016 forecast.
4. The national uncertainties summarised above are compounded further in respect of Welsh Government (WG) policy decisions affecting Local Government funding as there remain no indicative figures on future settlements or future priority areas.

Welsh Government Context

5. The WG 2017/18 settlement was as predicted, and planned for, confirming a significant reduction in grant. Although the average increase in grant (Aggregate External Financing) was 0.2% across Wales, the final settlement for Newport reduced significantly between draft and final due to the increased tax base in Newport, with the ability to raise funding from council tax being higher than the Welsh average.
6. As set out in the February 2017 Cabinet report, the final 2017/18 budget was based on the final Revenue Settlement Grant (RSG) of £208.3m, which represents a 0.4% decrease in cash funding from the 2016/17 level, but a 0.7% decrease after taking account of specific grant transfers into the settlement and new responsibilities. Allowing for inflation i.e. a standstill position, the real term decrease in grant was close to 4%. This settlement, as per previous settlements, was for one year only, and did not provide any indicative figures for future years. Whilst the Welsh Local Government Association (WLGA) continues to lobby WG for more certainty for councils in respect of financial planning no indication has been given to date that this information will be provided.
7. The 2018/19 settlements are likely to be received on or around **October 18th 2017** for the publication of the provisional settlement and **December 20th 2017** for the final settlement. This will allow the Council to have timely assurance on the 2018/19 funding position though this does not detract from the need to work up detailed business plans to meet the predicted budget challenge as soon as possible. The current assumption in the MTFP is for a 1% reduction in central grant from WG which equates to a £2.1m cash reduction. This has been reduced from 1.5% to 1% since February 2017 budget report based on historical trends and the settlement taking into account increases in population expectations and other demographic changes.

8. As indicated, the economic context that not only Local Government, but also WG work under is difficult and uncertain; there is the expectation that WG will also face budget reductions in the coming years. The Welsh Local Government Association (WLGA) agree that it's not just a case of seeking to achieve further funding, but to seek a new relationship with WG where the gravity of the situation is recognised, accurate and that transparent information is reported and flexibility is maximised. They highlight a number of ways in which this can be achieved:

- Greater equity of consideration of the preventative services provided by local government such as social care and housing;
- De-hypothecation of all specific grants into the RSG;
- Greater coordination across WG departments in any aspects of policy making that affect local government;
- A thorough review of the costs and benefits of audit and regulation;
- A review of the impact of universal benefits and subsidised service delivery where these are proving unsustainable for councils;
- Full consideration of the devolution of powers to councils, including the retention of business rates growth;
- Greater clarity for the future with the issue of multiyear settlements;
- Recognition that at a time of increasing financial risk, a council making cuts also needs to increase reserves to reflect the increased volatility of its budget;
- Realism in terms of new legislative duties for Councils and far more robust financial impact assessments of new policies.

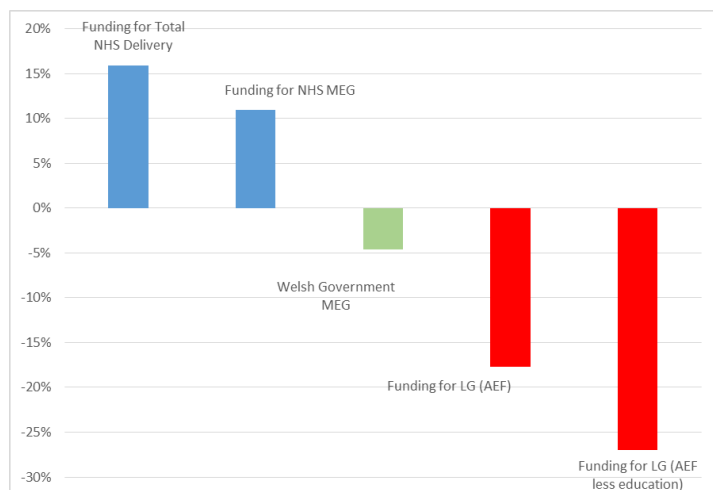
Whilst some progress on one or two of the above are being made, there is little improvement on most of the above and these, in themselves, makes the current position more challenging for Local Government.

9. Whilst considering the local context it is appropriate to note that it is not only about the level of funding that is received by the Welsh Government but the decisions that are taken in terms of where they choose to spend this money. The chart below shows that WG funding continues to increase year on year although the funding devolved to Local Government has decreased considerably since the onset of austerity with significant increases going to the health sector.

Table 1 – WG Budgets 2012/13 to 2016/17

2012/13	£15.482bn
2013/14	£15.432bn
2014/15	£15.669bn
2015/16	£15.930bn
2016/17	£16.486bn

Chart 1 – WG Changes in Funding Levels since 2009/10



Council Context

10. The Council's Corporate Plan 'Standing up for Newport' for the period 2012-2017 set out the strategic ambitions for the five year period, with financial planning being a critical part of ensuring that viable, effective services can continue to be delivered to local people. A key objective of the plan was to ensure the Council priorities and plans were funded and driven by the MTFP. The Council previously identified 8 Improvement Objectives which fit into the Corporate Plan themes of (i) A caring City (ii) A fairer City (iii) A learning & working City (iv) A green & healthy City, and (iv) A safer City.
11. This Corporate Plan has served the Council up to this point. Following the local elections, Newport has a new administration for the next five years and a revised Corporate Plan is currently in the process of being developed. Officers are working with Cabinet to identify the emerging priorities and core themes. This work will be concluded over the next two months and coupled with other corporate strategies will ensure that a clear strategy exists to deliver services at a lower cost and, whilst being supported by the Councils change programme, priorities are funded in a sustainable manner. This will be in the context of a vastly different Local Government and economic environment in comparison to the current Corporate Plan and will need to reflect the current position of local authorities.
12. Finally, Cabinet will be aware of the following local issues:
- WG revenue support grant makes up 78% of the Councils total net funding. What WG do with this grant is very significant. This figure is high across all Welsh Councils relative to English Councils and is one of the highest in Wales, given this Council's total funding position against its Standard Spending Assessment (SSA).
 - The Council spends £8.25m less than its SSA, due to its low council tax. This limits the opportunities to find savings, relative to other Councils, and it is clear that 'capacity' within Newport Council is lower relative to others.
 - Newport's council tax is historically one of the lowest across Wales (and the UK). It is not possible to increase it to that level assumed within the SSA and average across other Councils due to 'capping'. In addition, 20% of any increased funding coming from council tax increases are lost locally, due to the need to fund a corresponding increase in Council Tax Reduction Scheme (CTRS) payments since funding responsibility for this was transferred to the Council from WG.
 - As a 'growing city' demands and costs are increasing right across the services provided by the Council, while funding is being reduced. This is causing increasing pressures on the MTFP requiring further savings to be found to balance the budget. The demands of a growing City can be seen from the following data tables:

Table 2 - Population Growth 2014 - 2020

Newport	2014	2015	2016	2017	2018	2019	2020
Population Statistics 2014-2020	146,841	147,284	147,749	148,234	148,729	149,243	149,770
Actual increase		0.30%	0.32%	0.33%			
Projected increase					0.33%	0.35%	0.35%

The average annual increase in Wales over the same period is 0.2%.

Table 3 – PLASC (Pupil Level Annual School Census) Growth 2014 – 2020

Newport	2015	2016	2017	2018	2019	2020
January PLASC Roll Count	22,807	23,254	23,606	24,173	24,530	24,915
Actual increase		2%	2%			
Projected increase				2%	1%	2%

- Timing is likely to be a key challenge in the context of future transformational change and the development of robust business cases. As part of the work to prioritise Council functions, benchmarking and cost benefit analysis exercises will be required before the business cases can be developed to ensure that they reflect all aspects of the Councils Corporate Plan.

RISKS, FINANCIAL RESILIENCE & PERFORMANCE

13. A key driver in setting out our budget strategy and MTFP framework is the need to manage the Councils general and financial risks, its financial resilience and performance. This next section looks at these issues and identifies how they are dealt with currently and issues which need to be considered in setting out the Councils 2018/19 and medium term budgets.

Risk

14. The Council maintains a corporate risk register which is regularly reviewed by the Corporate Leadership Team and Cabinet, as well as the Audit Committee from a procedural/ risk management framework viewpoint. The Council's budget strategy and MTFP framework needs to reflect risks and incorporate appropriate financial mitigation, where required. The table in appendix 7 lists the current approved corporate risks at the time of writing, though these will be updated at the September Cabinet which will then require further on-going review from our budget strategy viewpoint.
15. Key mitigation issues include the Council's (i) revenue contingency budget (ii) capacity provided by the 'Invest to Save' reserve to support and fund implementation costs of the current and future change programme, and (iii) capacity to develop the strategic and change programmes to meet the new corporate plan within financial context.

At this point, the Council's finances and reserves provide the financial capacity to deal with the current risks identified. Appendix 7 also details other risks which have the potential to have financial impact for the Council.

Financial Resilience

16. The 2017/18 budget report set out the responsibilities of both Cabinet and the Section 151 Officer to set a balanced budget. It also highlighted the financial risks inherent in the proposed budget and set out the financial risk context of the Council including:
- The delivery of the £5.6m of savings in order to achieve balanced budget in 2017/18;
 - Low inflationary assumptions.
17. The budget report also set out the financial resilience of the Council and the measures in place to mitigate the risks highlighted in the risk register and those included above. A robust view is being taken in managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and appendix 1 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council at the time of setting this budget strategy.
18. The Council has identified and continues to monitor budget reductions of £5.6m in 2017/18. This is alongside delivering outturn within budget over recent years, despite the delivery of c£25m savings over the previous 3 years. The financial resilience 'snapshot' and 2016/17 outturn shows a balanced budget position in the financial year and an increase in the level of reserves on the previous year. This, however, needs to be viewed within the context of continued significant pressures within service areas and schools into 2017/18, which have been highlighted in early monitoring of the financial year.
19. The level of general reserve is maintained at £6.5m following assessment by the Head of Finance. This is deemed to be the minimum level of general reserve necessary and represents c2.4% of the

Council's net budget. If this were to be utilised in year, actions would need to be put in place to replenish the reserve back to the minimum position within adequate timescales. The contingency base budget and other risk reserves held by the Council are all taken into consideration when assessing the level of the general reserve, and help to mitigate the risk to the Council.

20. The Authority's reserves are an integral part of how the Authority deals with its financial risks as well as its high level strategic financial planning. As can be seen from the 'snapshot' over the last 4-5 years the level of the Authority's earmarked reserves have increased and the main reasons for this increase are outlined below:
- Managing the risk of making a £90m loan to developers to bring about the Friar's Walk scheme, a key piece in the regeneration of the City (total c£10m) and funding the insurance risks previously covered by MMI (£0.6m);
 - To fund one off school funding (£1.1m) and other spending priorities (£1.5m) which, in the main, have been funded by revenue underspends in previous years;
 - To fund capital expenditure and to manage key risks around the future capital programme;
 - Funding of significant one-off costs related to cost saving measures, in the face of increasing challenging financial pressures and lower funding;
 - Setting aside future increased costs of PFI, whilst the PFI grant received was higher than the expenditure required (this now forms part of the revenue support grant);
21. The budget strategy needs to be aligned with the financial resilience of the Council and reserves are a key part of this resilience at times of uncertainty as they provide mitigation against volatility. Appendix 2 shows the planned/ forecast use of specific reserves within the annual budgets over the MTFP period as it is known currently. The projection shows a significant reduction in the reserve level over the current life of the MTFP.
22. General utilisation of reserves in supporting the budget setting process needs to take into account the finite nature of the reserve i.e. once used it has gone and is not a recurring budget saving, therefore creates an immediate funding gap in the following year. The Section 151 Officer will consider the level of all reserves during this budget setting process.
23. Although the 2016/17 outturn position reports a balanced position there are a number of significant risks and pressures across service areas, including community care budgets, out of area residential placements within Children and Young People services and special educational needs. Furthermore, the non-delivery of previously agreed MTFP savings are causing significant pressures within Streetscene & City Services. These pressures are ongoing and will need to be reflected in the budget strategy.

The Council's Capital Programme and affordability

24. As WG capital funding to local authorities has reduced, the Council, in common with other local authorities, has had to fund a greater share of its capital funding requirement. Coupled with recent high value capital schemes that supported the Council's priorities such as new schools and city centre regeneration etc., this has led to increasing levels of borrowing commitments being undertaken. The Council has to ensure that any borrowing is affordable, prudent and sustainable, not only now, but in the long term.
25. As a proportion of the Council's revenue budget, capital financing costs are currently taking a significant amount and this cost is a long term commitment against the Council's revenue budget. The table below shows this; the fall in 2019/20 reflects the saving which is included in the MTFP due to maturity of relatively high interest borrowing, which will be refinanced at a lower interest level.

Table 4 – Impact of capital financing costs on revenue budget

	2017/18	2018/19	2019/20	2020/21
% of revenue budget used for capital financing	8.9%	8.8%	8.2%	8.2%

Newport is amongst the highest in Wales in terms of debt financing.

26. 2017/18 is the final year of the previously approved 4-year capital programme which commenced in 2014/15. Therefore alongside the development of the MTFP, the next 4-year capital programme will need to be formed for 2018/19 onwards. While the finalisation of a small amount of the current programme will roll into 2018/19, the new programme will need to be developed within, amongst others, the financial context of affordability and the cost of borrowing that will be required to finance the new programme.

27. Early work has been carried out with senior officers on the current affordability envelope of a new programme over the next 4 years, assuming that the current budget for financing borrowing costs does not increase. The ‘envelope’ of capital expenditure funded from borrowing would then be augmented by other funding sources such as capital receipts, grants and capital reserves. Any capital expenditure funded from borrowing over and above the headroom indicated would require additional budget and increase the MTFP ‘revenue budget gap’. This is a key consideration when setting the new capital programme.

28. Current levels of capital receipts have largely been earmarked for the completion of the Band A 21st Century Schools programme. A decision will need to be made on the use of future capital receipts and this will need to take into account the expected timings of the associated disposals.

29. The table below shows the approximate level of capital expenditure over the next 6 years that would be affordable within the headroom (assumptions are made on the average asset lives of the capital expenditure) – the ‘affordability envelope’ mentioned above.

Year of capex	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	
Total Capex affordable	8,262	3,800	6,868	7,595	5,300	3,157	34,983

30. The above table shows that the next Capital Programme could be at a level of approximately £35m and still be within the current revenue budget headroom. However, within the future Capital Programme there are a number of significant projects and pressures, which would require significant capital investment, including:

- Ensuring a sustainable property asset base and that property is fit to deliver service
- The development of the Band B 21st Century Schools Programme
- City centre regeneration and economic development activity
- Meeting the aspirations of services to invest in existing assets or create new capital assets in order to improve service delivery and meet pressures of increasing demand.
- The need to maintain the highway and associated infrastructure such as roads, traffic signals, bridges, street lighting
- Newport’s share of the City Deal funding

Due to the above there has been an additional £250k included as a pressure in the MTFP in both 2019/20 and 2020/21, in order to achieve a capital programme which will meet the needs of the Authority in the coming years.

31. Clearly, the Council will need to continue to incur borrowing costs to both meet the objectives of the Corporate Plan and invest in schemes that generate a return for the Council and citizens. As the Council revenue budget decreases, it will need to consider the level of debt and potential financial

resilience issues that may be a consequence of increasing borrowing. As highlighted, previously in this report, earmarked reserves have been set aside for capital expenditure, in addition to capital receipts that the Council has realised. Use of these reserves for capital purposes would reduce the revenue implications of increased capital financing costs. Inevitably, choices on what projects can be prioritised within an affordable and prudent financial envelope will need to be made.

32. The Council's Treasury Strategy is currently one which has limited the need to take out any 'new' physical borrowings, by dis-investing its own cash resources to fund capital expenditure. However, this is proving increasingly challenging to maintain and our budget strategies to meet the on-going financial challenge are crucial issues which will dictate how quickly the Council will need to physically take out new borrowings and therefore the increasing revenue costs this results in, via interest costs. Use of reserves to fund both revenue and capital expenditure will, for example, put strain on cash-flow and trigger the day when new 'actual borrowing' is finally required.

BUDGET STRATEGY UPDATE AND KEY ASSUMPTIONS

33. The 2017/18 budget report identified a budget reduction requirement of £13.6m for 2018/19 and £45.1m over the four year MTFP period to 2021/22. Following review since the 2017/18 budget report, the gap for 2018/19 has reduced by £2.1m to £9.4m. The current medium term plan is shown in appendix 3, and appendix 4 shows a full reconciliation between the 2017/18 position approved at February Cabinet to the current budget 'gap'.

34. Key changes that have arisen since the February 2017 update to the MTFP and budget strategy include (i) new pressures that are outside of the Councils control, for example, due to changes in legislation and (ii) changes to assumptions that were previously used in regards to tax base and funding:

(i) External Factors:

- Adult Services - changes to the fees that can be charged for residential care due to the increased capital limit which is a commitment from WG (£350k);
- Children's Out of Area Residential placements – the number of placements have been increasing since December 2015. This, coupled with the increasing costs over the last 5 years, has resulted in a pressure of £800k has been included for this in the MTFP;
- During early 2017 an actuarial review of the Local Government Pension Scheme was undertaken. The outcome of this review was a requirement for an increase to the employer's contribution to fund the ongoing pension deficit. A 1% rise in employer contributions on a base of 12.4% contribution has resulted in a pressure of £660k. This valuation further impacted in respect of existing joint venture arrangements as Newport remains liable for any subsequent pension uplifts (£347k).

(ii) Changes to assumptions:

- The 2017/18 budget report assumed a 1.5% reduction in WG revenue support grant in 2018/19 which equates to a £3.1m reduction in funding. The assumption for the reduction has been revised downwards for 2018/19 to 1% which equates to an increase in the funding assumption of £1.0m. The Council will be made aware of its provisional level of funding by mid-October, which gives a lot more clarity on the budget requirement.

35. The MTFP is a dynamic model and it will need to be updated throughout the autumn. Some of the key areas requiring further work and refinement include:

- Ongoing review of the in-year monitoring position and delivery of savings that could impact on the MTFP;
- Changes to level of funding from WG when confirmation of provisional settlement is received.

Budget Strategy for 'closing the Gap'

36. It is evident that the budget gap is considerable and is subject to further refinement and updating as we move closer to December 2017 when we consult on detailed budget proposals and finally February/ March 2018 when the budget and council tax is finalised. An equally flexible and on-going process is required on the Councils strategy to close the gap, over the medium term and in particular 2018/19.

37. In order to address the gap the following budget strategy is currently being pursued:

- Reducing existing budget pressures in 2018/19 and medium term , where possible;
- Prioritisation of services in the context of costs versus benefits which is to be developed with the new administration. The Corporate Plan is in the process of being developed with the new administration and will ensure it can deliver on meeting the greatest needs and priorities whilst ensuring that the provision is sustainable;
- Service area budget savings, within the framework set by a new corporate plan and our Newport 2020 strategy;
- Review of 'non-service' expenditure to explore whether there are options available to make savings in areas such as capital financing costs or expenditure on what is deemed as 'non-controllable' expenditure;
- Increasing external income where possible.

38. As stated previously, the current strategy is not to use reserves to fund the budget gap. While there may be some flexibility on the use of reserves, this needs to be aligned with the long term planning and implications of utilising the reserves and the evaluation of risk around their use, in particular around how well the services are managing their budgets.

39. The summary table below shows the position of the budget gap for the Council over the next four years and the savings that are required to enable this gap to be addressed. A more detailed summary can be found within appendix 3 and 8 of the report.

Table 5 – Medium Term Financial Plan (MTFP) Summary

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Financial Pressures	11,542	8,851	9,046	7,431	36,870
Funding Reductions	2,083	2,062	2,041	2,021	8,207
Budget Requirement Reduction	13,625	10,913	11,087	9,452	45,077
Consequential to deal with Social Care Pressures	(160)	0	0	0	(160)
Increase in tax base	(1,958)	(1,880)	(1,896)	(1,912)	(7,646)
Savings	(2,080)	(1,610)	(20)	0	(3,710)
Budget Gap	9,428	7,422	9,171	7,540	33,562

It is vitally important that work begins on compiling business cases to meet the gap at the earliest opportunity, as the timing is crucial to complete before draft settlement in order for Cabinet to consider the options available.

BUDGET CONSULTATION & TIMETABLE

40. Ahead of the setting of the 2017/18 budget engagement work focused on building on the extensive feedback received in recent years and sought to better inform the public and stakeholders about the financial pressures and the formal consultation process. The Policy, Partnership and Involvement Team were present in over 20 public locations across Newport and engaged with over 2,300 people as part of an engagement programme for the Wellbeing of Future Generations Act 2015 The formal budget consultation process commenced in December 2016 and 371 completed feedback questionnaires were received which represents a significant improvement on the previous year (230 responses). The knowledge acquired through previous budget consultation and work on wellbeing work is cumulative and transferable and will also be relevant for the 2018/19 budget.

41. The 2018/19 budget engagement programme will follow a similar format to that for 2017/18, particularly with regards to phase 1 (before formal proposals are released). As a major public consultation exercise was undertaken in 2016/17 in support of the Wellbeing of Future Generations Act 2015, engagement work in 2017/18 (for the 2018/19 budget) will further exploring the services that are relevant to local people's wellbeing, the assets they value and what they want to see more of in the longer term, In addition to this, engagement will also seek to inform the public of the formal budget consultation process e.g. key dates, how they can keep informed; and will ask for suggestions on how savings can be made. This will be achieved through a combination of attendance at public events, various forums and a range of public communications. In 2016/17 there was a particular focus on engaging with hard to reach/seldom heard/minority groups and this approach will be continued in preparation for the 2018/19 budget, for instance through working with the Engage Project (representing 7 hard to reach groups), Rainbow Newport (LGBT), youth forums, tenants networks and BME representative groups. Formal consultation (phase 2) will include engagement with employee trade unions, Scrutiny Committees and the Schools Forum.
42. Following the release of budget proposals in December a formal budget consultation process will commence and will run for a four week period. The results will be reported to February Cabinet as an analysis report.
43. A response to the budget proposals from the Fairness Commission will be facilitated and the Chair will of the Commission present their conclusions to February Cabinet.
44. It should be noted that whilst corporate engagement is valuable in gathering wide ranging feedback and gaining an overview of public opinion on budget proposals (in phase 2), but service areas are also expected to involve and engage with service users as MTFP business cases are developed. It is also expected that reference will be made to the results of earlier consultation and engagement which may offer relevant insight into opinions and views on the development of services.

Timetable

The timetable for the budget process and consultation is included in Appendix 6.

Risks

Risk is a key consideration in the Council's Financial Strategy and has been incorporated into the body of the report.

Reducing budgets by the amounts shown is inherently risky, from both a financial resilience and service provision perspective. These are managed through regular financial resilience reviews and all business cases for budget saving highlighting clearly the impacts on service provision, including statutory services.

The financial strategy includes a number of key assumptions, in particular WG grant levels which will not be confirmed until December 2017. Late notification of WG grant increases the impact of this uncertainty.

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Key assumptions are incorrect	M	M	-Key assumptions and sensitivity made clear - Plan for delivering savings requires contingency for this risk	HoF SLT

Very late notification of WG grant	M	H	- Plan for delivering savings requires contingency for this risk -Revised consultation plan and timetable - Close contact with WG officials to ensure we know as soon as possible of what date this will be available	SLT SLT HoF
Service impact of resulting proposals	H	M	-Business Cases make impacts clear -Robust review by Cabinet	All HoS SLT / Cabinet

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The budget strategy is key in the delivery of the Council's priorities

Options Available

N/A

Preferred Option and Why

N/A

Comments of Chief Financial Officer

All financial issues are contained within the body of the report.

The key challenge is closing the significant budget gap over the medium term of c£34m and within that the immediate gap of £9.4m in 2018/19. In order to achieve this, the Council require a strategic view on how to deliver proposals and a programme that reduces the gap and this needs to be linked with the Council's priorities and developing Corporate Plan.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The Council has a statutory duty to set a balanced budget and to ensure financial resilience in accordance with Treasury Management principles, in terms of the use of reserves and contingent liabilities. The report sets out a proposed budget strategy for bridging the anticipated funding gap in the medium term, having regard to increased pressures, statutory duties and corporate priorities.

Comments of Head of People and Business Change

The change and efficiency programmes will have a direct impact on employees across the Council, including, potentially, schools. Changes to structures and staffing will be required to make the necessary savings and service transformation.

The Council will aim to minimise the impact of resulting proposals on employees across our services, however, given the scale of the challenges facing the Council over the next 5 years, it has to be recognised that the Council cannot rule out having to make redundancies. All employees directly affected will be supported by the provisions of the Council's Job Security Policy, which aims to minimise compulsory redundancies and retain employees in our employment wherever possible.

A progressive approach to engagement will be vital going forward in ensuring that the Council's strategic and budget planning is not only legally compliant but also reflect the views and needs of communities

and build on their assets as we look to develop sustainable services in an increasingly challenging financial climate. It should be stressed that engagement should not be considered a corporate function but as a way of working that is intrinsic to good service delivery and planning and ultimately improving wellbeing.

Local issues

The budget proposals will affect the City as a whole although some specific proposals may affect certain localities more than others.

Equalities Impact Assessment

The detail of Equalities Impact Assessment will be included in the February report to Council.

Children and Families (Wales) Measure

All proposals will be consulted on widely, as required.

Wellbeing of Future Generations (Wales) Act 2015

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

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

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

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

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

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

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

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

Crime and Disorder Act 1998

N/A

Consultation

Wide consultation on the budget is to be undertaken, as outlined in paragraph 40-44 of the report.

Background Papers

Corporate Plan 2012-2017

Newport 2020 Strategy

Budget Report 2017/18

Appendices

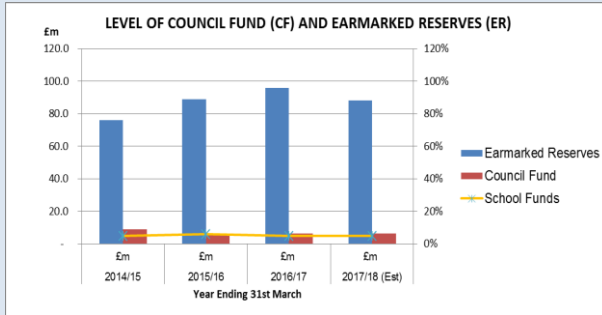
- Appendix 1 Financial Resilience 'Snapshot'
- Appendix 2 Planned Use of Reserves
- Appendix 3 Medium Term Financial Plan (MTFP)
- Appendix 4 Reconciliation of 2017/18 Budget Report to MTFP
- Appendix 5 Budget Sensitivity
- Appendix 6 2018/19 Budget Timetable
- Appendix 7 Corporate Risk Register
- Appendix 8 Summary Position of Budget Gap

Appendix 1 Financial Resilience Snapshot

FINANCIAL SNAPSHOT REPORT - UPDATE TO JULY CABINET

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

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



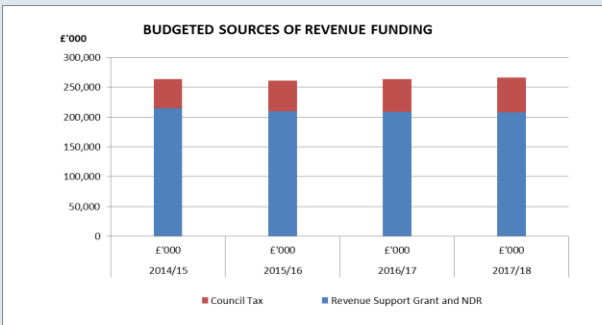
Level of Reserves

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 (Est)
Earmarked Reserves	64.5	71.2	76.1	88.9	95.8	89.2
Council Fund	5.0	5.0	6.5	6.5	6.5	6.5
School Funds	4.4	4.2	4.8	5.9	4.8	4.8

Budgeted Sources of Funding

	2014/15	2015/16	2016/17	2017/18
Total Revenue Funding	£'000	£'000	£'000	£'000
Revenue Support Grant and NDR	214,826	209,254	209,142	208,250
Council Tax	49,104	52,117	54,796	58,122

Budgeted Revenue Funding Split



Financial Performance and Ratios

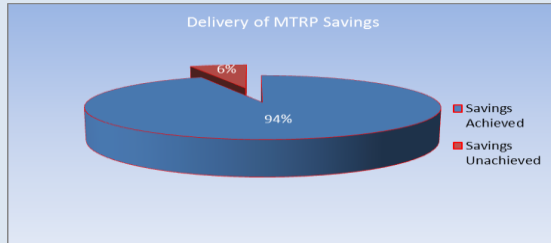
Ratio	Calculation	2012/13	2013/2014	2014/2015	2015/2016	2016/2017
Net Worth	(Asset - Liabilities)	53,668	96,061	45,887	61,260	24,739
Net Worth (excl Pension Liab.)	(Asset - Liabilities)	286,220	289,675	288,037	341,081	349,533
Working Capital Ratio	(Curr. Assets / Curr. Liabilities)	0.68	0.79	0.89	1.82	1.17
Gearing Ratio	(Borrowing / Total Reserves)	44.1%	51.2%	45.5%	44.0%	49.3%

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

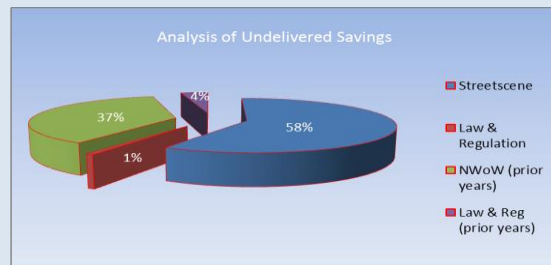
2016/17 Revenue Outturn Position

Directorate	Current Budget	Outturn	Variance	Variance
	£'000	£'000	£'000	%
Children & Young People	21,033	21,213	180	1
Adult & Community Services	39,748	40,266	518	1
Education	13,807	14,300	493	4
Schools	90,000	91,050	1,050	1
Regeneration, Investment & Housing	9,041	8,910	(131)	(1)
Streetscene & City Services	16,911	18,929	2,018	12
Corporate Services	16,235	15,610	(625)	(4)
Total Directorates	206,775	210,278	3,503	2
Capital Financing	28,183	24,834	(3,349)	(12)
Contingency Provisions	6,159	4,723	(1,436)	(23)
Levies / other	21,735	20,427	(1,308)	(6)
Reserves / Transfer	1,086	5,215	4,130	380
Total Budget	263,937	265,476	1,540	1
Additional funding - CT surplus	(76)	(1,616)	(1,540)	
Projected Over/ (Under) spend				

Revenue Savings Achieved and Unachieved (March FIP)



Analysis of Unachieved Savings



2016/17 Capital Outturn Position

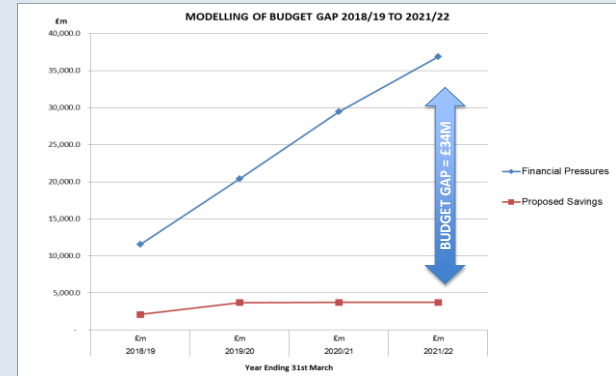
Directorate	Final Budget	Final Outturn	Variance Slippage	Variance (Under)/ Overspend
	£'000	£'000	£'000	£'000
Education	19,048	18,797	(251)	136
Regeneration, Investment & Housing	8,990	8,395	(595)	(24)
People & Business Change	1,199	404	(795)	(673)
Law & Regulation	189	183	(6)	-
Adult & Community Services	782	890	108	108
Children & Young People Services	55	54	(1)	(1)
Streetscene & City Services	5,087	3,670	(1,417)	(268)
Total Budget	35,350	32,393	(2,957)	(722)

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

MTFP Scenario (To be approved by July Cabinet)

	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000
Financial Pressures	11,542	8,851	9,046	7,431	36,870
Funding Reductions	2,083	2,062	2,041	2,021	8,207
Budget Requirement Reduction	13,625	10,913	11,087	9,452	45,077
Consequential to deal with Social Care Pressures	(100)	0	0	0	(100)
Increase in tax base	(1,958)	(1,880)	(1,896)	(1,912)	(7,646)
Savings	(2,080)	(1,610)	(20)	0	(3,710)
Budget Gap	9,428	7,422	9,171	7,540	33,662
RSG Reduction scenarios					
Balance - @ -0.5% WG reduction	8,387	6,396	8,161	6,545	29,490
Balance - @ -1.5% WG reduction	10,470	8,437	10,161	8,505	37,573
Balance - @ -2% WG reduction	11,511	9,442	11,130	9,440	41,523

Modelling of Budget Gap 2018/19 to 2021/22



Capital Expenditure & Capital Financing Requirement (CFR)

Capital Expenditure	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Estimate	Estimate	Estimate	Estimate
	£m	£m	£m	£m	£m
Total capital expenditure	32.4	39.5	N/A	N/A	N/A
Capital Financing Requirement					
Financing requirement	10.8	10.8	10.8	10.8	10.8
CFR	279.1	279.1	279.1	279.1	279.1

N/A as Capital Programme to be developed in line with MTFP

Affordability Indicators -

Ratio of Financing Costs to Net Revenue Stream - highlights the revenue implications

of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.

	2017/18	2018/19	2019/20	2020/21	2021/22
	Estimate	Estimate	Estimate	Estimate	Estimate
	%	%	%	%	%
Ratio of Financing Costs to Net Revenue Stream	8.4	8.3	7.7	7.7	7.7
Incremental Impact of Capital Investment Decisions					
Increase in Band D Council Tax*	£ 2.02	£ 1.75	£ 3.21	£ 3.36	£ 3.38

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

Appendix 2 Planned Use of Reserves

Reserve	Balance at	Balance at	Balance at	Balance at	Balance at
	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20	31-Mar-21
	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(4,831)	(1,831)	0	0	0
Earmarked Reserves:					
Pay Reserve	(1,418)	(1,418)	(1,418)	(1,418)	(1,418)
Music Service	(167)	(167)	(167)	(167)	(167)
Insurance Reserve	(1,706)	(1,706)	(1,706)	(1,706)	(1,706)
MMI Insurance Reserve	(602)	(602)	(300)	(300)	(300)
Legal Claims	-	-	-	-	-
Health & Safety	(16)	-	-	-	-
Council Tax Reduction	-	-	-	-	-
Education Achievement Service	(92)	(92)	(92)	(92)	(92)
Schools Redundancies	(708)	-	-	-	-
Friars Walk	(9,985)	(9,485)	(9,485)	(9,485)	(9,485)
NEW - European Funding I2A & CFW	(79)	-	-	-	-
NEW - Metro Bus	(9)	-	-	-	-
SUB TOTAL - RISK RESERVES	(14,782)	(13,470)	(13,168)	(13,168)	(13,168)
Capital Expenditure	(5,817)	(4,317)	(2,817)	(1,317)	-
Invest to Save	(11,050)	(9,109)	(8,638)	(8,618)	(7,618)
Super Connected Cities	(670)	(550)	(430)	(310)	(190)
Landfill (Door Stepping Campaign)	(345)	(345)	(150)	(150)	(150)
Christmas Lights	(15)	-	-	-	-
Usable Capital Receipts	(11,742)	(3,742)	(2,742)	(2,242)	(1,742)
SUB TOTAL - ENABLING RESERVES	(29,639)	(18,062)	(14,776)	(12,636)	(9,699)
STEP School Computers	(473)	(313)	(213)	(113)	(13)
Municipal Elections	(154)	(54)	(84)	(114)	(144)
Local Development Plan	(572)	(634)	(533)	(360)	(260)
Glan Usk PFI	(1,499)	(1,499)	(1,499)	(1,499)	(1,499)
Southern Distributor Road PFI	(44,515)	(44,303)	(43,963)	(43,485)	(42,935)
SUB TOTAL - SMOOTHING RESERVES	(47,213)	(46,804)	(46,293)	(45,572)	(44,852)

Works of art	(21)	(21)	(21)	(21)	(21)
School Works	(545)	(545)	(545)	(545)	(545)
Theatre & Arts Centre	(232)	(232)	(232)	(232)	(232)
Cymorth Income	(33)	-	-	-	-
Pupil Referral Unit	(60)	(60)	(60)	(60)	(60)
Gypsy and Traveller Site	(7)	-	-	-	-
Homelessness Prevention	(38)	-	-	-	-
Environmental Health - Improve Air Quality	(49)	-	-	-	-
Refurbishment of a Children / Older People Homes	(102)	-	-	-	-
Apprenticeship Scheme	(80)	(40)	(40)	(40)	(40)
City Economic Development	(90)	(45)	-	-	-
Welsh Language Standards	(240)	(160)	(100)	(40)	-
YS Dilapidation Costs Information Shop	(51)	-	-	-	-
NEW - School Reserve Other	(1,100)	-	-	-	-
NEW - Port Health	(3)	-	-	-	-
NEW - CRM	(21)	-	-	-	-
NEW - WCCIS	(54)	-	-	-	-
NEW - Investment Reserve	(1,500)	-	-	-	-
SUB TOTAL - OTHER RESERVES	(4,226)	(1,103)	(998)	(938)	(898)
RESERVES TOTAL	(107,190)	(87,769)	(81,734)	(78,813)	(75,116)

Appendix 3 Medium Term Financial Plan (MTFP)

	2018/19	2019/20	2020/21	2021/22	TOTAL
Pressures					
Inflation	3,426	3,507	3,599	3,695	14,227
Other	8,117	5,344	5,446	3,736	22,643
Total Pressures	11,543	8,851	9,046	7,431	36,870
Technical Adjustments	-	-	-	-	-
(INCREASE)/DECREASE IN REVENUE SUPPORT GRANT(assumed 1.0% 18/19 and thereafter)	2,083	2,062	2,041	2,021	8,206
Consequential to deal with social care pressures	- 160	-	-	-	- 160
Net (INCREASE)/DECREASE IN REVENUE SUPPORT GRANT after consequentials (assumed 1.0% 18/19 and thereafter)	1,923	2,062	2,041	2,021	8,046
Increase in tax base - C.Tax @ 17/18 rate	- 116	-	-	-	- 116
C. Tax @ 4% until 2021/22	- 2,330	- 2,350	- 2,370	- 2,390	- 9,438
Less consequential increase in benefits	489	470	474	478	1,911
GAP	11,508	9,033	9,191	7,540	37,273
Savings	2,080	1,611	20	-	3,711
Balance - @ -1.0% WG reduction 2018/19 onwards	9,428	7,422	9,171	7,540	33,562
Balance - @ -0.5% WG reduction	8,387	6,396	8,161	6,545	29,490
Balance - @ -1.5% WG reduction	10,470	8,437	10,161	8,505	37,572
Balance - @ -2% WG reduction	11,511	9,442	11,130	9,440	41,522

Appendix 4 Reconciliation of 2017/18 Budget Report to MTFP

MTFP	2018/19	2019/20	2020/21	2021/22	Total
Gap as per 2017/18 Budget Report	11,567	9,057	10,151	N/A	30,775
Revised inflation	-75	-79	-82	3,695	3,459
Revised/ New Pressures:	632	-238	396	3,736	4,527
Revisions:					
Adults – Older people demographic growth	-158	-169	-	-	-327
Adults – Transitions & demographic growth	-297	-180	-	-	-477
Adults – Capital limit	350	-	-	-	350
Adults – national minimum wage	40	-4	24	-	60
Children’s – Leaving care	-95	4	-1	205	114
Children’s – Kinship	90	190	180	190	650
Education demographics - primary	-133	-388	130	29	-362
Education demographics - secondary	-77	198	-16	778	883
Education – teaching staff increments	108	129	126	484	847
Education – Llanwern primary school	-	-	-	519	519
Education – West Glan Lyn school	-	-	-	120	120
Education – Whiteheads school	-	-	-	411	411
Non-Service-Additional pension deficit - SRS	28	-	-	-	28
Revised Newport live pension deficit	-100	-	-	-	-100
Streetscene – waste strategy	8	-273	-391	-	-656
Removal of contingency pressure	-1,000	-	-	1,000	-
New:					
Children’s – out of authority placements	800	-	-	-	800
Children’s – YOS team	45	-	-	-	45
Children’s – independent fostering agencies	-	-	46	-	46
Children’s – in house fostering	-	-	48	-	48
RIH – Homelessness	139	-	-	-	139
RIH – Norse pension deficit	347	5	-	-	352
RIH – Temporary accommodation	103	-	-	-	103
Streetscene – 17/18 MTFP double count	69	-	-	-	69
Streetscene – previous year overstatement	60	-	-	-	60
P&BC – Pinacl Wifi	195	-	-	-	195
P&BC – Ransomware software	30	-	-	-	30
P&BC – HR Resources	80	-	-	-	80
Capital Programme costs	-	250	250	-	500
New / Increased Savings:	-1,100	-	-	-	-1,100
Non – Service – Revision of MRP policy	-1,100	-	-	-	-1,100
Changes to assumptions on funding:	-1,596	-1,318	-1,294	109	-4,099
Reduced WG grant reduction assumption to 1%	-1,041	-1,015	-990	2,021	-1,025
Council Tax inc Base increase	-395	-303	-304	-1,912	-2,914
Additional social care funding	-160	-	-	-	-160
Gap as per Budget Strategy	9,428	7,422	9,171	7,540	33,562

Appendix 5 Budget Sensitivity

PAY SENSITIVITY	Inc. Schools	Exc. Schools
Pay inflation @1% - included in current MTFP	£1,531k	£598k
Impact of +/- 0.5%	+/- £766k	+/- £299k

RSG GRANT SENSITIVITY	
RSG reduction of 1.00% – included in current MTFP	£2,083k
Impact of +/- 0.25%	+/- £521k
Impact of +/- 0.5%	+/- £1,041k
Impact of +/- 1.5%	+/- £3,124k

COUNCIL TAX SENSITIVITY	
Impact of +/- 0.5% Change in Council Tax	+/-£233k
Impact of +/- 1% Change in Council Tax	+/-£466k

PENSION EMPLOYER CONTRIBUTION SENSITIVITY	
Impact of +/- 1% Change in Pension contribution	+/-£660k

SOCIAL SERVICES BUDGET SENSITIVITY	
Impact of +/- 10 No. of Adults in residential Community Care (annual cost)	Average of +/-£452k
Impact of +/- 10 No. of Adults in non-residential homes (annual cost)	Average of +/-£96k
Impact of +/- 10 No. of Children in Out of Area Placements (annual cost)	Average of +/-£1,752k

Appendix 6 2018/19 Budget Timetable

Month	Task	Timescale	Output/ outcomes	Status
April	Lessons learned log for 17/18 completed and circulated to Change & Efficiency board	3rd April	Incorporated into detailed budget setting process	Completed
	Development of business cases to support existing (and new) budgetary pressures	End April	Review of existing pressures to be undertaken and outcome to be presented to SLT	Completed
	Business case proforma format agreed and circulated	End April	Produce document template with pre-set entry fields	Completed
May	Initial MTRP update for SLT review and agree framework for taking forward 2018/19 and medium term budget	9th May	Initial discussion, view of budget challenge and agree areas of further work. Understand how the anticipated budget gap could be dealt with	Completed
June	Extended FIP meeting to discuss existing budget pressures/ savings and potential impact of non delivered projects	8th June	Quantify the impact of non delivered projects and ensure that these are discussed with HoS and permanent mitigation identified	Completed
	Special CMT sessions to review revisions to existing pressures and assess new pressures within the current MTFP	6th & 20th June	Detailed review of individual pressures completed. Revised gap to be reported to SLT for further consideration	Completed
	Update MTRP for CMT review - following detailed review of existing savings and pressures	27th June	Detailed review completed highlighting budget challenge. This is to be reported to Cabinet in July including framework for identifying quantum of change programmes across service areas	
	<i>Cabinet papers to Democratic Services</i>	<i>28th June</i>	<i>MTRP position paper - 19th July Cabinet meeting</i>	
	CMT to assemble strategic priorities to support the development of a budget strategy for 2018/19 onwards	End June	CMT to share outcomes/ conclusions with officers with the aim to incorporate into MTRP proposals whilst embedding Wellbeing of Future Generations (Wales) Act 2015	
July	Cabinet Meeting - MTRP position paper	19th July	Agree budget challenge and plan for taking forward	
August/ September	Initial draft business cases developed for SLT review	End September	Position on current status and progress, agree consultation requirement and agree if full or outline business case required. Cabinet Member involvement	
	Finalise business cases	End September	Following feedback from peer review	
October	CMT budget sessions/ Business Case Quality Assurance – WG/RC/MR/Finance/BIP and HoS	1st week October		
	Draft settlement received	Mid October	Update MTRP and budget challenge	
	Assurance panels	3rd week October		
	Members briefing on MTRP position	End October	General overview of MTRP position and key points to all Members	
	Informal Cabinet – Consider Draft budget/settlement	End October	Business case pack prepared for informal cabinet - new/additional proposals only (including changes to existing proposals)	

November	Assurance panels to review additional proposals	1st week November	Over and above those agreed in October	
	Tax base confirmed by Head of Finance	Mid November	Update MTRP as needed	
	<i>MTRP Cabinet report to be finalised and sent to Democratic Services</i>	<i>30th November</i>	<i>Cabinet meeting of 20th December</i>	
	Cabinet meeting - MTFP update	End November		
December	Final settlement from WG	TBC	Update MTRP and budget challenge	
	Informal Cabinet finalise position on draft budget	TBC	After settlement confirmed	
	Cabinet agree draft budget for consultation	20th December		
	Consultation on draft budget commences	21st December		
January	Public consultation ends	TBC		
	Scrutiny meetings - budget consultation	11th, 17th & 24th January	Provide comments to Cabinet on the proposed business cases	
February	<i>February Cabinet budget papers to Democratic Services</i>	<i>1st February</i>		
	Cabinet agrees final 17/18 and medium term budget and recommends council tax requirement to Council	14th February		
	Council agrees Council tax and the 2018/19 budget approved	27th February		

Appendix 7 Corporate Risk Register

Risk	Financial planning mitigation
1. Impact of the political/ democratic process on the delivery of the Change Programme and the MTFP.	-Ensure contingency in the MTFP. -Reprioritise programme where appropriate. -Accelerate development of future years Change Programme initiatives to ensure proposals are in place for timely approval by the new administration.
2. Delay in the implementation of proposals which impacts on the overall MTFP for 2017/18 and beyond.	-Escalate key issues and risks via the existing governance arrangements for timely decision making. -Ensure financial contingency in the MTFP and determine other financial mitigation options. -Review options for alternative proposals. -Reprioritise programme where appropriate. -Review business cases assumptions before sign off and revise where appropriate.
3. Insufficient project manager resource to deliver programme for 2017/18 and subsequent years and to develop the business cases for the future programme.	-Ensure appropriate level of resource are included and signed off as part of the budget setting process. -Review options for resourcing the accelerating and widening Change programme in response to the on-going financial challenge.
4. Lack of organisational capacity to manage, drive and embed change and develop the forward programme	-Secure funding to ensure enabling resource capacity during change process. -Monitor benefits via existing governance arrangements and escalate where required.
5. Resistance to change across the Council which impacts on progress and the MTFP targets.	No current specific financial issue. Ensure communications and engagement with key stakeholders across the organisation to influence culture and educate using a variety of channels including the existing programme governance arrangements.
6. Robust communications are not in place causing a detrimental impact on the programme from a range of stakeholder groups.	No current specific financial issue. Ensure robust communication plan for the overall Change and Efficiency/MTFP is developed and implemented.
7. Interdependencies between initiatives not properly understood and may impact on overall progress.	No current specific financial issue. Identify interdependencies and assess impact on the overall programme. Manage interdependencies to minimise any detrimental impact.
8. External factors which could impact on the existing programme (legislative, political etc.)	-Assess potential external/market factors and where appropriate develop and implement mitigation.

9. Impact of Legislation including Social and Wellbeing act, Future Generations Bill etc.	-Maintain watching brief on the issue to detect any signs of movement. -Ensure future strategic and change programmes incorporate key legislative issues
10. Lack of financial resources to cover the costs of programme implementation (e.g. invest to save monies, redundancy costs)	-Identify required resources to delivery programme. -Bid for resources as part of the budget setting process. -Ensure there are sufficient resources in reserves.
11. The impact of the implementation of the living wage across the Council and third party contractors.	-Identify financial impact and communicate to key stakeholders.
12. Increasing pressure on corporate support functions required to deliver the Change Programme.	-Ensure appropriate level of resource are included and signed off as part of the budget setting process.
13. Impact of total reward on the ability to deliver the Change Programme and business as usual council services.	Determine impact on programme and Services when details of the rank order and salary levels are released.
14. Late identification of financial pressures which increases requirement for additional cost savings proposals	-Early identification of financial pressures via budget monitoring process. -Identification of additional cost savings proposals to cover gap. -Identification of resources to implement required changes.
15. Impact of Brexit	-Impact still to be determined due to the high level of uncertainty. -Specific mitigation measures will be developed when the specific impacts have been determined.
16. Inability of service areas to sustain transformational changes	-Previous lessons learnt indicate that sustaining transformational change is difficult. -Ensure appropriate handover and training arrangements are incorporated into the project planning and monitoring process.

Risk	Financial planning mitigation
The need to deliver significant levels of savings during a period of prolonged financial austerity particularly given the impact that delays to delivery of the proposal has on the budget monitoring position.	-Robust financial monitoring and on-going review on the delivery of savings. -Robust business cases to support saving proposals. -Appropriate budget strategy to deal with the on-going challenges. -Base budget contingency to protect the core budget in short term.
The cumulative impact of achieving the savings, within this current year's budget	-Robust financial monitoring and on-going review on the delivery of savings.

<p>in addition to the unachieved 2016/17 savings which remain to be realised in 2017/18.</p>	<p>-Base budget contingency to protect the core budget in short term.</p>
<p>The Council's ability to meet the costs of change e.g. voluntary severance,</p>	<p>-Established Invest to Save reserve in place and processes to access funds to support delivery of MTFP savings.</p>
<p>The level of additional borrowing undertaken in previous years and that potentially required for the new capital programme will require more revenue resources to be used for capital financing in future years if the programme is high.</p>	<p>-Unavoidable risk based on historical spending</p> <p>-Low interest rates provides some mitigation in that cost of borrowing is relatively cheap</p> <p>-Review of capital programme and funding sources, including maximising capital receipts</p>
<p>The impact on Newport Transport, which is wholly owned by the Council, from challenging trading conditions and issues such as reductions to the reimbursement rate in respect of concessionary fares.</p>	<p>-Good governance arrangements – Board of Directors includes officer representation and Members.</p> <p>-No budget expectation for financial dividend included in base budget.</p>
<p>The impact on Newport Norse, which is a joint venture arrangement, from challenging trading conditions which could affect the profit share payable to the Council.</p>	<p>-Good governance arrangements – Board of Directors includes officer representation.</p> <p>- -Set out clear expectations from the Joint Venture and monitor carefully.</p>
<p>The risk of WG levying fines if the Council fails to realise recycling or land fill diversion rates</p>	<p>Specific reserve provides mitigation and given no fines levied for previous performance, it is used to fund specific staff to work with residents on a face to face basis to improve their recycling habits/ practices. Base budget contingency protects core budget in short term.</p>

Appendix 8 – Summary Position of Budget Gap

Estimated Budget Reduction Requirement	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Pay Inflation & Increment	1,530	1,538	1,553	1,569	6,191
Price/Contract Inflation	2,027	2,106	2,187	2,271	8,591
Income Inflation	-133	-137	-140	-144	-554
Schools Demography	518	539	826	807	2,690
New Schools Pressure	1,428	907	1,006	1,050	4,391
Teaching Staff Increments	867	736	612	484	2,699
National Minimum Wage	512	494	549	0	1,555
Non-Teaching Staff Increments	777	0	0	0	777
Children's Out of Area Placements	800	0	0	0	800
Other Social Services Pressures	827	633	423	394	2,277
Other Pressures – to be identified	0	1,000	1,000	1,000	3,000
Capital Financing Pressures	200	0	0	0	200
Pension Deficit	788	660	660	0	2,108
Other Identified Pressures	1,400	375	370	0	2,145
Gap Before funding assumptions	11,543	8,851	9,046	7,430	36,870

Funding and Savings Assumptions	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Estimated 1.00% reduction in RSG	2,083	2,062	2,041	2,021	8,207
Council Tax at 4%	(1,957)	(1,880)	(1,896)	(1,912)	(7,645)
Consequential funding to deal with Social Care pressures	(160)	0	0	0	(160)
Total Assumptions	(34)	182	145	109	402

New Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Savings identified	(1,100)	0	0	0	(1,100)

Savings	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	Total £000
Agreed savings from 2017/18 budget report	(980)	(1,611)	(20)	0	(2,611)
Current Gap to be found	9,428	7,422	9,171	7,540	33,562



Report

Cabinet

Part 1

Date: 19 July 2017

Subject **May Revenue Budget Monitor**

Purpose The purpose of this report is to give Cabinet an early indication of the revenue financial forecast position and the issues affecting financial management during 2017/18.

Author Head of Finance

Ward All

Summary As at May 2017, the Councils revenue budget is forecasting an **overspend of £133k**, excluding the impact of the revenue contingency budget. Although this represents less than 1% variation against the total Council's net budget there are significant overspends within service areas of £2,351k, excluding schools, which have been offset by non-service savings of £2,218k in respect of council tax rebates, council tax surplus and capital financing. This follows a similar pattern to 2016/17. If there were no savings forecast in the non-service areas, the revenue contingency budget would need to mitigate the service area overspend, although, service area overspending is nearly £900k higher than the contingency budget already.

In addition, budgets set by schools for 2017/18 will see them overspending their available funding by c£3m which will reduce the vast majority of school's individual reserves to almost zero.

It is very early to predict the outturn for the 2017/18 revenue budget; however, this report aims to give Cabinet a summary of the known key issues which will impact on the financial management of the 2017/18 revenue budget, such as:

- recurring pressures identified in the 2016/17 outturn position which have not been dealt with as part of the 2017/18 budget setting process;
- forecast delivery of 2017/18 savings (and previous years) to date;
- other key emerging risks/ opportunities.

The forecast position has significant consequences for the Council's work on its medium term overspending as significant, on-going issues may need to be reflected in budgets to ensure a robust budget can be set. In the context of significant savings needed to be found already, this will increase any budget gap, thus requiring further savings.

Proposal Cabinet is asked to:

- Note the overall budget forecast position and the key assumptions and issues which underpin and impact on the Council's financial forecast position;
- Agree to instruct all areas of the Council to maintain robust financial management and bring forward planned underspending wherever possible to mitigate against the current position;

- Note the level of undelivered savings within each directorate and the risks associated with this;
- Note the forecast movements in reserves;
- Agree to allocate £100k of the revenue contingency budget to a new, specific reserve, for 2018 'events'; and
- Note the projected balances of individual schools over the next two years and that a specific budget seminar for schools will be organised for schools in September to discuss and agree a way forward to the current position.

Action by Cabinet Members / HoF / SLT / CMT confirm plans to:

- promote and ensure robust forecasting throughout all service areas;
- reduce over-spending within People and Place Directorates;
- manage/ mitigate those projects that are unable to deliver required Medium Term Revenue Plan (MTRP) savings.

Timetable On going

This report was prepared after consultation with:

Strategic Directors
 Head of Finance
 Heads of Service
 Budget Holders
 Accountancy Staff

Signed

Background

Overview and Key Assumptions

1. The Council has managed its budget well over the last year with services being provided and performance improving at the same time. Although the 2016/17 outturn position reported a balanced position, there remained significant service area overspending which, unless addressed, will remain an issue throughout 2017/18. The Council's contingency budget is integral in ensuring a balanced budget at year end, however, it should be noted that the service area overspending in both 2016/17 and 2017/18 (forecast) far outweighs the level of contingency budget that the Council has available.
2. The Council operates a risk based budget monitoring process, identifying key risk areas which are reviewed in detail on a monthly basis. This report is a summary statement of key issues that explain the current position and which subsequently impact upon financial management. There are monthly, service specific dashboards which Heads of Service (HoS) and Cabinet Members receive, providing more detailed explanations of the financial position, financial risks and actions being taken. It is critical that the focus remains upon actions as we move into 2017/18.
3. The forecast shows the Council £133k over budget. Key assumptions within this are:
 - No use of the revenue contingency budget (£1.47m) to manage the general overspends at this early stage of the year. Assuming the recommendation to earmark £100k of this to 2018 events is confirmed, the contingency, if utilised against the overspend, would result in an overall underspend of £1.2m ;
 - Other approved costs to deliver planned 17/18 savings are funded from the Invest to Save Reserve.

Summary Budget Position

4. The current 2017/18 forecast represents variances in the following key areas:

	£'000
Overspending in service areas (exc. Schools)	2,351
Overspends in Schools	<u>3,000</u>
Service area overspends	5,351
Schools reserves transfer to cover school overspends	(3,000)
<i>Non Service underspends:</i>	
Savings on C Tax benefit rebates – lower claimant No's	(1,114)
Council Tax surplus saving – housing growth	(793)
Capital financing saving	(283)
Other (non-service) variances	<u>(28)</u>
Net Overspend	133

5. Service areas overall are projecting an overspend of £2,351k (exc. schools/ capital financing). The mitigating underspends mainly come from 'non-service' budgets, in particular council tax benefit rebates (£1,114k), Council tax surplus (£793k) and capital financing (£283k). It is fortuitous that these exist as if this was not the case the current level of service's forecast overspending far outweighs the revenue budget contingency.

Main Areas of Budget Variances

6. The following section highlights the key areas that contribute to the overall Council position:

- (i) staffing projections;
- (ii) recurring pressures identified in the 2016/17 outturn position which have not been dealt with as part of the 2017/18 budget setting process;
- (iii) delivery of 2017/18 savings to date;
- (iv) other emerging risks/ opportunities.

(i) Staffing

7. Employee budgets make up 38% of the Councils gross budget. The table below illustrates that a £334k forecast saving is anticipated against the £57m overall Council staff costs budget.

OVERALL STAFFING	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969	56,969
Forecast (£'000)	56,969	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636	56,636
Variance (£'000)	0	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)	(334)

(ii) Recurring Pressures

8. As noted within the previous year (2016/17) revenue outturn report, there are a number of key areas of overspending which are likely to continue given the demand and costs for services. Unless sufficient mitigation is identified these areas are likely to impact 2017/18 financial management.
9. A detailed review of 2016/17 budget variances has been undertaken to establish the nature of the issues in terms of whether it is a one off or recurring. Officers have made an assessment of each risk/ opportunity and, based on current information, quantified the likely financial impact in 2017/18. The table below shows the key areas of overspending and underspending and how they are currently forecasted to impact on the 2017/18 budget and financial management:

	2016/17 Outturn	2017/18 Budget Pressure (investment)/ Saving	Net Recurring Pressure (net of investment)/ saving	2017/18 Emerging Pressure/(Saving)	Revised Pressure/ Saving	Notes
	£'000	£'000	£'000	£'000	£'000	
Children & Family Services						
Out of area residential placements	892	(400)	492	670	1,162	Budget can afford 15 placements based on average package costs whereas the service has made 20 placements currently. This is likely to increase given the number of extensions to placements following individual reviews
Adult & Community Services						
Community Care	1,100	(1,044)	56	871	927	£472k is the net community care pressure once the additional £455k income in respect of the social care workforce grant has been accounted for. Forecast based on current client numbers (10 more clients than anticipated during 2016/17) and a further reduction to Supporting People Grant.
Education						
Special Educational Needs (SEN)	917	0	917	(917)	0	This pressure should reduce in 2017/18 following the transfer of in year funding adjustments budget to the individual school budget. This will continue to be carefully monitored
Schools						
Schools - overspending position (transfer from reserves)	1,050	0	1,050	1,950	3,000	Budgets set by schools in 2017/18 will see them overspending their available funding by £3m which will reduce the vast majority of school balances to almost zero
Regeneration, Investment & Housing						
Provision Market	148	(126)	22	(22)	0	Balance managed within existing budget provision
Non Service						
Savings on C Tax benefit rebates - lower number of claimants	(1,063)	(400)	(663)	(451)	(1,114)	Number of claimants will continue to be continually monitored. Non service savings currently offsetting significant service area overspending
Council Tax surplus saving – housing growth	(1,539)	0	(1,539)	746	(793)	Non service savings currently offsetting significant service area overspending
Council wide staff savings	(1,135)	excess of £1m	(1,135)	801	(334)	In the main, 2016/17 saving resulted from early achievement of 17/18 saving proposals and one off grant funding available to fund core staffing

(iii) Delivery of Medium Term Revenue Plan (MTRP) Savings:

10. The following table shows the forecast delivery of savings across directorates. In the main this shows good performance on achievement of these savings (to date, forecasted that 97% of the £5,575k savings target for 2017/18 will be achieved). There remain a couple of projects that are not expected to achieve the full extent of the proposed saving and unless there is management action to mitigate, this will remain as a recurring issue and cause pressure in 2017/18 and beyond.

11. Forecasted undelivered projects currently sit within the Place portfolio, specifically:

- RIH – Property services profit anticipated from the Norse joint venture agreement - £106k;
- Streetscene - Bus routes; removal of subsidy to support specific evening and Sunday bus services - £69k;
- The balance of the £180k represents small unachieved savings against a number of other projects.

2017/18 Change Programme Financial Improvement Programme (FIP) by Directorate

By Portfolio	People	Place	Corporate	Non Service	Total 17/18
2017/18 MTRP Target (£) Total	£2,829,000	£839,000	£734,000	£1,173,000	£5,575,000
Total Savings Realised by Year End 2017/18	£2,829,000	£658,833	£734,000	£1,173,000	£5,394,833
Variation to MTRP Target	£0	-£180,167	£0	£0	-£180,167
Variation % to MTRP Target	0%	-21%	0%	0%	-3%

12. In addition, there remain projects outstanding in respect of undelivered 2016/17 projects at £531k.

2016/17 Unachieved Savings - Streetscene

	16/17 Target b/fwd
2016/17 MTRP Target (£) Total	£855,680
Total Savings Realised by Year End 2017/18	£324,634
Variation to MTRP Target	-£531,046
Variation % to MTRP Target	-62%

13. The £531k shortfall against a target of £856k relates to the following projects:

- Landfill site income - £218k. Options are being investigated to generate income at the land fill site through its asbestos operations. The waste strategy board has decided to commission an asbestos contractor to enhance the commercial performance of the section;
- Street cleansing service review - £59k. Options to mitigate in year currently being discussed with a proposal to reinstate this budget for 2018/19;
- Waste (Special Collections) - £27k. Options to mitigate are currently being discussed;
- Streetscene service review - £227k. Strategic review is required to identify outstanding actions and agree which elements are to be taken forward as part of the Streetscene 2020 programme.

(iv) Other Emerging Risks/ Opportunities

Adult & Community Services

- In house residential income - £165k overspend. The pressure has resulted from deaths, reassessments, refunds and OOA residents moving back to establishments in their local authorities. These issues came to light after the 2017/18 budget setting process.

Regeneration, Investment & Housing

- Centralised Properties – following the triennial valuation of the Gwent pension scheme, NCC are liable to fund the additional ‘employers pension payments’ of £340k which Newport Norse are now required to make into the fund. Furthermore, a pressure of £160k has been identified in respect of the anticipated profit share shortfall from Norse during 2017/18.
- Homelessness – overspend of £92k forecast due to recent changes to the housing benefit subsidy arrangements;
- Communities First - Welsh Government have notified all local authorities that a 30% cut to the grant should be expected in 2017/18. The HoS is currently working through a number of scenarios to determine the possible impact in terms of service delivery and redundancies for 2017/18 and beyond;

Law & Regulation

- Licensing income for houses in multiple occupation continue to be a potential risk during 2017/18 due to the fluctuating nature of renewals and new licences which are influenced by the property market and a range of UK government policies. In addition, new legislation in Wales requiring the licensing of landlords may deter some from the market. The impact of these issues on future income is unknown at this time.

Schools

14. The forecast for schools shows a significant movement from school reserves (£3,000k). Appendix 3 shows a detailed analysis of schools funding and reserve movements over the next two years. A summary table has been included below:

	Balance 31/3/17	Budgeted in-year movement 2017/18	Balance 31/3/18	Funding 17/18	Schools in deficit as at 31st March	
Sector	£	£	£	£	2017	2018
Nursery	17	-27	-10	450	1	1
Primary *	3,135	-1,698	1,437	46,818	1	1
Secondary	1,683	-2,202	-519	38,113		4
Special	-21	-155	-177	4,149	1	1
Schools contingency	0	0	0	768		
Total	4,813	-4,082	731	90,297	3	7

- It should be noted that the budgeted in-year movement does not recognise additional income (grant & other compensation) that schools may receive during the financial year. Based on historic trends this could be in the region of £1m, therefore, bringing the in year movement down to £2,000k;
- Seven schools are anticipating a negative balance position at the end of the current financial year, one from each of the nursery, primary and special sectors and four from the secondary sector. The cumulative forecast deficit for these schools is £895k. Projected school balances as at 31st March 2018 highlights that most schools will have minimal balances remaining at 31 March 2018 and the likelihood is that a significant proportion of schools will report a deficit position in 2019; unless action to reduce spend are taken;
- The schools resources team continues to support and challenge these schools and support ongoing work on deficit plans where appropriate.

Use of reserves

15. Appendix 5 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31st March 2017, forecasted planned transfers in/ (out) of reserves in 2017/18 and the forecast balance as at 31st March 2018. Current projections suggest that 18% of the Councils reserve will be used by the end of the financial year. The general fund reserve is at the minimum level required (£6.5m) representing 2% of the overall net budget. The following points are important to note:

- apart from the general reserves, all reserves are earmarked for specific purposes;
- most earmarked reserves are allocated to specific projects and spending plans in place, with the exception of:
 - (i) invest to save
 - (ii) capital expenditure
 - (iii) capital receipts – can only be used for capital purposes
 - (iv) welsh language

(v) city economic development

- general reserves are at minimum levels.

Allocation from the Council's revenue contingency budget

16. Cabinet is asked to agree to allocate £100k of the revenue contingency budget to a new, specific reserve, for 2018 'events'. It should be noted that the contingency is there primarily to manage the risk of overspending and other unexpected financial costs that may arise in year. The use of the contingency budget at this stage in the year will need to be managed from a financial risk perspective especially in light of the level of service area overspending that has been reported.

Timetable

Ongoing

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?
Risk of overspending	H	M	Regular forecasting and strong financial management Revenue budget contingency	
Poor forecasting	M	M	Better forecasting in non-service areas where large variances occurred in 16/17 Review and refinement in service areas of risk based predictive models CX/HoF setting out clear expectations	AHoF SFBP's and budget managers CX / HoF

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Strong financial management underpins services and medium term financial planning.

Options Available and considered

In terms of the financial position and financial management, there are no options – service areas do need to bring about improvements in their financial management and work with finance support teams to deal with base budget issues via a mixture of management action to manage issues and/or re-allocate budgets as appropriate. This will also need to include a review of budget issues to resolve in the 2017/18 budget, where required and necessary.

Preferred Option and Why

Given that there may be potential for the position to worsen, Cabinet is asked to note the current position and the risks of this changing and decide what corrective action is to be taken to reduce the forecast overspend to budgeted levels.

Comments of Chief Financial Officer

1. The current forecasts points towards significant financial pressures in 2017/18 which will need robust management and specific actions to mitigate, as far as is possible. If it were not for non-service area underspending, the position would be serious as current service area overspending significantly outweighs the revenue budget contingency available.

Given the significant issues in place, these should be considered in the Council's work on the 2018/19 budget and this would mean and require significantly more budget savings being identified. To that end, it is important that permanent mitigation is found to avoid this, given the challenges in balancing that year's budget already.

The Council's Cabinet and Senior Management / Heads of Service need to take specific action to mitigate this position and reflect those actions in forecasts in going forward.

2. In terms of the use of the revenue contingency budget for 2018 events, Cabinet should note that the contingency is there primarily to manage the risk of overspending and other unexpected financial issues in-year. Use for one-off spending priorities is an appropriate alternative use but, from a risk perspective, only once it is known that the above risks are manageable. So, to allocate early in the year on one-off spending brings with it some risks, especially in light of current forecasted overspending and on-going financial challenges, at this early point in particular. In saying this, the current risk is manageable within the headroom of the contingency and could be accommodated, if deemed a priority.

Comments of Monitoring Officer

There are no direct legal issues coming from of this report

Comments of Head of People and Business Change

The report on the revenue monitor does not show any specific staffing issues, although clearly issues will arise if robust monitoring and management of budgets does not take place.

Local issues

N/A

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

This update is against a backdrop of prolonged pressure on public services as a combination of reduced income, rising demands on services, increased expectations, compliance with new legislation and the increasing costs of running services which has seen the delivery of significant budget savings over the last five years. Any future reductions in funding will need to reflect and be consistent with the five principles underpinning the Wellbeing of Future Generation (Wales) Act 2015.

Consultation

N/A

Background Papers

Cabinet Paper – June 2017 – Revenue budget outturn

- Appendix 1 Revenue Summary Monitor – May 2017
- Appendix 2 Budget Monitoring Dashboards
- Appendix 3 Schools Funding and Balances
- Appendix 4 Delivery of Medium Term Revenue Plan (MTRP) Savings
- Appendix 5 Planned Movements in Reserves

Dated: 19 July 2017

APPENDIX 1 – Revenue Summary Monitor (May 2017)

Summary Revenue Budget				
	Apr-17	Current	Projection	(Under)/Over
2016/2017	Approved Budget	Budget		
	£'000	£'000	£'000	£'000
PEOPLE				
Children & Young People	21,027	21,068	22,106	1,038
Adult & Community Services	41,408	41,070	41,413	343
Education	14,859	14,878	14,878	-
Schools	90,297	90,297	93,297	3,000
	167,591	167,313	171,694	4,381
PLACE				
Regeneration, Investment & Housing	9,526	9,194	9,614	420
Streetscene & City Services	17,465	17,692	18,254	562
	26,991	26,886	27,868	982
CHIEF EXECUTIVE				
Directorate	557	557	557	-
Finance	2,719	2,719	2,719	-
People & Business Change	6,232	6,232	6,220	(12)
Law & Regeneration	6,493	6,524	6,524	-
	16,001	16,032	16,020	(12)
CAPITAL FINANCING COSTS & INTEREST				
Capital Financing Costs MRP	11,032	9,832	9,549	(283)
Interest Payable	9,085	9,085	9,085	-
Interest Receivable	(37)	(37)	(37)	-
Investment Props	-	-	-	-
PFI	8,315	8,315	8,315	-
	28,395	27,195	26,912	(283)
SUB TOTAL - SERVICE/CAPITAL FINANCING				
	238,978	237,426	242,494	5,068
CONTINGENCY PROVISIONS				
General Contingency	1,473	1,473	1,473	-
Restructuring / Other Savings	-	-	-	-
Centralised Insurance Fund	570	570	570	-
Non Departmental Costs	5	5	5	-
Other Income & Expenditure	4,489	4,842	4,868	26
	6,537	6,890	6,916	26
LEVIES / OTHER				
Discontinued Operations - pensions	1,576	1,576	1,512	(64)
Levies - Drainage Board, Fire service etc	8,207	8,207	8,216	9
Non distributed grants	-	-	-	-
CTAX Benefit Rebates	12,073	12,073	10,959	(1,114)
Extraordinary Items	-	-	-	-
Charity Rate Relief	-	-	-	-
	21,858	21,857	20,689	(1,168)
TRANSFERS TO/FROM RESERVES				
Base budget - Planned Transfers to/(from) Reserves	(1,001)	199	199	-
Earmarked reserves: Queensbury Loan				-
Earmarked reserves: Transfer to/(from) Capital				-
Earmarked reserves: Transfer to/(from) Schools			(3,000)	(3,000)
Earmarked reserves: Transfer to/(from) Schools Redundancy				-
Invest to Save Reserve				1,941
Invest to Save Reserve (from)				(1,941)
	(1,001)	199	(2,801)	(3,000)
TOTAL	266,372	266,372	267,298	926
Funded by				
WAG funding (RSG & NNDR)	(208,250)	(208,250)	(208,250)	-
Council Tax	(58,122)	(58,122)	(58,122)	-
Council Tax Surplus			(793)	(793)
TOTAL	-	-	133	133

APPENDIX 2 – Budget Monitoring Dashboard

Attached:

- Overall Council dashboard

APPENDIX 3 – Schools Funding and Balances

School	Balance 31/3/17	Budgeted in-year movement 2017/18	Balance 31/3/18	Funding 17/18	Schools in deficit as at 31st March	
	£'000s	£'000s	£'000s	£'000s	2017	2018
Fairoak Nursery	27	-20	7	202		
Kimberley Nursery	-10	-7	-17	248	Y	Y
Alway Primary	136	-118	18	1,406		
Caerleon Lodge Hill Primary	34	-5	28	856		
Charles Williams Ciw Primary	72	-42	31	1,495		
Clytha Primary	37	-29	8	750		
Crindau Primary	139	12	151	1,313		
Duffryn Infants *	86	-47	40	317		
Duffryn Junior *	77	-59	19	303		
Eveswell Primary	238	-119	119	1,432		
Gaer Primary	57	-52	5	1,407		
Glan Usk Primary	93	-45	48	1,967		
Glasllwch Primary	70	-42	28	696		
High Cross Primary	71	-60	11	895		
Jubilee Park Primary	0	0	0	396		
Langstone Primary	74	-63	11	898		
Llanmartin Primary	44	-24	20	761		
Lliswerry Primary	52	-45	7	1,819		
Maesglas Primary	42	-35	7	900		
Maindee Primary	29	-18	12	1,477		
Malpas Church In Wales Infants *	27	-22	5	223		
Malpas Church In Wales Junior *	102	-91	11	243		
Malpas Church In Wales Primary	0	0	0	652		
Malpas Court Primary	56	-41	15	1,007		
Malpas Park Primary	59	-58	1	711		
Marshfield Primary	63	-13	50	1,257		
Millbrook Primary	68	-28	40	915		
Milton Infants *	48	-24	24	329		
Milton Junior *	4	-14	-10	322		
Milton Primary	0	0	0	901		
Monnow Primary	141	-68	73	1,385		
Mount Pleasant Primary	46	-41	6	795		
Pentrepoeth Primary	74	-73	0	1,222		
Pillgwenlly Primary	61	27	89	2,056		
Ringland Primary	23	-15	8	992		
Rogerstone Primary	73	-43	30	1,946		
Somerton Primary	54	-46	9	673		
St. Andrews Primary	40	3	43	2,075		
St. Davids Rc Primary	80	-42	38	662		
St. Gabriels Rc Primary	30	-4	26	538		
St. Josephs Rc Primary	35	-5	30	608		
St. Julians Primary	202	-59	143	1,817		
St. Marys Rc Primary	89	-71	18	1,075		
St. Michaels Rc Primary	60	-41	19	652		
St. Patricks Rc Primary	30	-20	10	658		

St. Woolos Primary	-6	-6	-13	941	Y	Y
Tredegar Park Primary	0	0	0	853		
Ysgol Gymraeg Bro Teyrnnon	126	-40	85	503		
Ysgol Gymraeg Casnewydd	101	-57	44	1,044		
Ysgol Gymraeg Ifor Hael	99	-16	83	678		
Bassaleg School	489	-470	19	5,608		
Caerleon Comprehensive	136	-238	-102	5,029		Y
Llanwern High	246	-235	11	3,969		
Lliswerry High	47	-320	-273	3,254		Y
Newport High	116	-289	-173	4,180		Y
St Josephs R.C. High	247	-200	47	4,698		
St Julians School	276	-228	48	6,067		
The John Frost School	82	-222	-140	4,595		Y
Ysgol Gyfun Gwent Is Coed	44	0	44	712		
Bryn Derw	0	0	0	576		
Maes Ebbw Special	-21	-155	-177	3,573	Y	Y
Schools contingency				768		
Total	4,813	-4,082	731	90,297	3	7

	Balance 31/3/17	Budgeted in-year movement 2017/18	Balance 31/3/18	Funding 17/18	Schools in deficit as at 31st March	
Sector	£	£	£	£	2017	2018
Nursery	17	-27	-10	450	1	1
Primary *	3,135	-1,698	1,437	46,818	1	1
Secondary	1,683	-2,202	-519	38,113		4
Special	-21	-155	-177	4,149	1	1
Schools contingency	0	0	0	768		
Total	4,813	-4,082	731	90,297	3	7

* the balances for amalgamating schools are as at 31/8/17 rather than 31/3/18

NB the budgeted in-year movement doesn't recognise additional income (grant & other compensation) that always accrues during the financial year but cannot be allocated to specific schools at this stage. Based on historic trends this could be in the region of £1m

projection of schools in deficit as at 31/3/19 assumes 2017/18 in-year movement recurring in 2018/19

APPENDIX 4 – Delivery of MTRP Savings

Financial Improvement Plan – May

Overall Summary	Education	Childrens	Adults	RIH	Streetscene	PBC	Finance	L&R	Non Service	Total 17/18
2017/18 MTRP Target (£) Total	£395,000	£930,000	£1,504,000	£409,000	£430,000	£357,000	£197,000	£180,000	£1,173,000	£5,575,000
Total Savings Realised by Year End 2017/18	£395,000	£930,000	£1,504,000	£297,833	£361,000	£357,000	£197,000	£180,000	£1,173,000	£5,394,833
Variation to MTRP Target	£0	£0	£0	-£111,167	-£69,000	£0	£0	£0	£0	-£180,167
Variation % to MTRP Target	0%	0%	0%	-27%	-16%	0%	0%	0%	0%	-3%

APPENDIX 5 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-17	Planned movements in year												Balance at 31-Mar-18
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
	£'000													
Council Fund:	(6,500)													(6,500)
Balances held by schools for future use	(4,831)												3,000	(1,831)
Earmarked Reserves:														
Pay Reserve	(1,418)													(1,418)
Music Service	(167)													(167)
Insurance Reserve	(1,706)													(1,706)
MMI Insurance Reserve	(602)													(602)
Health & Safety	(16)												16	-
Education Achievement Service	(92)													(92)
Schools Redundancies	(708)		708											-
Friars Walk	(9,985)												500	(9,485)
NEW - European Funding I2A & CFW	(79)												79	-
NEW - Metro Bus	(9)												9	-
SUB TOTAL - RISK RESERVES	(14,782)	-	708	-	-	-	-	-	-	-	-	-	604	(13,470)
Capital Expenditure	(5,817)												1,500	(4,317)
Invest to Save	(11,050)												1,941	(9,109)
Super Connected Cities	(670)												120	(550)
Landfill (fines reserve)	(345)													(345)
Christmas Lights	(15)												15	-
Usable Capital Receipts	(11,742)												8,000	(3,742)
SUB TOTAL - ENABLING RESERVES	(29,638)	-	-	-	-	-	-	-	-	-	-	-	11,576	(18,062)
STEP School Computers	(473)												160	(313)
Municipal Elections	(154)												100	(54)
Local Development Plan	(572)												(62)	(634)
Glan Usk PFI	(1,499)													(1,499)
Southern Distributor Road PFI	(44,515)												212	(44,303)
SUB TOTAL - SMOOTHING RESERVES	(47,214)	-	-	-	-	-	-	-	-	-	-	-	410	(46,804)

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Report

Cabinet

Part 1

Date: 19 July 2017

Subject 21st Century Schools Programme – Submission of Strategic Outline Programme

Purpose To approve the basis upon which the City Council makes its submission to Band B of the Welsh Government's 21st Century Schools Programme.

Author Lucy Jackson, Service Manager, Planning and Resources

Ward All

Summary Welsh Government's 21st Century Schools Programme provides investment for school infrastructure improvement.

Band B of this programme is due to begin in April 2019 and last until March 2024.

A short list of schools to be included within Newport's programme has been identified. Priority for inclusion has been determined by the Council's strategic aims and those of the 21st Century Schools Programme namely to reduce the number of poor condition schools and ensure that there are the right size schools in the right location.

Scoping has been undertaken of individual proposals to ensure the cost of the overall programme will be within the intended £70m value of the programme.

The deadline for local authorities to submit their Strategic Outline Programme is 31 July 2017.

Proposal To approve the preferred option as the basis for submitting Newport's Strategic Outline Programme for 21st Century Band B.

Action by Chief Education Officer

Timetable The Strategic Outline Programme to be submitted to Welsh Government by 31 July 2017.

This report was prepared after consultation with:

- Cabinet Member for Education and Skills
- Chief Executive Officer
- Strategic Director – People
- Strategic Director - Place
- Head of Finance
- Head of Law and Regulation
- Managing Director, Newport NORSE

Signed

Background

The 21st Century Schools Programme

The 21st Century Schools and Education Programme is Welsh Government's flag ship schools infrastructure improvement programme. The aims of the programme are to:

- Reduce the number of poor condition schools and colleges;
- Ensure that we have the right size schools and colleges, in the right location that:
 - Provide enough places to deliver Welsh and English medium education; and
 - Ensure the effective and efficient use of the educational estate

It is acknowledged by Welsh Government that demand for investment is high, with around 450 schools and college campuses in Wales identified as suffering from serious deterioration or being life expired. Further background about the 21st century Schools Programme is at APPENDIX ONE.

In December 2016, following a request by Welsh Government, the Council provided an 'in principle' submission that our Band B programme would include:

- Secondary school remodelling to a level of c£35m
- Primary school re-development to a level of c£35m

Whilst it is acknowledged that significant investment in the school estate is required, this submission was made on the assumption that a 50/50 grant intervention rate would be in place. A new medium term capital programme and its impact on the MTFP is currently being developed in line with budget headroom and strategic priorities and the investment available for the 21CS programme will be factored in to the programme.

Schools to be included within the programme

Following the in principle submission, feasibility and scoping has been undertaken utilising the expertise of the Council's delivery partner, Newport Norse. Internal workshops have taken place to identify schools that are a priority for inclusion within the programme and engagement has taken place with proposed short listed schools in order to develop the scope and cost of potential work.

The following education criteria were the basis for developing a prioritised list of schools:

- **Sufficiency of School Places (SSP)**

The council has a statutory duty to provide a sufficient number of school places to meet demand. As highlighted in the School Organisation Strategy, pupil forecasts indicate the need for additional primary school places largely in the centre and west of the city. Further demands for secondary school places are forecast to be largely concentrated in the west of the city, and to a slightly lesser extent in the north. The proposals seek to address these pressures.

In addition, high demand for school places is forecast from the Whiteheads housing development which current education infrastructure in the locality will be unable to accommodate. As such, the provision of a new primary school within the development will be essential in order for the council to discharge its duty to ensure sufficiency of school places.

- **Asset Management (AM)**

A condition survey was carried out in 2010 that ranked the entire education estate according to condition and suitability of each building. The proposals seek to address those building graded as being the least suitable for the delivery of education and in the worst condition.

Secondly, the council's strategy is to move away from smaller schools with a move towards 3 form entry schools. The financial benefits of administering one 3 form entry schools over three 1 form entry schools are clear. As such, the proposals list a number of consolidation and transformation programmes which seek to support this strategy, whilst at the same time also addressing building condition and suitability issues as identified by the 2010 survey.

- **Curriculum Offer (CO)**

The council has a statutory duty to ensure a full curriculum offer is made available to all students. The schools listed in the proposals have been identified as lacking the physical resources required to offer a full curriculum. This includes the provision of FF&E and ICT for developer led schools which were not currently being supported by their respective legal agreements.

Schools and outline of scope of works

As a result of the scoping work, the following table sets out the schools that are considered best fit to the education criteria and 21st Century Schools Programme aims:

School	Criteria	High Level Indicative Costs (2022)
<p>Secondary Schools programme:</p> <p>Ensure sufficiency of school places</p> <p>On-site improvements (eg. replacement of demountable classrooms, remodelling and rationalisation of existing teaching facilities).</p> <ul style="list-style-type: none"> • Bassaleg School • Caerleon Comprehensive • Ysgol Gyfun Gwent Is Coed 	<p>SSP AM CO</p>	<p>£38.5m</p>

School	Criteria	High Level Indicative Costs (2022)
<p>Primary schools - need for additional school places</p> <p>Ensure sufficiency of school places in central/south area of the city</p> <p>On-site improvements (eg. catering and external facilities)</p> <ul style="list-style-type: none"> • Proposed new primary school on the Whiteheads development (NB: 106 agreements have provided £1.089m (index linked) and the land; developer funding is significantly short of what is required to build the new school.) • Maesglas Primary • Pillgwenlly Primary • Maindee Primary 	<p>SSP AM</p>	<p>£20.4m</p>

<p>Primary schools - development of facilities and additional school places</p> <p>Ensure sufficiency of school places in central/south area of the city</p> <p>On-site facilities (eg. catering and external facilities)</p> <ul style="list-style-type: none"> • Glan Llyn and Llanwern Primaries (Developer (106) provided schools requiring FF&E not included in developer monies). • Rogerstone Primary • St Woolos Primary • Malpas Church in Wales 	<p>CO SSP</p>	<p>£11.1m</p>
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The proposed programme includes the opening of a new school on the former Whiteheads site. Prior to the formal process of opening any new school, we would scope out what it should be designated as to meet our statutory responsibilities for the growing demand for places within the city. This would include consideration of English or Welsh options. The scoping would include consideration of options and plans for expansion at existing school sites.

Approach to Strategic Outline Programme

The schools set out in the above table are considered to have the highest priority for inclusion within the Band B programme. Acknowledging that it is likely that Welsh Government funding is over-subscribed

and also that costs currently are indicative and may increase/decrease as more detailed planning takes place, it is useful to consider how we group the schools into separate business cases.

In principle, we have indicated to Welsh Government that our programme will consist of secondary and primary school projects. It is now suggested that in order to indicate the most urgent priorities, we structure our strategic programme around:

- Secondary School Re-modelling: £38.5m
- Primary School creation of additional school places: £20.4m
- Primary School re-development to support use of assets: £11.1m

As with Band A, Welsh Government has indicated that as the Band B programme is developed, there will be an opportunity to make some considered amendments. Our Band A proposal was initially a £15m programme which was extended, as circumstances changed to include the proposal for Ysgol Gyfun Gwent Is Coed, Caerleon lodge Hill Primary and Maes Ebbw. We are aware of other Authorities that have reduced the scale of their Band A programmes.

Within our Strategic Outline Programme submission for Band B, we are asked to provide an early indication of our approach to Bands C (2024-2029) and D (2029-2034). It is suggested that we indicate that the following is included:

- Schools, included initially in proposals for Band B that don't come to fruition or schools included in Band B that require further stages of planned work.
- Schools where projections indicate the need for additional places
- Schools that are priority in terms of poorest condition

Financial Summary

CAPITAL:

The proposal in this report is for a capital programme of an estimated value of £70m. The proposal is made on the basis that Welsh Government has confirmed a 50% match funding of the Band B programme. If the proposal is successful, between April 2019 and March 2024 expenditure of £35m would need to be funded via capital programme resources to be agreed by Cabinet as part of the overall capital programme.

REVENUE:

In developing a Band B programme the multi-disciplinary team which includes colleagues from central finance have been acutely aware of the future year pressures on revenue. As such all capital programmes can generate revenue consequences the Band B programme is geared to minimise such revenue consequences as far as is reasonably practicable at this time.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The council's submission for	H	L	A collaborative approach is being taken to develop the	21 st century Schools team

funding in the Band B programme is unsuccessful			Strategic Outline Programme with education, finance and colleagues from Norse working closely with colleagues together to develop the submission.	Capital accounts team Newport Norse
Band B funding is delayed	M	M	If funding is delayed, consideration will need to be given as to whether in short term the Council is able to fund all or some aspects of the programme. Alternatively, the programme will be delayed.	Capital accounts team
Newport's strategic priorities change in terms of priorities for improving or developing the school estate	M	M	The 21 st century Schools Team have indicated that as with Band A, they are keen to work with Authorities and if new or urgent changes in priorities emerge, programmes can be amended.	21 st Century schools team
Inability to deliver projects within the programme due to external factors (planning/ community Issues/labour availability)	M	M	Early consultation with concerned schools and viability studies and surveys will be undertaken following approval of the SOP, with early engagement with communities and NCC planning and highways Costs have been profiled to 2022 costs to take account of inflation	21st Century schools team Newport Norse

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Newport City Council Improvement Plan 2016-18

Newport Single Integrated Plan 2013-18

Newport City Council Well-being Objectives

Options Available and considered

- **Option one:** Don't submit a Strategic Outline Programme as part of Welsh Government's 21st century Band B programme.

Welsh Government funding requires 50% match from local authority sources and whilst this would mean we weren't able to meet our statutory responsibilities to address the need for more schools places as the city expands or the condition of even a limited number of schools, neither would the Authority need to identify funding beyond that obtained by 106 agreements or other available grants.

- **Option two:** Apply for a more ambitious and expensive programme.

From the information we have about the condition of our school estates, a more extensive programme could be developed. A commitment in excess of £35m, representing the Council's match funding is however deemed as un-affordable. We also know that the 21st Century schools programme is likely to be oversubscribed and that national funding is likely to be prioritised.

- **Option three:** Consider applying for support in Band B via the Mutual Investment Model (new form of PFI).

This model allows for a 75% contribution by Welsh Government in Band B. Based upon revenue funding, this model represents a whole life cost solution for the facilities which includes design, build, finance and maintenance. Whilst attractive in terms of match funding, this additional percentage Welsh Government contribution acknowledges that costs of associated schemes will be higher over their life time. This model is more appropriate for new build schemes and as such does not seem suitable for the majority of projects proposed.

- **Option four:** Submit the Strategic Outline Programme on the basis of £70m, including the schools set out in this report.

Consideration has been given to a programme based upon the most urgent needs in terms of school places and condition of schools. A £35m Newport City Council allocation would need to be assessed against other pressures and strategic priorities in developing the medium term capital programme within the funding envelope available.

Preferred Option and Why

The preferred option is Option four. This represents an ambitious but achievable programme based upon service and strategic need, and provisional funding envelope forecasts for the Authority at this time. If priorities change or additional funding becomes available from other sources, we would seek to gain support from Welsh Government as we did with Band A.

Comments of Chief Financial Officer

The Council is due to commence a new four-year capital programme in 2018/19 and officers are currently working on a funding envelope based on MTRP projections over the medium term. These forecasts may change as a result of actual capital expenditure funded by borrowing, so are provisional at this stage. The availability and value of other sources of funding such as capital receipts and S106 is important to the overall funding envelope for the Authority.

Senior management and Cabinet will need to consider this proposal alongside other service area bids for capital projects within the medium term funding envelope currently indicated for the Authority as a whole. The Council's strategic aims and objectives will need to be considered in order to prioritise projects in line with the available funding envelope. This will need to include consideration of timing/ phasing of expenditure.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report at the present time. The proposed Strategic Outline Programme reflects the "in principle" submission previously approved by Cabinet in December 2016 and is prioritised according to pupil numbers, building condition and curriculum delivery, in line with the Council's statutory education duties and strategic objectives. There is no legal commitment at this stage in terms of delivery as any approved programme will still have to go through the Green Book 5 Business Case model and the various gateway approval processes before any final funding can be secured.

Comments of Head of People and Business Change

As required this proposal has considered all five aspects of the sustainable development principle of the Well-being of Future Generations (Wales) Act. In addition a Fairness and Equality Impact Assessment (FEIA) has been completed. This FEIA should be reviewed and updated in light of any consultation and at each stage of the decision making process.

From an HR perspective there are no staffing implications as a result of this report

Comments of Cabinet Member

The Cabinet Member for Education and Skills has been briefed and is supportive of the proposal set out in this report.

Equalities Impact Assessment and the Equalities Act 2010

Attached at APPENDIX 2. There are no additional actions or requirements required at this stage as a result of undertaking the FEIA.

Children and Families (Wales) Measure

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

Wellbeing of Future Generations (Wales) Act 2015

Wellbeing outcome	
<p>Long term:</p>	<p>Forecasting of pupil numbers has been utilised to identify the number of school places and their location by 2026. This information has been used to prioritise schools within this programme.</p> <p>The programme will need to adhere to national standards that require a 20-25 year life time for refurbishment work and 60 years for new builds.</p>
<p>Prevention:</p>	<p>Children’s long term outcomes are likely to be more positive if their education experience is positive and they are successful in school.</p> <p>Improving the quality of the education estate generally and specifically where improvement of curriculum offer is key objective supports improving standards of education.</p> <p>A number of the proposals will address health, safety and safeguarding issues on school premises.</p>
<p>Integration:</p>	<p>The proposal generally supports the well-being goals because by improving the condition of school premises can have a positive impact on the education and skills outcomes of our children which in turn could mean that they are more likely to be healthier and more prosperous no matter what their socio economic circumstances are.</p> <p>21st Century Schools programme is subject to BREEAM and community benefits of individual proposals are assessed and monitored for their impact on the Welsh economy.</p> <p>The proposal includes Ysgol Gyfun Gwent Iscoed Newport’s Welsh Secondary school and is part of strategy to promote Welsh language and culture.</p>
<p>Collaboration:</p>	<p>The 21st Century Schools programme is a collaboration between local authorities and Welsh Government to improve the quality of the education estate.</p> <p>The programme is developed and delivered in collaboration with Newport Norse and schools.</p> <p>In some cases, 106 developer monies will be part of the funding.</p> <p>Statutory authorities (Police and Fire) advise on the design of premises.</p>
<p>Involvement:</p>	<p>At this stage, where approval for the programme has not been gained, only limited engagement with schools has taken place.</p>

	Once the programme has been approved and schools involved confirmed, there will be greater involvement at all levels.
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Crime and Disorder Act 1998

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

Consultation

Consultation on the details of the proposal will take place as the programme progresses.

Background Papers

Informal Cabinet briefing, 16 January 2017

Appendix one:

The 21st Century Schools and Education Programme

What is it?

The 21st Century Schools and Education Programme is a unique collaboration between the Welsh Government (WG), the Welsh Local Government Association (WLGA) and local authorities.

It is a major, long-term and strategic capital investment programme with the aim of creating a generation of 21st century schools in Wales. The programme will focus resources on the right schools in the right places, for early years through to post-16.

It will deliver:

- learning environments in Wales that will enable the successful implementation of strategies for improvement and better educational outcomes
- greater economy and efficiency for learning environments through better use of resources
- a sustainable education system in Wales that meets national building standards and reduces the recurrent costs and carbon footprint of education buildings.

How does it work?

All local authorities, Further Education and Higher Education institutions seeking funding as part of the 21st Century Schools and Education Capital Programme, are required to submit Business Cases for any capital investment proposals. Funding for the programme is on a 50:50 funding basis between the local authority and Welsh Government. Business cases that are received provide Welsh Government with:

- evidence to support decision making within each project
- assurance both for Welsh Government (WG) and all education stakeholders for delivery of these capital investment projects.

Business cases

Business Case submissions for the 21st Century Schools and Education Capital Programme are required to use the HM Treasury Green Book Five Case Business model.

The first stage of this submission process is at programme level. Here the Strategic Outline Programme (SOP) should set out the programme parameters, funding streams, key projects and delivery aspirations.

Following identification of the key projects in the SOP, a business case is required for each individual project. The type of business case submission is dependent on the total project cost, with projects in excess of £5m requiring a three-stage business case approval process, outlined below:

- Strategic Outline Case – sets out the business need and considers implementation options, identifying the preferred way forward.
- Outline Business Case – provides evidence that the preferred way forward represents value for money
- Full Business Case – Outlines the procurement route and focuses on project delivery.

Each of the three business case submissions above must receive approval to progress to the next stage and must cover the 5 cases set out within the 5 case model, in varying degrees of detail, as appropriate:

Strategic Case – evidences strategic fit and the case for change

Economic Case – tests the options to ensure the proposal represents value for money

Commercial Case – Sets out the procurement route.

Financial Case – Explains how the project will be funded and ensures it is affordable

Management Case – Sets out how the project will be delivered and identifies the governance, risk management and benefits realisation frameworks.

Post implementation, projects are subject to evaluation and review to establish how the project was delivered and whether it delivers the expected benefits.

Appendix 2: FEIA

Fairness and Equalities Impact Assessments F&EIAs (2015)

This form presents evidence that equalities, Welsh language and fairness have been considered when taking policy and service delivery decisions in Newport City Council.

Our Equalities focus is taken from the Equalities Act 2010: we consider the nine protected equalities characteristics- age, gender reassignment, disability, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, sexual orientation.

Under the General Equality Duty we have a duty to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity and
- Foster good relations across the nine protected characteristics.

Under the Welsh Language Measure 2011 the Welsh language cannot be treated any less favourably than the English language

In Newport we focus on Fairness through the following themes: Health, Poverty, Skills and Work, Domestic Abuse and Tackling Area Based Deprivation.

Page 218

Service Area	Head of Service	Person responsible for the Assessment	Date of Assessment
Education	James Harris	Dean Scott	June 2017

1. What is the policy/ service being assessed?

21st Century Schools Programme – submission of Strategic Outline Programme

2. What is the purpose of the policy/ service change?

The 21st Century Schools and Education Programme is Welsh Government's flag ship schools infrastructure improvement programme. The aims of the programme are to:

- Reduce the number of poor condition schools and colleges;
- Ensure that we have the right size schools and colleges, in the right location that:
 - Provide enough places to deliver Welsh and English medium education; and
 - Ensure the effective and efficient use of the educational estate.

Approval is being sought from Cabinet for the basis upon which the City Council makes its submission to Band B of the Welsh Government's 21st Century School Programme, which includes the criteria for investment, the schools in which the investment will be made, and the level of investment.

3. Protected Characteristics

Protected Characteristic	Who are the customers/service users/ potential service users?	If we take this decision what is the potential impact?	Action Plan to address issues raised	Who is responsible?	Timeframe to review
Age	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	<p>The impact may be either positive or negative</p> <p>Explain how people may be affected and give the evidence for this</p> <p>This protected characteristic will not be negatively impacted by the proposals.</p> <p>The proposals will have a positive impact on this protected characteristic as the school</p>	<p>What changes or practical measures would reduce adverse impact on particular groups.</p> <p>What changes would increase positive impacts e.g. improve access or opportunity</p> <p>May be revisited post consultation</p> <p>Ensure community access of improved school facilities is granted and maintained to allow all age groups to benefit from the proposals.</p>	Service Manager, Planning and Resources	April 2019

		improvements outlines will be beneficial to all service users. Furthermore, improved community facilities at a number of the schools will extend the age range of people in which the proposals will benefit.			
Gender reassignment	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	This protected characteristic will not be negatively impacted by the proposals.	Ensure that service users are considered at the design stage of each project contained in the proposal to ensure appropriate provision is put in place for their use. Design issues to consider would include, but are not limited to, toilet provision.	Service Manager, Planning and Resources	April 2019
Disability	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	The proposals will have a positive impact as they seek to provide improved disabled access to school facilities wherever possible as part of the construction work. However, disabled access to school sites could be negatively impacted during the construction phase.	Ensure that appropriate measures are put in place during the construction phase to ensure disabled access to school facilities is maintained.	Service Manager, Planning and Resources	April 2019
Marriage/Civil Partnership	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	This protected characteristic will not be negatively impacted by the proposals.			
Pregnancy and Maternity	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	This protected characteristic will not be negatively impacted by the proposals.			
Race	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	This protected characteristic will not be negatively impacted by the proposals.			

	<p>The proportion of minority ethnic pupils from the schools contained within the proposal range from 3.7% to 89%. Overall, 31.7% of pupils who attend the schools contained within the proposals are of an ethnic minority</p>	<p>The schools chosen as part of this proposal represent a wide range of races, with no race being positively or negatively discriminated against.</p> <p>31.7% of pupils who attend the schools contained within the proposals are of an ethnic minority, slightly above the Newport school average of 24.4%, which indicates that school with a higher proportion of ethnic minority pupils require more work to bring them up to 21st century standards or there is a greater pressure for school places at these schools.</p>			
<p>Religion/belief the absence of</p>	<p>Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.</p>	<p>This protected characteristic will not be negatively impacted by the proposals.</p> <p>The proposals seek to re-model and improve one Church in Wales school, improving education facilities for this protected characteristic, whilst also improving education facilities across the city for those with other beliefs or absence of. The proposals do not positively or negatively discriminated against any religion or belief.</p>			
<p>Sex</p>	<p>Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.</p>	<p>This protected characteristic will not be negatively impacted by the proposals.</p> <p>The schools chosen as part of this</p>			

		proposal have a 50/50 split between each gender, with no gender being positively or negatively discriminated against.			
Sexual Orientation	Nursery, Primary and Secondary school aged children aged from 3 to 18, school staff, parents / carers.	This protected characteristic will not be negatively impacted by the proposals.			
Welsh language	<p>Secondary school aged children aged from 11 to 18, school staff, parents / carers. There were 81 pupils undertaking Welsh-medium education at Ysgol Gyfun Gwent Is Coed. A further 51%* of pupils attending the other schools contained within the proposal are either fluent or can speak some Welsh.</p> <p>* as per PLASC 2017</p>	<p>This protected characteristic will not be negatively impacted by the proposals.</p> <p>The proposals seek to provide improved facilities for Ysgol Gwent Is Coed (Newport's Welsh-medium secondary school) so will have a positive impact on this characteristic.</p>			

4. Who has the service consulted regarding the proposed change? When should new consultation take place?

NB: It is essential that service users and other interested parties are involved in the planning process at the earliest opportunity. Consultation at an initial stage should be along broad themes. It is appropriate to ask what services are valued, how services could be changed and or what could be done differently. This feedback should then inform your business case proposals and the F&EIA. When specific proposals have been drawn up, they too will need to be consulted upon. All stakeholders and their views need to be represented.

The proposals contained within the strategic outline programme have been consulted upon by a wide range of stakeholders. In developing the Band B programme a multi-disciplinary team (which includes colleagues from education, central finance, and Newport Norse) were consulted with in order to bring together the schemes which make up the overall proposal. Based on specific criteria (sufficiency of school places, asset management, and improvement of the curriculum offer) 11 proposals were considered as a best fit for the education criteria and 21st Century Schools Programme aims.

The cabinet member for education has been consulted with at every stage of the development process, with an initial submission to Welsh

Government being approved by cabinet. The views of each school contained within the proposal have also been gathered and have been vital in developing the programme. Lastly, approval has been sought at each stage of the development process as part of the councils 21st Century School project governance process at the People Services Capital Programme Board and the Capital Strategy & Asset Management Group.

Further consultations will be carried out with all relevant stake holders as the Band B programme progresses.

5. What evidence/ data has been used to complete this F&EIA (This will include local and national guidance)

PLASC (Pupil Level Annual School Census) data have been considered when completing this F&EIA.

6. How will the relevant groups be advised of the changes and the F&EIA?

Consultation with relevant stakeholders will be carried out when necessary. All changes, along with the F&EIA, will be available for access on the Newport City Council website. Consideration will be given to the provision of all information in other languages (other than Welsh & English) on a case-by-case basis when required.

7. How will the policy/ practice make Newport more or less fair in relation to:

- Health Inequalities
- Child Poverty
- Skills and Work
- Tackling Domestic Violence
- Alcohol and Substance misuse
- Homelessness
- Armed Forces Veterans

It is envisaged that improved education infrastructure will improve educational outcomes. This will in turn reduce health inequalities and the effects of poverty, whilst improving skills and providing greater opportunities for work. These areas are not promoted at the expense of the others, which will not be negatively impacted by these proposals.

8. How will the service / policy affect local areas of the city?

Will it have a positive or negative impact in terms of fairness and addressing local area deprivation (you will need to use spatial data available through the Newport Profile and specific Ward Profiles to address this question)?

Improved educational infrastructure and an increased school place provision will positively impact the areas in which the schools contained in the proposals serve, which will in turn positively affect the city as a whole.

9. In summary, how does the changed service /policy promote good community relations (cohesion)?

A number of the schools contained within the proposals seek to provide enhanced facilities for community use.

10. In summary, how does the changed service /policy promote equality?

The proposals seek to provide and improve school infrastructure that can be accessed by all groups equally.

11. In summary, how does the changed service /policy eliminate discrimination?

The proposals seek to provide and improve school infrastructure that can be accessed by all groups equally.

Completed by: Education Research Officer

Date: June 2017

A handwritten signature in blue ink, appearing to be 'M. ...', written over a faint circular stamp.

Signed off by:

Date: June 2017

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Report

Cabinet

Part 1

Date: 19 July 2017

Subject Cabinet Work Programme

Purpose To report and agree the details of the Cabinet's Work Programme

Author Head of Democratic Services

Ward All Wards

Summary The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each of meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The current work programme runs to May 2018, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Head of Democratic Services brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

Proposal To agree the updated work 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

The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each of meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The Wales Audit Office's Corporate Assessment of Newport City Council, published in September 2013, highlighted the need to "strengthen committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up". Since that report was published, these monthly reports have been introduced to provide Cabinet with regular updates on its work programme, and the opportunity to comment upon and shape its priorities as an executive group. The Democratic Services team have also been working to improve the links between this and other work programmes under its management (e.g. Council, Scrutiny, Audit) to ensure the various programmes are properly coordinated.

The current work programme runs to May 2018, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Head of Democratic Services brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

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	Work programming arrangements are in place 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 service to members and will provide information to the public and elected members.

Options Available and considered

- 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

Monthly update reports allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny team and Members are currently developing new ways of working through the new Committees, and continually reviewing the work programmes to focus more on risk, and ensure all scrutiny activity has a defined purpose and constructive outcome.

Equalities Impact Assessment and the Equalities Act 2010

This does not apply to this procedural report.

Children and Families (Wales) Measure

This procedural report does not impact on Children and Young People although certain reports contained in the programme may do and will need appropriate consultation and comment when they are presented to cabinet.

Wellbeing of Future Generations (Wales) Act 2015

This is a procedural report but reports contained within the programme will need to show how consideration has been given to the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act.

Crime and Disorder Act 1998

This does not apply to this procedural report

Consultation

As set out above

Background Papers

[Newport City Council Corporate Assessment](#), Wales Audit Office (September 2013)

[Newport City Council – Corporate Assessment Follow Up 2015](#), Wales Audit Office (May 2015)

Dated: 22 June 2017

NEWPORT CITY COUNCIL: CABINET / COUNCIL WORK PROGRAMME

Meeting	Agenda Items	Lead Officer	Next Council?
13-Sep-17	Corporate Plan	CE	26 Sept 2017: Scrutiny Annual Report; Standards Committee Annual Report
	WAO Governance Review	HP&BC	
	WAO Data Quality Review	HP&BC	
	WAO Annual Improvement Report	HP&BC	
	Certificate of Compliance 1	HP&BC	
	WAO Regulatory Fees	HP&BC	
	Treasury Management	HoF	
	21st Century Schools Work Programme	CEdO CDSO	
18-Oct-17	Risk Update	HP&BC	28 Nov 2017
	Improvement Plan Year End Review	HP&BC	
	Improvement Plan Quarter 1 Update	HP&BC	
	Final Year End Analysis of Pis (All Wales Data)	HP&BC	
	Revenue Budget Monitor	HoF	
	Capital Monitor and Additions	HoF	
	Work Programme	CDSO	
15-Nov-17	Education and Pupil Performance Data	CEdO	28 Nov 2017
	Mid-Year Analysis of Pis	HP&BC	
	WAO Action Plan Update	HP&BC	
	Work Programme	CDSO	
20-Dec-17	Revenue Budget and Medium Term Financial Plan	HoF	30 Jan 2018
	Certificate of Compliance 2	HP&BC	
	Work Programme	CDSO	
17-Jan-18	Risk Update	HP&BC	30 Jan 2018
	Revenue Budget Monitor	HoF	
	Capital Monitor and Additions	HoF	
	Improvement Plan Update	HP&BC	
	Verified Key Stage 4 and 5 Pupil Outcomes	CEdO	
	Work Programme	CDSO	
14-Feb-18	Revenue Budget and Medium Term Financial Plan	HoF	27 Feb 2018 Budget
	Capital Budget	HoF	
	Treasury Management	HoF	
	Local Wellbeing Plan	HP&BC	
	Work Programme	CDSO	
14-Mar-18	School Categorisation	CEdO	24 April 2018
	Pay and Reward Statement 2018/19	HP&BC	
	WAO Action Plan Update	HP&BC	
	EAS Business Plan	CEdO	

NEWPORT CITY COUNCIL: CABINET / COUNCIL WORK PROGRAMME

	Work Programme	CDSO	
18-Apr-18	Improvement Plan Update	HP&BC	
	Work Programme	CDSO	
16-May-18	Items TBC		
	Work Programme	CDSO	