

Agenda



Cabinet

Date: Wednesday, 17 July 2019

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>Declarations of Interest</u>
3	<u>Minutes of the Last Meeting</u> (Pages 3 - 6)
4	<u>Revenue Budget Monitor</u> (Pages 7 - 24)
5	<u>Capital Budget Monitor</u> (Pages 25 - 46)
6	<u>Commercial Property Fund Investment Guidelines</u> (Pages 47 - 64)
7	<u>Brexit Update</u> (Pages 65 - 70)
8	<u>Welsh Language Annual Report</u> (Pages 71 - 88)
9	<u>Performance Update - Early Year End PI Analysis</u> (Pages 89 - 118)
10	<u>Cabinet Work Programme</u> (Pages 119 - 126)
11	<u>PSB Summary Document (for information/awareness)</u> (Pages 127 - 128)
12	<u>Exclusion of the Press and Public</u> To consider whether to exclude the press and public during consideration of the following item on the grounds that its consideration involved the likely disclosure of exempt information as defined in the Local Government Act 1972 and the exemption outweighs the public interest in disclosure.
13	<u>Presentation - City Centre Investment</u>
14	<u>Date of Next Meeting</u> 18 September 2019, 4 pm, Committee Room 1, Civic Centre

Contact: Tracy Richards

01633 656656

E-mail: Cabinet@newport.gov.uk

Date of Issue: Wednesday, 10 July 2019

This page is intentionally left blank



Minutes

Cabinet

Date: 19 June 2019

Time: 4.00 pm

Present: Cllrs Debbie Wilcox (Chair); P Cockeram, D Harvey, J Mudd, D Mayer, M Whitcutt, G Giles, R Truman

In attendance: Mr W Godfrey; Ms B Owen; Mr J Harris; Mr G Price; Mr M Rushworth;

Part 1

1 Apologies for Absence

Councillor Roger Jeavons; Councillor Jane Mudd.

2 Declarations of Interest

There were no Declarations of Interest.

3 Minutes

The minutes of the meeting held on 22 May 2019 were confirmed as a true record.

4 Treasury Management Year End Report

The Leader presented the report which identified the day to day and longer term strategic management of the Council's borrowing and investment activities.

The report dealt specifically with the activities for the previous financial year 2018/19 and assessed how the Council had adhered to the treasury management strategy set at the beginning of that financial year and the result of that against the various indicators and limits also set at that time.

The report had been presented to Audit Committee and will be presented to full Council in July.

Regarding borrowing activity, the Leader reported that:

- The Council maintained its internal borrowing situation as far as possible.
- £40m of borrowing was taken out about 2-3 weeks earlier than required, just before the financial year-end. This was for the re-financing of a Bond which matured in early April but due to Brexit uncertainties, which were significant at the end of March, and having taken advice from the Treasury Advisers a replacement loan was taken out a little early.
- The report detailed the level and impact of the current internal borrowing.

- Regarding investment activity:
- The Council continued to invest short term where cash-flow allowed which was done in accordance with those approved parties as per the strategy.

On the various treasury indicators and limits set for 2018/19, the report confirmed that the Council met all the conditions satisfactorily.

The Leader recommended the report to Council.

Decision:

Cabinet noted the contents of the report and agreed to present the report to July Council.

5 Corporate Risk Register Update

The Leader presented the report, the purpose of which was intended to provide Cabinet Members with the Quarter 4 update on the Corporate Risk Register, which supports the delivery of the Council's Corporate Plan 2017/22. Cabinet was asked to consider the contents of the report and note the changes to the Risk Register for Quarter 4.

In summary the changes to the Corporate Risk Register at the end of Quarter 4 showed there were 14 corporate risks consisting 5 high risks and 8 medium risks and 1 low risk.

Appendix 1 of the report provided Members with a summary of the risks and movement with the risk scores over the last year.

Appendix 2 of the report provided a detailed report of the Corporate Risk Register.

The Leader detailed the following issues:

In Quarter 4, three risks had their risk scores changed:

Risk 1 (Legislative Requirements)

- This risk was focused on the legislative changes with the Welsh Language Act, Well-being for Future Generations Act, Data Protection Act and Waste Management.
- The risk score had moved from 12 to 6 in quarter 4 to reflect the work that had been undertaken to comply with the Well-being for Future Generations Act.
- This risk will be reviewed in Quarter 1 of 2019/20 as part of a wider corporate risk assessment.

Risk 4 (Brexit)

- In the last Quarter the Council had made sufficient preparations for the initial Brexit deadline of 29th March 2019.
- With the National Government postponing Brexit to 31st October 2019 and the work undertaken by the Council to manage the threat of a No Deal Scenario has resulted in the Council reducing the score from 16 to 12.
- However, officers and this administration are remaining vigilant in monitoring the situation and will be prepared to increase its Brexit preparations should the situation change again.

Risk 5 (In Year Financial Management)

- This risk score moved from 8 (medium risk) to 4 (low risk) at the end of the financial year to reflect the overall underspend in the Council's budget.
- However, in light of the continuing demand pressures of key Council services in 2019/20 this risk will be reviewed and reflect the forecasted budget for the end of this financial year 2019/20.

The Leader confirmed the Corporate Risk Register for Quarter 4 was presented to the Council's Audit Committee on 6th June 2019 who noted the contents of the report and the risk management process.

The Audit Committee had also been informed that the Council was preparing a Risk Appetite Statement to support its overall Risk Management Policy; Audit Committee would welcome the opportunity to support the Cabinet and the Council in making this statement and to provide as necessary any comments and/or recommendations for Cabinet to consider.

Cllr Whitcutt queried whether the Brexit risk rating would change should Brexit not happen on the 31st October. The Chief Executive confirmed the risk register is a dynamic document which is constantly evaluated and will be updated as required.

Cllr Cockeram raised concern about the increased pressure on demand led services, in particular the issues associated with staff retention within domiciliary care. The Leader agreed to write to Welsh Government on this issue and to enquire what contingencies they have in place going forward.

Cabinet considered the following options:

1. To consider the contents of the Corporate Risk Register and request an update on the progress of actions taken to address the recommendations raised by the Audit Committee and Cabinet, in the Quarter three report.
2. To request further information or reject the contents of the risk register.

Decision:

Cabinet agreed Option 1.

6 Forecast Numbers of LAC

The Leader introduced the report, the aim of which was to ensure Cabinet is fully sighted on the expectations from Welsh Government for Children's Services and the challenges posed.

The Leader shared Welsh Government's expectation of a reduction in children looked after numbers across the Council.

The report confirmed that Newport has for many years worked consistently to safely care for children and young people and support them to remain with their families. Furthermore the Council has worked to develop and maintain a range of preventative services as well as crisis and intensive family support.

The number of children who became looked after in Newport was until 2017 steady and the per 10,000 rate was well below that of other Local Authorities. Since 2017 there has been a steady increase in those numbers.

The report confirmed there are increases across England and Wales driven by a range of factors as evidenced in the Care Crisis Review including:

- enduring austerity (poverty, rise in the use of food banks, loss of jobs)
- risk averse practice driven by media activity
- conflicting and sometimes misunderstood case law
- increased understanding of the impact of domestic abuse on children
- substance misuse and the impact on children and parents
- risks from Serious and Organised Crime
- increased numbers of unaccompanied asylum seeking children

For Newport all of the above factors are pertinent.

The First Minister for Wales's priority in reducing the numbers of children who are looked after across Wales, whilst well intentioned, requires firm interrogation and an understanding of all the nuances at both national and local level. Newport City Council's Children's Services are wholly committed to working safely with all children in Newport and ensuring they are able to lead happy and fulfilling lives as children and adults. Working with Welsh Government to understand the local picture and to ensure support can be fully resourced will be key to the setting of any targets associated with this work.

The Leader thanked the foster carers and council staff for their dedication of service to looked after children and confirmed that Welsh Government welcomed the input received at national level from Sally Jenkins, the Council's Head of Children and Young People's Services.

Decision:

Cabinet noted the report.

7 Work Programme

The Leader presented the Cabinet Work Programme.

Decision:

Cabinet agreed the updated programme.

8 Date of Next Meeting

The next meeting will take place on Wednesday 17 July 2019, at 4.00 pm in Committee Room 1, at the Civic Centre, Newport



Report

Cabinet

Part 1

Date: 17 July 2019

Subject **May Revenue Budget Monitor**

Purpose The purpose of this report is to give Cabinet an early indication of the revenue forecast position and the issues affecting financial management during 2019/20.

Author Head of Finance (HoF)

Ward All

Summary This early monitor is intended to flag up areas of budget challenges and savings this coming year based on an early review of the Council's 2019/20 budget. Whilst continuing pressure from demand areas on the budget are a challenge, the overall position at this point is within the overall budget and manageable, with the vast majority of the Council's c160 budget 'service activities' managing close to / on budget.

At this point, it necessarily can't be precise but it gives a reliable indication of the 'areas' which require careful oversight and an indication of the scale of the issues; this latter element in particular will become more accurate as we move further into the year.

The monitor indicates that there are continuing challenges within service areas (mainly children's and adults services) amounting to c£3m, partially mitigated by underspending in non-service budgets, resulting in an overall projected overspend, before use of contingency, of £839k (0.3% of the net revenue budget). If there is no other specific call on the contingency budget and it is used to balance the current level of forecast service overspending, it gives an overall projected underspend of £634k.

In addition, budgets set by schools for 2019/20 will see them overspending against their available funding by £2,594k, funded by their reserves. This would mean a small number of schools, mainly secondary's, increase their existing deficit reserves. This projection assumes, in line with previous years, that additional funding/ income of £1,500k will be received in year in the form of currently unknown in-year grants and other compensation, however, if this does not come to fruition the current school reserves would worsen. Secondary schools are already working on these budgets to bring forward savings and this work is on-going, therefore, should improve the position shown.

As the Council begins work on future year budgets, the current position highlighted in respect of continuing pressure on demand led service budgets will need to be considered and appropriate provision/ action agreed which could increase the existing budget challenge over the medium term.

- Appendix 1 Overall budget dashboard – May 2019
- Appendix 2 Revenue summary monitor – May 2019
- Appendix 3 Schools funding and balances

Appendix 4 Planned movement in reserves

Proposal	<p>Cabinet is asked to:</p> <ul style="list-style-type: none">• Note the overall budget forecast position including use of the general budget contingency to balance forecast overspends within service areas;• Agree to instruct all areas of the Council to maintain robust financial management;• Note the level of undelivered savings within each directorate and the risks associated with this;• Note the forecast movements in reserves;• Note the projected balances of individual schools over the next year and that work is on-going in respect of reducing school overspending in the secondary sector.
Action by	<p>Cabinet Members/Head of Finance/Senior Leadership Team/Corporate Management Team confirm plans to:</p> <ul style="list-style-type: none">• promote and ensure robust forecasting throughout all service areas;• reduce over-spending within Social Care;• manage/mitigate those projects that are unable to deliver required medium term savings.
Timetable	<p>On going</p> <p>This report was prepared after consultation with:</p> <p>Chief Executive Strategic Directors Heads of Service Budget Holders Accountancy Staff</p>
Signed	

1 Background & Summary position

- 1.1 Under difficult circumstances, the Council has historically managed its overall revenue budget well, reporting relatively small levels of under-spending. As a growing city, Newport continues to be under significant pressure from increasing demand for essential services and lower funding. The Council has had to deal with the pressures associated with this growth and therefore the additional costs of delivering services.
- 1.2 This monitor flags up areas of budget challenges and savings this coming year based on an early review of the Council's 2019/20 budget. Whilst continuing pressure from demand areas on the budget are a challenge, the overall position at this point is within the overall budget and manageable, with the vast majority of the Council's c160 budgeted 'service activities' managing close to / on budget.
- 1.3 Continuing challenges within service areas (mainly children's and adults services) amount to c£3m, partially mitigated by underspending in non-service budgets, resulting in an overall projected overspend, before use of contingency, of £839k (0.3% of the net revenue budget). If there is no other specific call on the contingency budget and it is used to balance the current level of forecast service overspending, it gives an overall projected underspend of £634k.

2 Key areas contributing to position

2.1 The following section highlights the key areas that contribute to the overall Council position:

- (i) Ongoing budget pressures on a small number of Council activities;
- (ii) Delivery of 2019/20 savings

(i) Ongoing budget pressures

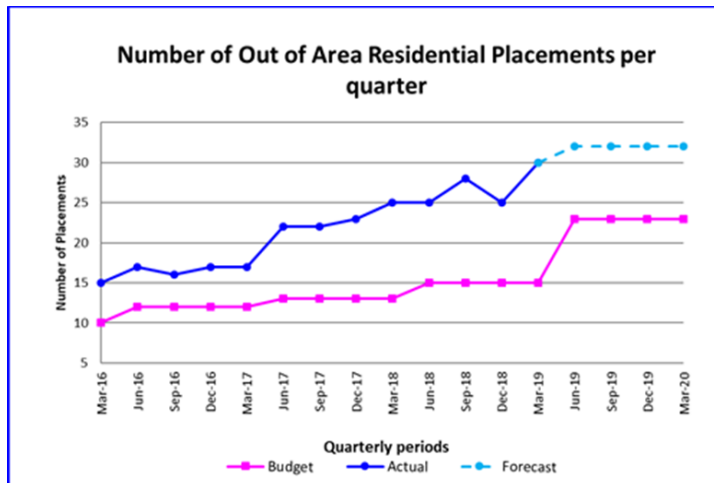
2.2 Some of the significant service area overspending and key issues reported last year continue to feature as budget risks in 2019/20. There are three main areas that contribute to the overall service area overspending, these are:

- Children's out of area placements
- Independent fostering agencies
- Adult community care

2.3 These are not new issues and demand in most of these areas have been increasing over the last 2-3 years. These areas received significant investment in 2019/20 but demand continues to accelerate beyond the budget available. The investment made in the current year in these financially high-risk areas is set out below:

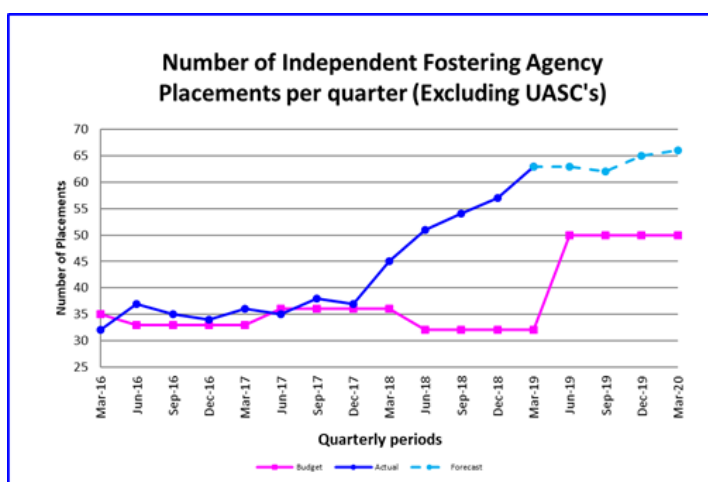
	2018/19 Outturn (Gross overspend)	2019/20 Investment
Childrens out of area (OOA) placements	2,090	2,206
Adults community care	1,135	654
Special educational needs	1,330	1,414
Independent Fostering Agencies	756	765
	5,311	5,039

2.4 **Children's out of area placements** – The £2,206k investment in this area in 2019/20 was to support 23 out of area placements, which at the beginning of January when budgets were finalised was reasonable as numbers were at 25. At this time service managers believed that demand could be managed and a budget for 23 placements was set. Between January and March 2019, numbers increased to 30 and this is expected to increase further to 32 by the end of 2019/20 based on the known cohort of children and proposed plans for their care. Whilst work continues to reduce the number, and therefore costs, of out of area placements and bring them back 'in house' the current projected numbers will result in a forecast overspend of £1,303k.



It should be noted that the £2,206k investment was supported by £1,473k one off grant funding which was received in 2019/20. If this funding does not continue this will present a significant budget challenge from 2020/21 onwards.

2.5 **Children's independent fostering** – Investment of £765k in 2019/20 enables the budget to afford 50 placements. The budget was set at 50 given that the average number of placements over the period of April 2018 to December 2018 was 50. There was a level of uncertainty around the increased numbers at the end of 2018/19 and managers anticipated that this was a short-term issue and that the 2019/20 trend was likely to follow that seen in 2018/19. Between January and March 2019, however, the numbers increased to 63 and the current forecast is based on an additional one placement per month resulting in a projected overspend of £539k.



2.6 **Adults community care** - £654k has been invested into the adult's community care budget for 2019/20. The current position shows that there are currently over 1,700 service users within community care. This is a 2.4% increase on 2018/19 users and higher than what managers anticipated when setting the 2019/20 budget.

2.7 Whilst all of these areas require concerted efforts to address how demand is to be managed this needs to be reviewed as although forecasts are based on the latest intelligence that service areas have available there is a risk that numbers continue to unexpectedly increase throughout the year.

(ii) Delivery of medium term revenue savings:

2.8 The position on delivery of savings is shown in appendix 1. The performance on forecast delivery of 2019/20 savings is projected to be good with 97% of the £6.8m savings to be delivered in full. In addition to the £209k shortfall this represents, there remains £91k of undelivered savings from 2018/19, which is to be addressed by the Education service.

2.9 Whilst these areas should be considered as part of our financial planning process, service areas projecting a shortfall should seek alternative savings or permanently mitigate using existing budget provision. These areas will continue to be closely monitored throughout the year.

3 Schools

3.1 Appendix 3 highlights that most schools will have much reduced reserves as at 31st March 2020 due to current forecasted net overspending in the current year of £2,594k. It should be noted that schools budgeted in year overspending is £4,094k, however, based on historical trends it is assumed that £1,500k of additional funding/ income (grant and other compensation) will be received at year end, therefore reducing the in-year overspend to £2,594k. A summary table is shown below:

Sector	Reserves balance 31/03/19 £	In-year overspending £	Reserves balance 31/03/20 £
Nursery	2,871	(38,720)	(35,849)
Primary	3,667,584	(1,905,546)	1,762,038
Secondary	(629,461)	(2,125,522)	(2,754,983)
Special	89,470	(24,222)	65,248
Total	3,130,464	(4,094,010)	(963,546)
Assumed grant/ other compensation	-	1,500,000	1,500,000
Total	3,130,464	(2,594,010)	536,454

3.2 Given that this additional income is not guaranteed and eight schools are anticipating a negative balance position at the end of the year, officers are working closely with those schools to ensure that deficit recovery plans are put in place and that action is taken to reduce spend. This work is on-going. The level of in year overspending was highlighted as a risk in 2018/19 and continues to be an area of concern. Schools should take appropriate action to match costs to their available funding, as this level of overspending is not sustainable and there is no contingency budget available to mitigate this.

4 Use of reserves

4.1 Appendix 4 illustrates the planned movements in reserves throughout the year. Cabinet should note the opening balance as at 31st March 2019, forecasted planned transfers in/ (out) of reserves in 2019/20 and the forecast balance as at 31st March 2020. Current projections suggest that 15% of the Council reserves will be utilised by the end of the financial year, which is in line with planned and expected use. The general fund reserve is at the minimum level required (£6.5m) representing 2% of the overall net budget.

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 18/19 Review and refinement in service areas of risk based modelling CX/HoF setting out clear expectations	Asst. HoF 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 – the Council needs to operate within its overall budget and it is anticipated that this will be achieved with the general budget contingency, though monitoring highlights key challenges in some small number of areas, including schools.

Preferred Option and Why

To continue careful review and management of key budgets and risks.

Comments of Chief Financial Officer

Despite significant investment in key demand led areas in 2019/20, demand/ costs have continued beyond the budget available resulting in significant levels of overspending. Whilst the overall budget position is currently forecasted to be positive, this will need to be monitored carefully and continued effort to reduce costs in these areas, wherever possible because this will increase our budget challenge over the medium term.

The schools position is concerning given budgets set by schools for 2019/20 will see them overspending against their available funding by £2,594k. This level of overspending will see all but c£500k removed from school balances. It is critical therefore; that schools develop detailed spending plans to ensure that they manage expenditure within their allocated funding as historical levels of overspending is unsustainable.

Comments of Monitoring Officer

There are no specific legal issues arising from the report.

Comments of Head of People and Business Change

There are no direct HR implications associated with the report.

The Well-being of Future Generations Act requires public bodies to apply the five ways of working to any financial planning, which will address short-term priorities with the need to safeguard the ability to meet long-term needs. This report gives an early indication of the revenue forecast position and the issues affecting financial management during 2019/ 20, and notes that any future reductions in funding will need to reflect and be consistent with the five ways of working. This budget monitoring report fits in with the well-being goal of a Prosperous Wales.

Comments of Cabinet Member

The current financial position is concerning and we need all Cabinet Members with Heads of Service to bring forward actions to address.

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.

Wellbeing of Future Generations (Wales) Act 2015 forms an integral part of the financial management of the Council and the MTFP process of which the outturn of the Council is essential part. Analysis and review of reserves are an important aspect on the future generations and the Head of Finance reviews and assesses the robustness and adequacy of these reserves as part of this report.

Consultation

N/A

Background Papers

Cabinet Paper – 22nd May 2019 - Revenue Budget Out-turn - 2018/19

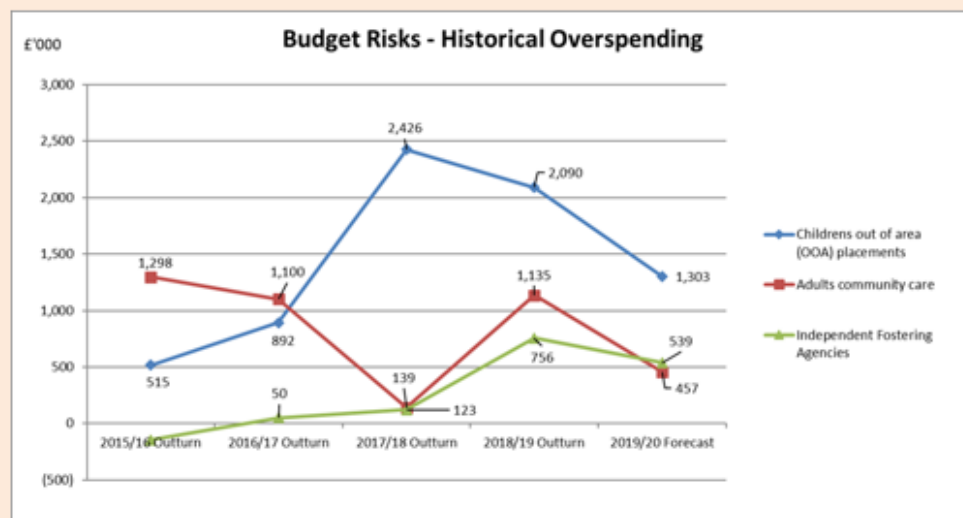
Dated:

Budget Monitoring Position – May 2019

Position by Directorate	Current Budget £'000	Forecast £'000	Variance £'000
People (exc Schools)	85,422	88,472	3,050
Place	33,716	33,774	58
Corporate	18,401	18,327	(74)
Service Area Budget	137,538	140,573	3,035
Schools	96,545	99,139	2,594
Service Area Budget (inc Schools)	234,083	239,712	5,629
Schools - transfer from reserve	0	(2,594)	(2,594)
Non Service	45,055	42,859	(2,196)
Total Budget (excluding contingency)	279,139	279,977	839
General Contingency	1,473	1,473	0
Total Budget (Including contingency)	280,611	281,450	839

Detailed explanations can be found within service area dashboards

Forecast History – High Risk Areas



Position Summary

- Revenue budget forecasting a small underspend assuming that the general contingency is not utilised (£634k)
- High level monitor gives early indication of the challenges faced by service areas

Key areas contributing to position

- Forecast undelivered 19/20 savings of £209k
- Significant overspending in three key areas:

Children's out of area placements	£1,303k
Children's independent fostering	£539
Adults community care	£457k

- Mitigated by non service area underspends:

Council tax surplus and Ctax reduction scheme	(£1,895k)
Interest payable – refinanced at lower rate	(£250k)

Risks

- Service areas are overspending at unsustainable levels
- Over half of the general contingency budget required to balance the budget at this early stage of the year
- Demand within the key areas may accelerate beyond forecast trends
- Vast majority of schools forecast to spend more than their funding in 19/20
- Gross overspending within schools (£4,094k) far outweighs the level of school balances available (£3,130k). Current forecasts assume that additional income of £1,500k will be received at the end of the year.

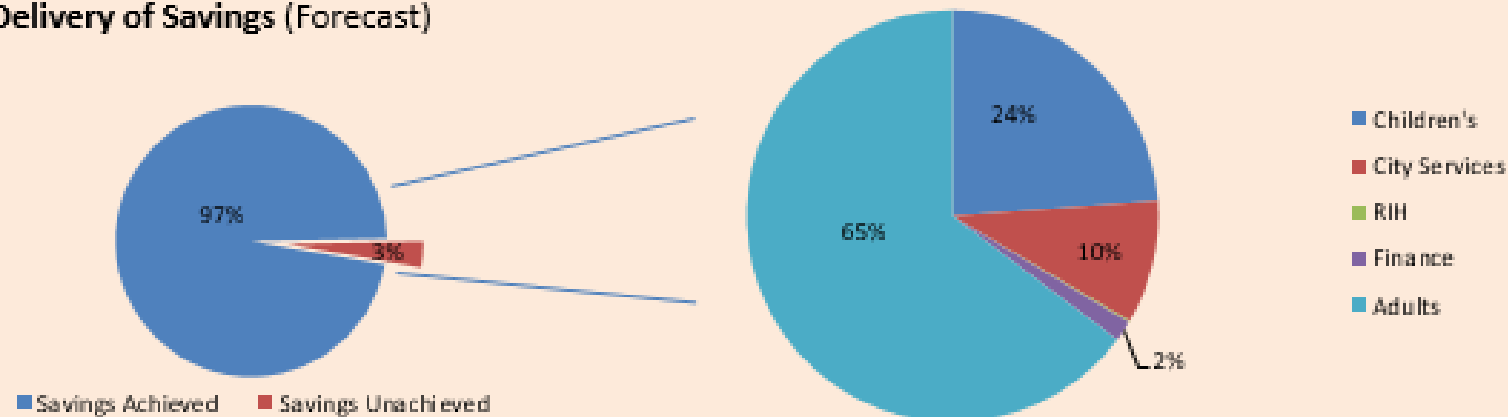
Budget Monitoring Position – May 2019

Staff Forecasts

Overall Staffing	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Budget (£'000)	61,255	61,255	61,255	61,255	61,255	61,255	61,255	61,255	61,255	61,255	61,255	61,255
Forecast (£'000)	61,255	60,767	60,767	60,767	60,767	60,767	60,767	60,767	60,767	60,767	60,767	60,767
Variance (£'000)	0	(488)	(488)	(488)	(488)	(488)	(488)	(488)	(488)	(488)	(488)	(488)

- Staff budgets account for a fifth of the Council's net budget

2019/20 Delivery of Savings (Forecast)



- The first chart shows that 97% of the total savings are forecast for full delivery in 2019/20
- The second chart illustrates the areas where savings are forecast not to be delivered (3% of overall target)
- 2019/20 balance of £209k undelivered savings remains significant in financial terms
- This is in addition to £91k undelivered savings dating back to 2018/19

Overall Summary	People	Place	Corporate	Non Service	Total
Total	2,025	1,107	352	3,319	6,803
Year End 2019/20	1,839	1,087	349	3,319	6,594
Variation to MTRP Target	(186)	(20)	(3)	0	(209)
Variation % to MTRP Target	-9%	-2%	-1%	0%	-3%

Budget Monitoring Position – May 2019

Risk Based Areas/ Budgets

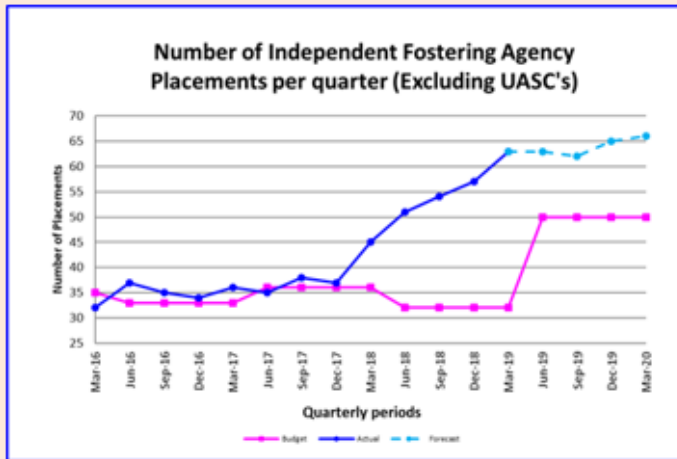
	Budget	Forecast	Variance	Graph
Children & Young People				
Independent Fostering Agencies	1,935	2,474	539	i
Out of Area Residential	3,258	4,561	1,303	ii
In House Fostering	2,921	3,124	203	
looked after Children (IAC) Remand	0	0	0	
Adult & Community Services				
Community Care - Residential	20,962	20,973	11	
Community Care - Supported Living	7,780	8,575	795	iii
Community Care - Non Residential	9,624	10,197	573	iv
Community Care Income - Residential & Non	(6,713)	(7,613)	(900)	
Education				
SEN Out of County - Local Authority	2,342	1,032	(1,310)	v
SEN Out of County - Independents	2,261	3,178	917	v
SEN local Provision Development	497	497	0	
SEN Equipment & Resources	29	137	108	
SEN Transport	1,509	1,856	347	
Special Home to School Transport	232	508	276	
Bridge Achievement Centre	1,258	1,258	0	
Regeneration, Investment & Housing				
Development Control Fees	(646)	(646)	0	
Building Control Fees	(234)	(214)	20	
Commercial & Industrial Properties Income	(1,330)	(1,330)	0	
City Services				
Commercial/ Asbestos Income	(1,185)	(1,294)	(109)	
Home to School Transport - Primary	951	965	14	
Home to School Transport - Secondary	1,064	1,195	131	
Home to School Transport - College	113	132	19	
Finance				
Council Tax Benefit Rebates	12,611	11,466	(1,145)	
Law & Regulation				
Public Protection	(862)	(911)	(49)	
Land Charges Income	(167)	(167)	0	
CCTV Income	(213)	(62)	151	
Total Net Budget	57,997	59,891	1,894	

- Currently, in 2019/20, there are over 25 budget areas identified at the start of the year by HoS as those areas that have the potential to be high risk or highly volatile. This list is reviewed on an on-going basis
- Although some of these areas are currently forecasting an underspend against budget, they continue to be monitored
- There are six budget 'hotspot' areas within the risk based monitoring which demonstrate the significant financial impact and risk that only a small number of areas pose to the financial position of the Authority (graph ref i – v)
- These areas alone contribute almost £2.8m to the service area overspends
- These overspending areas are consistent with last years position despite significant investment in 2019/20 therefore it is critical that managers make a concerted effort to manage demand and to reduce spend wherever possible

Budget Monitoring Position – May 2019

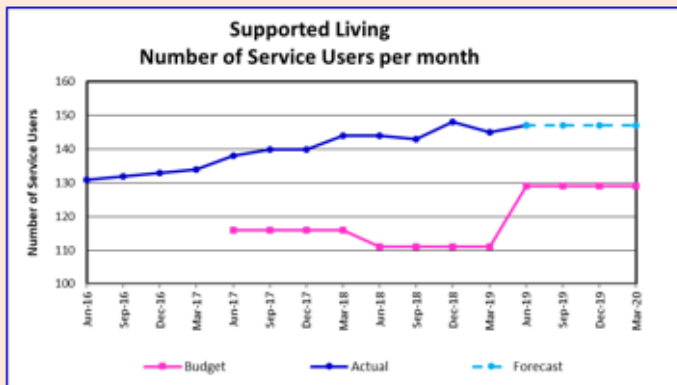
Risk Based Monitoring graphs

(i) Independent Fostering Agencies

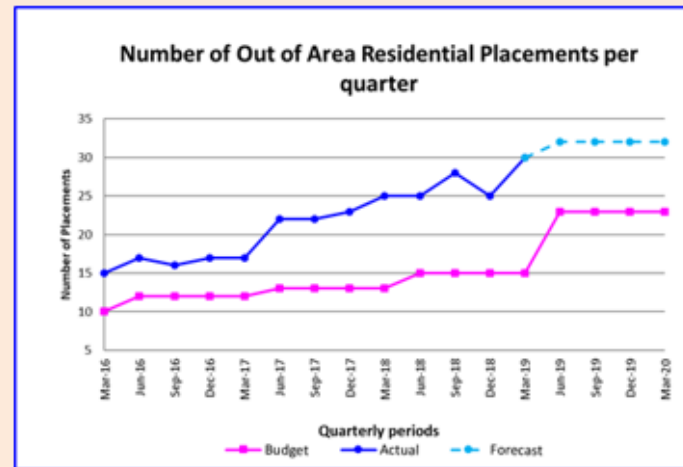


- The 2019/20 budget can afford 50 placements per month at an average cost. Actual placements are at 62 and projected to increase to 66 by the year end resulting in an overspend of £539k.

(iii) Community Care – Supported Living

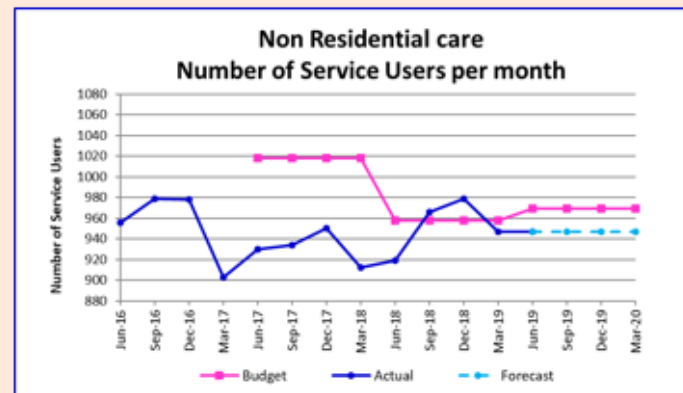


(ii) Out of Area (OOA) Residential Placements



- Budget can afford 23 placements per month at an average cost. There are currently 32 placements resulting in an overspend of £1.3m.

(iv) Community Care – Non Residential

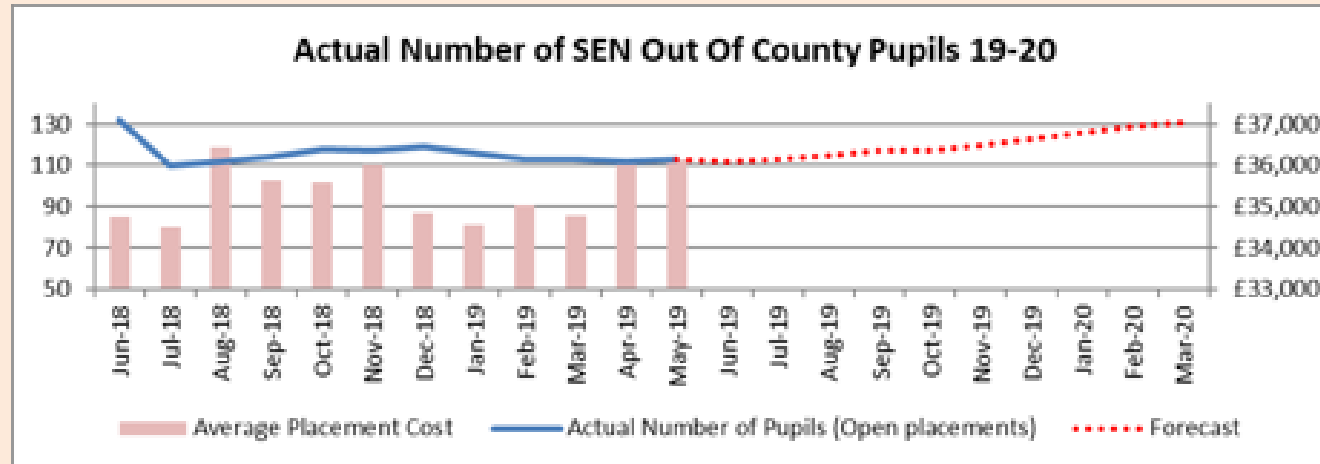


** Due to changes in reporting average budget data is unavailable prior to April 2017.

Budget Monitoring Position – May 2019

Risk Based Monitoring graphs

(v) SEN Out of County Placements – Local Authority and Independent



- SEN OOC budget can accommodate 132 placements at an average cost of £35k
- 15% of total placements costing between £60k and £70k. One placement in particular costs the Authority £114k due to the complex needs of the individual

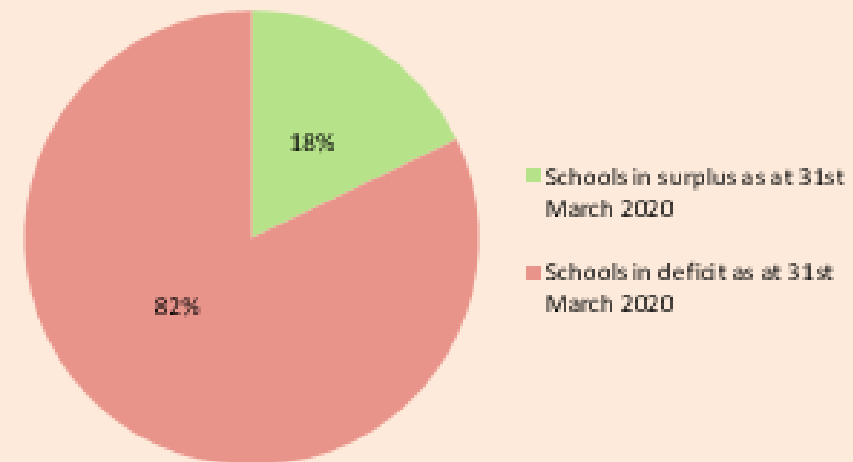
Budget Monitoring Position – May 2019

Schools

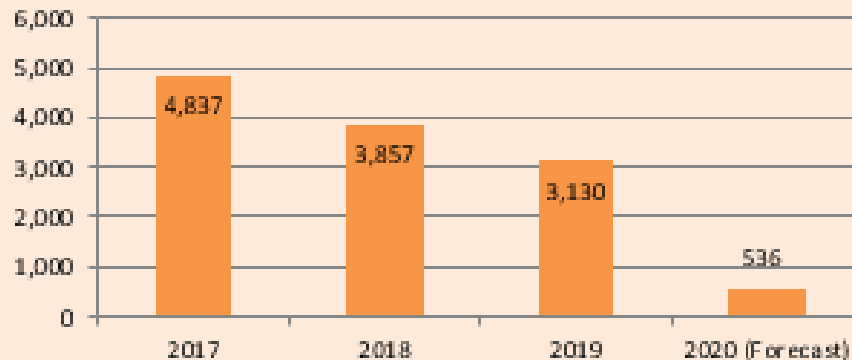
- Budgets set by schools for 2019/20 will see them overspending against their available funding by £2,594k. This projection assumes that additional income of £1,500k will be received later in the year in the form of grants and other compensation, however, if this does not come to fruition the current school reserves would worsen.
- Currently 8 schools are anticipating a negative balance position at the end of the current financial year, one from the nursery sector, two from the primary sector and five from the secondary sector. The cumulative forecast deficit for these schools is £3.16m.
- Officers are working closely with these schools to ensure that deficit recovery plans are in place and that action is taken to reduce spend. Schools must take appropriate action to match costs to their available funding, as this level of overspending is not sustainable and there is no contingency budget available to mitigate this.

Schools Forecasting Budget Overspends	May
Kimberley Nursery	(41)
High Cross Primary	(54)
St Woolos Primary	(30)
Newport High	(248)
Caerleon Comprehensive	(1,300)
Llilswerry High	(770)
Llanwern High	(443)
St Julians	(275)
Total Net Budget	(3,161)

Proportion of Schools Forecasting Deficit as at 31st March 2020



Balances held by Schools as at 31st March



Schools are forecasting an in year overspend of £2,594k therefore reducing the school balances from £3,130k to £536k as at the end of March 2020.

APPENDIX 2 Revenue Summary Monitor – May 2019

Summary Revenue Budget 2019/20	April 19	Current	Projection	(Under) /	Change
	Approved	Budget		Over	Since Last
	Budget				Statement
	£'000	£'000	£'000	£'000	£'000
People					
Children and Young People	24,523	24,523	27,066	2,543	2,543
Adult and Community Services	46,417	46,655	47,091	436	436
Education	14,244	14,244	14,315	71	71
Schools	96,545	96,545	99,139	2,594	2,594
	181,729	181,967	187,611	5,644	5,644
Place					
Regeneration, Investment and Housing	9,994	9,994	9,998	4	4
City Services	23,722	23,722	23,776	54	54
	33,716	33,716	33,774	58	58
Chief Executive					
Directorate	592	498	498	(0)	(0)
Finance	3,265	3,267	3,194	(73)	(73)
People and Business Change	7,271	7,397	7,396	(1)	(1)
Law and Regulation	7,511	7,239	7,239	0	0
	18,639	18,401	18,327	(74)	(74)
Capital Financing Costs and Interest					
Capital Financing Costs MRP	7,489	7,489	7,489	(0)	(0)
Interest Payable	7,085	7,085	6,835	(250)	(250)
Interest Receivable	(127)	(127)	(127)	-	-
PFI	8,543	8,543	8,543	(0)	(0)
	22,990	22,990	22,740	(250)	(250)
Sub Total - Service/Capital Financing	257,074	257,074	262,452	5,378	5,378
Contingency Provisions					
General Contingency	1,473	1,473	1,473	(0)	(0)
Restructuring / Other Savings	-	-	-	(0)	(0)
Centralised Insurance Fund	570	570	570	0	0
Non Departmental Costs	-	-	-	-	-
Other Income and Expenditure	108	110	110	0	0
	2,151	2,152	2,153	0	0
Levies / Other					
Discontinued Operations - pensions	1,563	1,563	1,503	(60)	(60)
Discontinued Operations - Ex Gratia Payments	2	2	2	0	0
Levies - Drainage Board, Fire service etc	8,282	8,282	8,291	9	9
Non distributed grants	-	-	-	-	-
CTAX Benefit Rebates	12,611	12,611	11,466	(1,145)	(1,145)
Extraordinary Items	-	-	-	-	-
Charity Rate Relief	-	-	-	-	-
	22,458	22,458	21,262	(1,196)	(1,196)
Transfers To/From Reserves					
Base budget - Planned Transfers to/(from) Reserves	(1,072)	(1,072)	(1,072)	0	0
Earmarked reserves: Queensbury Loan	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Capital	-	-	-	-	-
Earmarked reserves: Transfer to/(from) Schools	-	-	(2,594)	(2,594)	(2,594)
Earmarked reserves: Transfer to/(from) Schools Redundancy	-	-	-	-	-
Invest to Save Reserve	-	-	1,270	1,270	1,270
Invest to Save Reserve (from)	-	-	(1,270)	(1,270)	(1,270)
	(1,072)	(1,072)	(3,666)	(2,594)	(2,594)
Total	280,611	280,611	282,201	1,589	1,589
Funded By					
WAG funding (RSG and NNDR)	(214,343)	(214,343)	(214,343)	-	-
Council Tax	(66,268)	(66,268)	(67,018)	(750)	(750)
Council Tax Surplus	-	-	-	-	-
Total	-	0	839	839	839

APPENDIX 3 – Schools Funding and Balances

	Reserves balance 31/03/19	Final Funding 2019/20	In year overspending	Reserves balance 31/03/20
School	£	£	£	£
Bassaleg school	287,615	7,081,240	(210,911)	76,705
Newport High	(45,927)	4,898,979	(202,073)	(248,000)
Caerleon Comprehensive	(736,609)	6,282,874	(563,391)	(1,300,000)
The John Frost School	132,839	5,915,461	4,	137,725
Llanwern High	28,467	4,495,473	(471,820)	(443,354)
Lliswerry High	(547,907)	4,204,688	(222,093)	(770,000)
St Josephs R.C. High	180,341	5,721,732	(149,564)	30,777
St Julians School	(5,495)	7,012,888	(269,505)	(275,000)
Ysgol Gyfun Gwent Is Coed	77,216	1,407,000	(41,051)	36,164
Total Secondary Schools	(629,461)	47,020,335	(2,125,522)	(2,754,982)
Alway Primary	75,420	1,459,819	(28,350)	47,070
Caerleon Lodge Hill	77,708	1,028,678	(51,105)	26,603
Charles Williams CIW	213,471	1,664,682	(110,959)	102,512
Clytha Primary	13,564	740,218	8,957	22,520
Crindau Primary	169,709	1,275,677	(78,725)	90,984
Eveswell Primary	239,228	1,487,398	(72,053)	167,174
Gaer Primary	135,308	1,500,854	(33,402)	101,906
Glan Llyn (sept 19)	0	496,305	22,645	22,645
Glan Usk Primary	12,432	1,964,345	9,044	21,475
Glasllwch Primary	62,351	723,092	(61,639)	711
High Cross Primary	(19,886)	857,692	(34,238)	(54,124)
Jubilee Park	58,759	857,396	(53,414)	5,346
Langstone Primary	107,041	1,026,905	(97,104)	9,937
Llanmartin Primary	39,477	714,035	(22,564)	16,913
Lliswerry Primary	106,366	1,978,760	51,662	158,028
Maesglas Primary	3,662	916,967	12,293	15,955
Maindee Primary	66,444	1,595,622	(54,308)	12,136
Malpas CIW Primary	109,276	1,058,087	(94,072)	15,204
Malpas Court Primary	110,510	1,124,636	(101,905)	8,604
Malpas Park Primary	19,332	775,247	(19,051)	281
Marshfield Primary	89,475	1,256,944	(76,227)	13,247
Millbrook Primary	121,722	950,676	(120,215)	1,507
Milton Primary	63,550	1,445,712	(12,328)	51,223
Monnow Primary	233,067	1,395,880	(92,567)	140,500
Mount Pleasant	2,263	793,272	2,661	4,923
Pentrepoeth Primary	52,693	1,339,257	25,489	78,181
Pillgwenlly Primary	143,263	2,021,646	(98,168)	45,095
Ringland Primary	73,200	998,030	(69,689)	3,511
Rogerstone Primary	91,153	1,907,246	(90,153)	1,000
Somerton Primary	83,358	665,975	(36,051)	47,308
St Andrews Primary	67,471	2,128,619	(54,096)	13,376
St Davids RC Primary	58,427	689,321	(48,431)	9,996
St Gabriels RC Primary	48,690	595,542	(36,379)	12,311
St Josephs RC Primary	47,488	644,601	(3,628)	43,860
St Julians Primary	206,343	2,036,348	(14,807)	191,537
St Marys RC Primary	57,891	1,182,995	(38,636)	19,255
St Michaels RC Primary	8,340	750,209	(5,532)	2,809
St Patricks RC Primary	51,372	661,453	(31,599)	19,772
St Woolos Primary	16,051	997,688	(45,674)	(29,624)
Tredegar Park primary	150,215	1,378,193	(102,969)	47,246
Ysgol Gym Bro Teynnon	135,193	694,780	(4,595)	130,597
Ysgol Gym Casnewydd	128,331	1,095,631	(61,980)	66,351
Ysgol Gym Iŵr Hael	137,855	627,898	(81,681)	56,174
Total Primary Schools	3,667,584	49,504,327	(1,905,546)	1,762,038
Fairoak Nursery	9,393	158,962	2,435	11,828
Kimberley Nursery	(6,522)	256,568	(41,155)	(47,676)
Total Nursery Schools	2,871	415,530	(38,720)	(35,849)
Maes Ebbw	25,565	3,144,779	(24,951)	614
Ysgol Bryn Derw	63,904	1,280,518	729	64,634
Total Special Schools	89,470	4,425,297	(24,222)	65,248
Assumed additional grant and other compensation				1,500,000
Total All Schools	3,130,464	101,365,490	(4,094,009)	536,455

APPENDIX 4 – Planned Movement in Reserves

Reserve	Balance at 31-Mar-19	Planned Movements in Year												Balance at 31-Mar-20
		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	(3,130)												2,594	(536)
														-
Earmarked Reserves:														-
Music Service	(127)													(127)
Pay Reserve	(1,418)													(1,418)
Insurance Reserve	(2,831)													(2,831)
MMI Insurance Reserve	(602)													(602)
Health & Safety	(16)													(16)
Education Achievement Service	(92)													(92)
Schools Redundancies	(845)													(845)
Friars Walk	(5,201)													(5,201)
European Funding I2A & CFW	(278)													(278)
Metro Bus	(9)													(9)
GEVS Redundancies	(78)													(78)
SUB TOTAL - RISK RESERVES	(11,497)	-	-	-	-	-	-	-	-	-	-	-	-	(11,497)
Capital Expenditure	(6,709)												1,749	(4,960)
Invest to Save	(11,099)												1,270	(9,829)
Super Connected Cities	(554)												128	(426)
Landfill (fines reserve)	(345)													(345)
Christmas Lights	(30)												30	-
School Reserve Other	(182)												182	-
School Works	(384)												15	(369)
Investment Reserve	(747)												724	(23)
Usable Capital Receipts	(8,295)												4,004	(4,291)
Streetscene Manager Support	(154)												144	(10)
SUB TOTAL - ENABLING RESERVES	(28,498)	-	-	-	-	-	-	-	-	-	-	-	8,246	(20,252)
STEP School Computers	(312)												312	0
Municipal Elections	(92)												(38)	(130)
Local Development Plan	(611)												(58)	(669)
Glan Usk PFI	(1,605)												(86)	(1,691)
Southern Distributor Road PFI	(43,881)												340	(43,541)
Loan modification technical reserve (IFRS 9)	(1,242)												72	(1,170)
Building Control	(132)												21	(111)
SUB TOTAL - SMOOTHING RESERVES	(47,875)	-	-	-	-	-	-	-	-	-	-	-	563	(47,312)

Reserve	Balance at 31-Mar-19	Planned Movements in Year												Balance at 31-Mar-20	
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
	£000														
Works of art	(21)														(21)
Theatre & Arts Centre	(232)														(232)
Cymorth Income	(33)														(33)
Blaen Y Pant	(8)												8		-
Homelessness Prevention	(38)														(38)
Environmental Health - Improve Air Quality	(49)														(49)
Refurbishment of a Children / Older People Homes	(113)							57					56		-
Apprenticeship Scheme	(51)												33		(18)
City Economic Development Reserve	(90)												90		-
Welsh Language Standards	(174)												50		(124)
Port Health	(13)												(5)		(18)
CRM	(431)												431		-
Events	(266)												80		(186)
MTFP Reserve	(1,762)												1,147		(615)
Development of Leisure Masterplan	(15)												15		-
Voluntary Sector Grants	(66)			17											(49)
Bus Wifi	(35)												18		(17)
NEW - SENCOM	(250)	250													-
NEW - Bus Subsidy	(40)												20		(20)
NEW - IT Development	(351)												351		-
NEW - Leisure Delivery Plan	(150)												150		-
NEW Chartist Tower	(950)												950		-
Joint Committee City Deal Reserve	(399)														(399)
SUB TOTAL - OTHER RESERVES	(5,537)	250	-	17	-	-	57	-	-	-	-	-	3,394	(1,819)	
RESERVES TOTAL	(103,037)	250	-	17	-	-	57	-	-	-	-	-	14,797	(87,916)	



Report

Cabinet

Part 1

Date: 17 July 2019

Subject **Capital Programme Outturn 2018/19**

Purpose This report provides the final outturn of capital expenditure for the 2018/19 financial year, and requests approval of budget carry forwards to fund slippage of expenditure into the new financial year. It also requests any additions to the 5-year capital programme since the report to February Cabinet.

Author Assistant Head of Finance

Ward All

Summary The report updates Cabinet on the final outturn position for capital programme schemes in 2018/19 and requests carry forward of budgets required as a result of slippage. The position shows an overall variance of £5,505k, this is broken down into slippage £4,709k and an underspend of £799k. It is requested that the slippage is moved from 2018/19 into the 2019/20 budget.

Included within the report are capital additions of £588k which is requested to be added into the overall 5-year programme, these are funded through a variety of borrowing, grants and section 106 monies. The overall 5-year programme is detailed in Appendix C. The additions are still within the affordability headroom for capital expenditure.

The report also updates Cabinet on the current position regarding capital receipts.

Proposal **To approve the additions to the Capital Programme requested in the report (Appendix C) and approve slippage from 2018/19 budget into 2019/20.**

To note the available remaining headroom over the life of the capital programme and the need to prioritise capital expenditure within this envelope to ensure the programme remains affordable.

To note the capital outturn position as at March 2019

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

Action by Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Heads of Service
- Accountancy teams for relevant service areas
- Relevant Service Area Project Managers

- NORSE Property Services

Signed

Background

The table below shows the updates of the Capital Programme since the original was approved as part of the budget report in February 2018. Since the last report, there has been an additional £14,712k added to the programme, taking the total 5-year programme to £173,995k (detailed in Appendix C). Additions to the programme to date have all been within the headroom available, which is detailed later in the report.

Report	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's
	Budget	Budget	Budget	Budget	Budget	
Original Programme	35,805	24,884	23,309	23,606	19,282	126,885
Outturn Report (29.05.2018)	48,877	24,884	23,309	11,606	19,282	127,958
Monitoring Report – July	50,629	29,163	27,192	6,810	18,110	131,904
Monitoring Report – Sept	34,417	35,540	27,192	18,810	18,110	134,069
Monitoring Report – Dec	34,383	56,788	28,892	20,110	19,110	159,283
This Report (Outturn)	30,265	67,341	33,281	25,435	17,673	173,995

Changes to the approved Capital Programme

The changes to the capital programme identified in this report have decreased the overall size of the current year programme since reported in the Monitoring and Additions Report in December by £4,118k. This includes additions of £588k in 2018/19, offset by slippage into 2019/20 of £4,176k and £530k into 2020/21. This additional slippage takes the total amount that has been slipped from 2018/19 during the year to £14,677k. These budget changes and their associated funding are listed in Appendix C and are requested to be approved by Cabinet, whilst Appendix A shows the capital outturn for 2018/19.

The additions to the programme are summarised in the paragraphs below.

Education

- 21st Century School Band B programme - Following work undertaken by Education and Newport Norse with a number of schools the profiled spend has been updated based on the latest expected schedule of work. This will potentially change as building works on the projects start and more detail on the schedule of works are known. Welsh Government have also approved the fixtures and fittings for Glan Llyn to come out of the Band B programme, rather than being funded entirely from our headroom.
- Schools maintenance Grant – Newport has received a grant of £1.829m from Welsh Government to undertake capital maintenance work on schools. A plan of works has been developed alongside Newport Norse and will commence in 2019/20.
- Reducing classroom size grant – Welsh Government have also approved a grant for £580k to be used at St Woolos Primary Schools for the creation of a dedicated kitchen and canteen facility, thereby freeing up a classroom which is currently being used as a kitchen / serving area.

Regeneration, Investment and Housing

- Neighbourhood Hubs – Following the tender of the contract the cost has increased by a further £480k than first anticipated. However, this additional cost is expected to be funded from additional grants.

- ENABLE Funding – Newport City Council have once again been awarded grant funding of £197k to support the disability grants budgets currently in the capital programme
- Mill Street / Newport Market – Cabinet have approved two loan facilities in principle, for the development of Mill Street sorting office into a hotel and office (£4m), and for the development of Newport Market (£4m).
- Chartist Tower – Grant funding and loan funding from Newport Council and Welsh Government has been approved, to support the redevelopment of Chartist Tower and to convert the building into a 154 bed four star hotel with plans to also include lower floor retail, leisure and office space. Newport Council's contribution is funded through earmarked reserves from the 2018/19 underspend.
- Flying Start – additional grants of £40k for capital maintenance has been awarded, alongside a childcare grant of £2.3m. This is funding to be used for a variety of projects, across two financial years and will potentially need to be reprofiled once the schemes have commenced.
- PAC System - £59k was approved to be spent on the replacement the out of date and failing PAC units with new units in the Civic Centre

Adults and Communities

- Substance Misuse Grant – At the end of the financial year Welsh Government gave three grants for the purposes of paying for 2 year leases in respect of three properties; the Junction, Cedar House (£37k), St Fagan's (£180k) and Penmaen House (£103k). All grants were spent in full by the end of the financial year.

City Services

- Newport Station Footbridge – within the capital programme taken to Cabinet in December an indicative grant figure of £2.5m for the footbridge from Devon Place to Queensway was included. This has now been reprofiled following the receipt of the award letter from Welsh Government.
- There have been a number of grants received from the Local Transport Network fund (£750k), Active Travel (£650k), and the Local Transport Fund (£1,135k – including £267k for the Devon Place footbridge scheme). These grants have been awarded to support a wide range of nine projects to promote safe and sustainable travel. The projects include developing safe routes for St David's School, to City Centre Sustainable transport, bus stop enhancements and development of footbridges.

Update on available headroom

The budget report set by Cabinet in February 2018 set out a framework to ensure the Council would maximise its capital expenditure while keeping within the current affordability envelope, "headroom", which would not cause additional pressure on the revenue budget to that currently set.

The headroom is impacted by capital expenditure that is not funded by external resources i.e. grants or cannot be funded through the revenue savings it achieves. The framework approved at Council agreed the following:

- Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and, maximising capital receipts
- Regeneration schemes would be funded from ring-fencing the capital expenditure reserve only and Joint Venture funds. Other kinds of support through making of loans etc. would then be considered to support schemes, where it was needed and appropriate.
- Any change and efficiency schemes or schemes which save money requiring capital expenditure would be funded by netting off the savings achieved

- Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

The table below gives the latest position on the available headroom as at March 2018/19 across the five-year programme.

The headroom as increased since the December monitoring report due, in the main, to the increased budget contributions from service areas and the underspend reported.

Capital Headroom to 2023/24	£'000	
Uncommitted Borrowing Headroom	9,814	Where capital cannot be funded from external sources (i.e. grants) or through the savings it makes, it will need to be funded by borrowing or capital receipts. This source of funding will reduce the headroom available.
Uncommitted Usable Capital Receipts*	2,361	
Forecast Capital Receipts**	500	
Uncommitted Headroom	12,675	
Uncommitted JV Receipts	1,246	As per framework available JV receipts and the capital expenditure reserve will be earmarked for regeneration schemes.
Uncommitted Capital Expenditure Reserve	4,959	
Available for Regeneration schemes	6,205	
Total Available	18,881	

*Usable Capital Receipts only include the amount that has actually been received by the authority through disposals.

** The forecast for future capital receipts only includes ones where there is a high level of certainty that they will be achieved in the year. The above headroom does not include any receipts gained through selling vehicles; this work is currently being undertaken.

Any decision to add projects to the programme must be aware of the impact that it will have on the headroom until 2023/24. As the table shows above, there is £12,675 available headroom that has not been earmarked for other purposes. Over the remaining life of the programme this is a very challenging amount. Therefore, when making decisions on capital expenditure, officers and Cabinet need to be mindful of the available headroom and the affordability of the programme, and will need to prioritise expenditure accordingly. Any expenditure over the value of the headroom will cause a pressure on the revenue medium term financial plan. A capital strategy has been approved, which outlines the long-term challenge the Council faces in regards to capital expenditure, by Full Council alongside the Treasury Strategy 2019/20 at February Council.

Capital Expenditure Outturn for 2018/19

It is against the final 2018/19 budget of £34,971k that outturn is compared within this report. The final outturn for 2018/19 is summarised, along with carry forward requests for slippage, in Appendix A.

Final Budget 2018/19 £000's	2018/19 Actual £000's	Variance £000's
34,971	29,466	(5,505)

- The capital expenditure outturn for 2018/19 was an underspend variance against budget of £5,504k. This includes an additional £4,706k of projects that have slipped on delivery and therefore is requested to be carried forward into 2019/20 to complete the schemes from what was reported in December. Overall there is a true underspend of £799k on projects that have completed.
- It should be noted that the slippage for this financial year is again significant, £14.6m in total for the whole financial year. It is vital that budget holders forecast their outturn accurately. Project managers will be expected and are obliged to continue to control their schemes robustly and monitor them closely to ensure accurate forecasting. Failure to do so has a detrimental impact on the Council's medium term capital planning.

- The table below shows the final approved capital programme allocations per service area, compared to the final outturn to show the variance position for each, split between slippage and under/ over spend:

Service Area	Final Budget 2018/19	Outturn	Slippage	(Under)/Over Spend
	£000's	£000's	£000's	£000's
Education	10,608	10,031	(294)	(283)
Regeneration, Investment & Housing	10,761	9,788	(592)	(381)
People & Business Change	794	475	(319)	0
Adult & Community Services	638	608	(24)	(6)
Children & Young People Services	1,831	1,247	(549)	(35)
City Services	10,339	7,317	(2,928)	(94)
TOTAL	34,971	29,466	(4,706)	(799)

Update on Headline / High Value Schemes

Education

- Education have identified slippage of £294k which is largely due to the Education Asset improvement schemes which are being undertaken across a number of schools. The majority of the agreed projects within this scheme have been completed with £114k slippage requested to be moved into 2019/20 programme. Across both 21st Century schools Band A and Band B programmes there is further slippage of £63k across the identified schemes.
- Newport Norse and the Education Department have been working closely together in order to robustly plan the 21st Century Schools Band B. Four schools were identified as projects to commence in 2018/19.
 - Ysgol Gyfun Gwent Is Coed – Welsh Government have now approved the SOC / OBC and the project has now started on the design phase. Representatives from the school will be present at every design meeting which have now commenced.
 - Bassaleg School – Education and Newport Norse have been working together to consider high level options, these are still being developed and meetings will be scheduled with the school to further develop the options by confirming detailed requirements for the school. The cost plan will be reviewed as the work progresses.
 - Caerleon Comprehensive School - Again, high-level options are being considered and early meetings have been held with the school to discuss requirements.
 - Whiteheads Primary Site - The statutory consultation is due to be launched in July 2019 for the consideration of the development site hosting an expanded Pillgwenlly Primary School while the existing building used by Pillgwenlly Primary School is proposed to host a new Two Form Entry Welsh-medium Primary School.
- Glan Llyn - The school is now complete, except for minor landscaping works, Newport City Council is now awaiting handover which should be imminent.
- Newport Norse are also developing the Band B projects from Maindee Primary, Rogerstone Primary & Maesglas Primary School. This will provide early indications concerning options and costs that

could support a budget review for each project should priority projects exceed the indicative budget allocated to individual projects.

Regeneration, Investment and Housing

- Gypsy/ Traveller Site Development – The site has now been handed over and the remaining budget of £57k is requested to be slipped into 19/20 to cover remaining archaeology fees and other minor works.
- The Renovation Grants budget - Disabled Facilities Grants final outturn was £898k and Safety at Home was £364k. The expected slippage again reduced from the December report by £151k due to additional increases in the number of expected applications. The DFG budget was enhanced again by the ENABLE Support for Independent Living grant (£197k) awarded by Welsh Government and was fully spent by the end of 18/19.
- The asset maintenance programme final outturn has further slippage of £233k into 2019/20. This is due to it being looked at as a two-year programme by Norse, and the size and complexity of the projects means the weighting of the spend is shifted towards 2019/20.
- The redevelopment of 123-129 Commercial Street continues on programme. The completed scheme will be named Liberty Gardens. The next phase will start in 2019/20 which will see the external facades of the now completed structural shell installed.
- Market Arcade - HLF have agreed to a partial 'permission to start' in light of ongoing complexities with the scheme as a result of the disparate ownerships involved. Newport City Council can proceed with technical development and tender the scheme in order that all stakeholder have clarity over costs before committing to the full refurbishment. This has effectively introduced a third stage to the project which allows some ability to reclaim abortive costs incurred in reaching this stage, which largely relate to professional fees. The Tender process is ongoing with a deadline for submission of 9th July 2019. Assuming sufficient owner participation and HLF permission to commence construction, the project anticipates being on site in September 2019.
- City deal is progressing as per the Joint working agreement with the second contribution of £1.2m towards the IQE project made in 2018/19. This was after slippage of £530k was requested to be slipped two years into 2020/21 following the request from the Cardiff Capital Region City Deal.
- Civic Centre relocation – The majority of the works have now been finalised, £150k is requested to be slipped into 2019/20 to complete any outstanding works and the budget is now underspent by £332k due to the scope of the works undertaken being reduced from the initial business case submitted.
- Neighbourhood hubs – The Ringland pilot has had TRI funding of £600k approved in February panel and work commenced with the contractors in March 19. The work is progressing and due to be completed in August 19.
- Transporter Bridge - HLF have given permission to start on development stage. A new project co-ordinator has been appointed and consultants have been also employed to develop the interpretation plan. Whilst some small slippage of £27k is requested, the programme is currently on target despite some delays with HLF confirming funding.

People and Business Change

- Overall, the amount of slippage requested in this service area totals £319k, the majority of which relates to the CRM project. The project progressing as planned and in the main the slippage is in relation to contingency budgets that were built in and will be used later on in the project.

Children's and Young People Services

- New Children's homes – One out of the planned three properties have now been purchased. Another potential property has also been identified where feasibility works are being undertaken. Whilst confirmation was received from ICF for funding to purchase one of the properties, formal approval wasn't received until late March 2019 requiring additional slippage of £514k into 2019/20. A bid has also been submitted to ICF to enable the purchase of the third home.

City Services

- Fleet Replacement Programme – Detailed work has been undertaken to understand the total requirement for the Fleet replacement, and whilst this may change slightly as demands change, such as moving more towards the use of electric vehicles, all known requirements have been included. Due to the lead time of vehicles needed to be purchased, significant slippage of £1.4m is requested into 2019/20.
- Decriminalised Parking – The Council will be taking over Civil Parking Enforcement from July 2019. A significant amount of slippage is requested, but the project is on track. The line work is mainly complete, although due to the weather this has taken longer than expected and what was originally built into the project timetable. There are also areas which will have to be revisited due to parked cars or quality issues. This has in turn had an effect on the signs work that is required. However, the majority of the work is anticipated to be completed by July 2019.
- Streetlighting LEDs – Due to delays in being able to award the contract, testing requirements and the wait to get specialist contractors on site to carry out the testing as well as bad weather, the scheme was behind schedule. However, the contract was awarded at the beginning of January and orders for the LED's have now been placed for phases one to three. Installation started in March and the scheme is expected to be completed in December 2019.

Update on Capital Receipts

The table below shows the latest position in regards to capital receipts. Capital Receipts of £2,338k were received in 2018/19. The table below also shows capital receipts held for Newport Unlimited, which are attributable to the previous joint arrangement between Newport City Council and Welsh Government. As previously reported to Cabinet, these funds are earmarked for city centre regeneration.

Asset Disposed	Receipts Received in Year	Receipts Utilised in Year	Total Available Receipts 2018/19
	£		£
GENERAL CAPITAL RECEIPTS			
Balance b/f from 2017/18			7,251,703
Clevedon Road	122,000		122,000
Ebeneezer Terrace	26,000		26,000
Hillcrest Farm	21,500		21,500
Land at Willenhall Street	60,000		60,000
Land at Usk Way	15,115		15,115
Land at Herbert Road	70,000		70,000
Land at former Pillmawr Road Depot	88,000		88,000
Land at Ringland Circle	250,000		250,000
Malpas Depot	132,000		132,000
Cleppa Park	1,496,314		1,496,314
Vehicle Disposals	50,322		50,322
Miscellaneous Receipts	6,803		6,803
21 st Century Schools		(3,136,233)	(3,136,233)
Total Committed – 21st Century Schools			(358,054)
Total Committed – Fleet Replacement Programme			(3,734,200)
Total Amount Uncommitted			2,361,270
NEWPORT UNLIMITED			
Balance b/f from 2017/18			1,745,875
Total Committed from JV monies			(500,000)
Total Amount Uncommitted			1,245,875
TOTAL NCC RECEIPTS (Uncommitted)			3,607,145

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Overspend against approved budget	M	L	Regular monitoring and reporting of expenditure in accordance with the timetables set by Cabinet/Council should identify any issues at an early stage and allow for planned slippage of spend.	Corporate Directors / Heads of Service / Head of Finance
Programme growing due to	M	M	Good capital monitoring procedures and effective management of the programme	Corporate Directors / Heads of

unforeseen events			should identify issues and allow for plans to defer expenditure to accommodate urgent works. Priority asset management issues are now being dealt with through a specific programme allocation.	Service / Head of Finance
-------------------	--	--	---	---------------------------

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The programme supports a large number of the Council’s aims and objectives

Options Available and considered

- To approve the changes to the Capital Programme and note the outturn position as set out in the report, including the use of capital receipts.
- To note the current available headroom and prioritise future capital expenditure in order to maintain spend within the current affordability envelope.
- The Cabinet has the option not to put forward some or all of the changes to the Capital Programme set out in the report.

Preferred Option and Why

- To approve the changes to the Capital Programme and note the outturn position as set out in the report, including the use of capital receipts.
- Agree to prioritise capital expenditure to maintain spend within current affordability envelope.

Comments of Chief Financial Officer

All financial issues are contained within the body of the report. It will be necessary to review and where necessary re-profile the new capital programme beginning 2018/19 given the significant slippage incurred but the investment in time/resources on the planning of the Band B school programme in this current financial year should bear fruit in terms of delivery thereafter.

Comments of Monitoring Officer

There are no legal issues arising from this report.

Comments of Head of People and Business Change

There are no direct HR implications associated with the report. Budget carry overs and additions will need to continue be considerate of the requirements of the Well-being of Future Generations Act

Comments of Cabinet Member

N/A

Local issues

As the report deals with the Capital Programme for the Authority as a whole, there are no local issues.

Scrutiny Committees

N/A

Equalities Impact Assessment and the Equalities Act 2010

N/A

Children and Families (Wales) Measure

N/A

Wellbeing of Future Generations (Wales) Act 2015

An effective capital programme enables the Council to support long term planning in line with the sustainable development principle of the Act.

Consultation

N/A

Background Papers

2018/19 Budget & Medium Term Financial Plan – February 2018

Capital Programme Outturn 2017/18 – June 2018

Monitoring and Additions Report – July 2018

Monitoring and Additions Report – September 2018

Monitoring and Additions Report – December 2018

Capital Strategy and Treasury Strategy - February 2019

Dated: 17th June 2019

APPENDIX A – Capital Programme Outturn 2018/19

SCHEME	BUDGET 2018/19	OUTTURN 2018/19	TOTAL VARIANCE	SLIPPAGE	(UNDER)/ OVER SPEND	COMMENT
EDUCATION						
21C Schools - School Reorganisation - Lodge Hill New Build	3,696	4,198	502	502	0	Scheme complete, some minor works outstanding in 2019/20
21C Schools - Ysgol Gyfun Gwent Is Coed / John Frost School	1,958	1,346	(612)	(612)	0	School is now operational, underspend to be utilised on other areas of John Frost buildings per approval.
21st Century Schools - Special Sector Maes Ebbw	2,760	2,502	(258)	(151)	(107)	Scheme progressing as planned
Gaer Flooring	40	0	(40)	(40)	0	Health and Safety works to be done on flooring - slipped in 19/20
Iscoed Secondary - Band B	75	84	9	9	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Bassaleg Secondary - Band B	105	230	125	125	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Caerleon Secondary Band B	100	152	52	52	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Whiteheads Primary - Band B	110	162	52	52	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
St Woolos Primary B	8	8	0	0	0	Surveys and Feasibility works to begin this financial year. Band B to commence 19/20
Jubilee Park Primary FF&E	87	13	(74)	0	(74)	Scheme complete
Glan Llyn FF&E Works	50	38	(12)	(12)	0	Small budget this financial Year as school opening delayed until Sept 19.
St Gabriels RC Primary IT Replacement	10	0	(10)	0	(10)	Funded by school

Pentrepoeth IT	7	0	(7)	(7)	0	Funded by school
John Frost School ICT Hardware Investment	52	0	(52)	0	(52)	Scheme came in under quote so no spend expected
Blaen-y-Pant Bungalow (Educational Use)	60	52	(8)	(8)	0	Majority of scheme complete - some minor works to be complete
St Mary's Toilet Refurbishment.	15	0	(15)	(15)	0	Slippage from 17/18 - scheme now expected to start in 2019/20
Somerton Primary - ICT Equipment	12	11	(1)	(1)	0	Scheme complete
Feminine hygiene hardware & toilet facilities	34	34	0	0	0	Scheme complete
Llswerry High (S106 Funds)	105	110	5	5	0	Scheme complete
Llswerry High (IT Replacement Programme)	54	53	(1)	0	(1)	Scheme complete
Reducing Classroom Size - Maesglas	50	0	(50)	(50)	0	Scheme to commence in 2019/20
Llanmartin Primary ICT	10	10	0	0	0	Scheme complete
Malpas Park Primary	11	11	0	0	0	Scheme complete
School Asset Improvements	1,199	1,055	(144)	(144)	0	Projects expected to be finished in 2019/20
Prior Year Scheme Accruals	0	(38)	(38)	0	(38)	Prior year accruals
Subtotal Education	10,608	10,031	(577)	(294)	(283)	
REGENERATION, INVESTMENT & HOUSING						
Gypsy/ Traveller Site Development	2,936	2,993	57	57	0	Scheme now complete, some archaeology fees outstanding
HLF Market Arcade Townscape Heritage Scheme	37	39	2	3	0	Scheme progressing to be completed shortly
Indoor Market Facilities Improvements	0	(2)	(2)		(2)	No longer required due to change in Market circumstances
Civic Centre / Info Station Service Relocations	598	116	(482)	(151)	(331)	Scheme progressing, due to be finalised in 2019/20
Info Station NSA Enabling	575	536	(39)	0	(39)	Scheme complete
123-129 Commercial Street (Pobol Regen)	623	623	(0)	(0)	0	Scheme progressing
City Deal	1,738	1,208	(530)	(530)	0	Scheme progressing - slippage in 2020/21 requested

Neighbourhood hubs	404	915	511	511	0	Scheme progressing - contractor appointed in March
Arva Investment Loan	750	385	(365)	(365)	0	Scheme progressing - second payment to be made in 2019/20
Disabled Facilities	765	898	133	133	0	Higher level of applications than anticipated in December - reduction in slippage into 2019/20
Safety at Home	346	364	18	18		Higher level of applications than anticipated in December - reduction in slippage into 2019/20
ENABLE Adaptations Grant	197	197	0	0	0	Scheme complete full spend.
Homelessness Grant	98	98	0	0	0	Scheme complete full spend.
Asset Management	1,300	1,066	(234)	(234)	0	Scheme progressing but slippage expected due to rolling two year programme
FS Maintenance 1819	30	31	1	0	1	Scheme complete full spend.
FS Shaftsbury Community Centre	185	183	(2)	0	(2)	Scheme complete full spend.
Central Library Structural Safety Works	80	72	(8)	(8)	0	Additional spend has been identified in connection with Toilets and Children's Library
Transporter Bridge	100	72	(28)	(28)		Permission to start granted surveys and feasibility works to begin.
Prior Year Scheme Accruals		(7)	(7)	0	(7)	Outstanding accruals
Subtotal Regeneration, Investment & Housing	10,762	9,788	(974)	(592)	(381)	
			0			
PEOPLE & BUSINESS CHANGE						
IT System & Equipment replacement	110	94	(16)	(16)	0	Delayed, slippage into 19/20
Corporate EDMS Roll Out	13	0	(13)	(13)	0	Delayed, slippage into 19/20
CRM	461	250	(211)	(211)	0	Scheme progressing as planned
Replacement of High Volume Printing/Copying Machines	210	131	(79)	(79)	0	3 year lease @ £70k per annum.
Subtotal People & Business Change	794	475	(319)	(319)	0	

ADULT & COMMUNITY SERVICES						
Telecare Service Equipment	121	97	(24)	(24)	0	Change in supplier has delayed the service causing slippage, ICF regional bid approved
Appliance/Equipment for Disabled	165	165	0	0	0	Scheme complete
Home Care System	32	32	0	0	0	Scheme complete
ICF Centrica Lodge Improvements	0	(6)	(6)	0	(6)	Scheme completed 17/18 supps only
SMAPF	320	320	0	0	0	Scheme complete
Subtotal Adult & Community Services	638	608	(30)	(24)	(6)	
CHILDREN & YOUNG PEOPLE SERVICES						
3 New Homes	1,250	701	(549)	(514)	(35)	One home purchased, second home purchased in the beginning of 2019/20 with a third property identified
Oaklands Respite Home	540	505	(35)	(35)	0	Scheme complete
Windmill Farm Feasibility Study	41	41	0	0	0	Scheme complete
	1,831	1,247	(584)	(549)	(35)	
CITY SERVICES						
Fleet Replacement Programme	1,800	797	(1,003)	(1,003)	0	Annual allocation, slippage due to lead times on vehicles
Bus station - Friars Walk Development	103	29	(74)	(74)		Final infrastructure works to be completed in 19/20
Flood Risk Regulation Grant	91	24	(67)	(67)		Scheme progressing - approval from WG received for slippage into 2019/20
Cemetery Infrastructure Improvements	138	16	(122)	(122)	0	Scheme ongoing.
Peterstone Sewage Scheme	25	1	(24)	(24)	0	Scheme currently being developed further, additional budget likely to be required.
Road Safety Capital 2018/19	703	0	(703)	(703)	0	Grant received late in the financial year - approval to carry forward into 19/20
Composting	665	566	(99)	(11)	(88)	Scheme complete

Docksway Cell 4 Development	1,501	1,555	54	54	0	Scheme progressing
Smaller Bins - MTRP BC	122	70	(52)	(52)	0	Scheme progressing
Newport Station Footbridge LTF	77	77	0	0	0	Scheme complete
Decriminalised Parking	577	232	(345)	(345)	0	Scheme progressing as planned
Update Facilities in Parks	56	18	(38)	(38)	0	Scheme due to progress in 2019/20
Decommissioning of Cemetery Office & Toilets	10	11	1	0	1	Scheme complete
Building Improvements to Lodges	80	14	(66)	(66)	0	Scheme due to progress in 2019/20
Small Scale Works Grant	34	34	(0)	(0)	0	Scheme complete
Road Refurbishment Grant Scheme	1,039	932	(110)	(110)	0	Scheme progressing, due to complete in 2019/20
Street lighting LEDs	635	564	(71)	(71)	0	Scheme progressing as planned
Local Transport Fund - Active Travel Northern 2018/19	270	290	20	0	20	Scheme complete
Local Transport Fund - Active Travel Design 2018/19	243	240	(3)	0	(3)	Scheme complete
LTFN - ECO Stars	55	41	(14)	0	(14)	Scheme complete
Safe Routes - St David's RC Primary	84	84	0	0	0	Scheme complete
Gwastad Mawr Flood Attenuation Improvement Works	43	2	(41)	(41)	0	Final infrastructure works to be completed in 19/20
18-19 Collection Collaborative Change Programme	1,175	1,175	0	0	0	Scheme complete
LTF Monkey Island Bridge Lliswerry Pill	30	30	0	0	0	Scheme complete
LTF Sustainable Transport	25	25	0	0	0	Scheme complete
Riverside Park	20	20	0	0	0	Scheme complete
Pye Corner Railway Station Development Works	21	21	0	0	0	Scheme complete
Road Safety and Training 18/19	535	455	(80)	(80)	0	Annual allocation 19/20
Lliswerry Recreation Ground Changing Rooms	181	4	(177)	(177)	0	Scheme ongoing.
Prior Year Scheme Accruals	0	(10)	(10)	0	(10)	Prior year retentions accruals
City Services	10,338	7,317	(3,022)	(2,928)	(94)	
TOTAL COST OF PROGRAMME	34,971	29,466	(5,505)	(4,706)	(799)	

APPENDIX B – Changes to the Approved 2018/19 Capital Programme

SCHEME	CAPITAL BUDGET											
	2018/19 Budget at Council	July Monitoring (September Cabinet)		September Monitoring (November Cabinet)		December Monitoring (February Cabinet)		March Outturn		Adjusted 2018/19	Total Slippage	Under / Overspend
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
		Additions	Slippage	Additions	Slippage	Additions	Slippage	Additions	Slippage			
EDUCATION												
21C Schools - School Reorganisation - Lodge Hill New Build	4,351				(655)				503	4,199	(152)	
21C Schools - Ysgol Gyfun Gwent Is Coed / John Frost School	1,958								(612)	1,346	(612)	
21C Schools - Special Sector Maes Ebbw	3,178			(40)	(378)				(151)	2,609	(529)	(107)
Gaer Unit Floor				40					(40)	0	(40)	
Iscoed Secondary Band B	554				(37)		(442)		9	84	(470)	
Bassaleg Secondary Band B	703				72		(670)		125	230	(473)	
Caerleon Secondary Band B	0						100		52	152	152	
Whiteheads Primary Band B	285				(47)		(128)		52	162	(123)	
Maesglas Primary - Band B										0	0	
St Woolos Primary - Band B				8						8	0	
21st Century Schools - Band B		100		(8)			(92)			0	(92)	
Jubilee Park Primary FF&E	87									87	0	(74)
Glan Llyn FF&E Works	615				(515)		(50)		(12)	38	(577)	
St Gabriels RC Primary IT Replacement	10									10	0	(10)
Pentrepoeth - IT Replacement	7								(7)	0	(7)	

John Frost School ICT Hardware Investment	52								52	0	(52)	
Blaen-y-Pant Bungalow (Educational Use)	60							(8)	52	(8)		
St Mary's Toilet Refurbishment	15							(15)	0	(15)		
Somerton Primary - ICT Equipment	12								12	0	(1)	
Feminine hygiene hardware & toilet facilities	34								34	0		
Llisbury High (106 Funds)		172				(67)		5	110	(62)		
Llisbury High (IT Replacement Programme)				54					54	0	(1)	
Reducing Classroom Size - Maesglas		521				(471)		(50)	0	(521)		
School Asset Improvements	890	21		288	(274)	274		(145)	1,054	(145)		
Llanmartin Primary IT							10		10	0		
Malpas Park Primary IT							11		11	0		
For Scheme Accruals									0	0	(37)	
Total Education	12,811	814	0	342	(1,834)	0	(1,546)	21	(294)	10,314	(3,674)	(282)
REGENERATION, INVESTMENT & HOUSING												
Gypsy Traveller Site Development	2,736	400			(200)			57	2,993	(143)		
HLF Market Arcade Townscape Heritage Scheme	562	(368)			(115)	(42)		2	39	(155)		
Indoor Market Facilities Improvements	48	(48)							0		(2)	
Civic Centre / Info Station Service Relocations	694					(96)		(150)	448	(246)	(332)	
Info Station NSA Enabling	479					96			575	96	(39)	
123 - 129 Commercial Street (Pobol Regen)	1,692	(446)				(623)			623	(623)		
City Deal	1,738							(530)	1,208	(530)		
Mill Street Development	12,000			(12,000)					0	0		
Neighbourhood hubs	0			842		(438)		511	915	73		
Arva Investment Loan	0					750		(365)	385	(365)		

Disabled Facilities	1,200				(450)		15		133	898	(302)	
Safety at Home	300						46		18	364	64	
ENABLE Adaptations Grant		197								197	0	
Homelessness Grant	98									98	0	
Asset Management	1,901	48			(594)		(56)		(234)	1,065	(884)	
Flying Start Schemes	20	(20)								0	0	
FS Maintenance 1819		30								30	0	1
FS Shaftsbury Community Centre		185								185	0	
Central Library Structural Safety Works	663				(563)		(20)		(8)	72	(591)	
Transporter Bridge		250					(150)		(27)	73	(177)	
Prior Scheme Accruals										0	0	(7)
Total R I & H	24,131	228		(11,158)	(1,922)	750	(1,268)	0	(595)	10,164	(3,787)	(381)
PEOPLE & BUSINESS CHANGE												
IT Replacement Schemes	317				(117)		(90)		(16)	94	(223)	
Corporate EDMS Rollout	13								(13)	0	(13)	
CRM						461			(211)	250	(211)	
Replacement of High Volume Printing/ Copying Machines	210								(79)	131	(79)	
Total P & BC	540	0	0	0	(117)	461	(90)	0	(319)	475	(526)	0
ADULT & COMMUNITY SERVICES												
Telecare Service Equipment	30							91	(24)	97	(24)	
Appliances/Equipment for Disabled	165									165	0	
Home Care System								32		32	0	
SMAPF								320		320	0	
Prior Scheme Accruals										0	0	(6)
Total A & CS	195	0	0	0	0	0	0	443	(24)	614	(24)	(6)

CHILDREN & YOUNG PEOPLE SERVICES												
3 New Homes	1,500	0			(900)	650			(514)	736	(1,414)	(35)
Oaklands Respite Home		35				505			(35)	505	(35)	
Windmill farm Feasibility						41				41	0	
Total C & YP	1,500	35	0	0	(900)	1,196	0	0	(549)	1,282	(1,449)	(35)
CITY SERVICES												
Fleet Replacement Programme	1,033	1,225			(458)				(1,003)	797	(1,461)	
Bus station - Friars Walk Development				103					(74)	29	(74)	
Flood Risk Regulation Grant		91							(67)	24	(67)	
Local Transport Fund - Active Travel 2017/18										0	0	
Cemetery Infrastructure Improvements	138								(122)	16	(122)	
Peterstone Sewage Scheme	223						(198)		(25)	0	(223)	
Road Safety Capital 2018/19	0					600		103	(703)	0	(703)	
Composting	665								(10)	655	(10)	(88)
Docksway Cell 4 Development	1,301						200		53	1,554	253	
Smaller Bins MTRP BC	0					122			(52)	70	(52)	
Newport Station Footbridge LTF	0					77				77	0	
Decriminalised Parking	1,386				(86)		(723)		(345)	232	(1,154)	
Update Facilities in Parks		56							(38)	18	(38)	
Decommissioning of Cemetery Office & Toilets	20	(10)								10	0	1
Building Improvements to Lodges		80							(66)	14	(66)	
Small Scale Works Grant		34								34	0	
Road Refurbishment Grant Scheme	1,038								(107)	931	(107)	
Street Lighting LEDs	3,158	(1,658)					(865)		(71)	564	(936)	

Local Transport Fund - Active Travel Northern 2018/19		270								270	0	20
Local Transport Fund - Active Travel Design 2018/19		243								243	0	(3)
LTNF - ECO Stars		55								55	0	(13)
Safe Routes - St David's RC Primary		84								84	0	
Gwastad Mawr Flood Attenuation Improvement Works		43						(41)		2	(41)	
18-19 Collection Collaborative Change Programme	0					1,175				1,175	0	
LTF Monkey Island Bridge Lliswerry Pill	0					30				30	0	(1)
LTF Sustainable Transport	0					25				25	0	
Pye Corner Development Works	21				(21)		21			21	0	
Riverside Park								20		20	0	
Highways Annual Sums	536								(81)	455	(81)	
Diswerry Recreation Ground Changing Rooms	181	162			(161)				(176)	6	(337)	
Prior Year Schemes										0	0	(11)
Total City Services	9,700	675	0	103	(726)	2,029	(1,565)	123	(2,928)	7,411	(5,219)	(95)
TOTAL EXPENDITURE	48,877	1,752		(10,713)	(5,499)	4,436	(4,469)	587	(4,706)	30,265	(14,675)	(799)

Appendix C – Additions to the Capital Programme

Report / Scheme Change	Funding Source	Service Area	18/19 Budget Change (£000's)	19/20 Budget Change (£000's)	20/21 Budget Change (£000's)	21/22 Budget Change (£000's)	22/23 Budget Change (£000's)	Total Budget Change (£000's)
2018/19 budget - December monitoring report to Cabinet			34,383	56,788	28,892	20,110	19,110	159,283
Reprofile of Band B	Grant / Borrowing	Education		-8,583	694	9,325	-1,437	-1
Caerleon and Bassaleg Contribution	Reserves	Education		62				62
Glan Usk Fixtures and Fittings (now included in Band B)	Grant / Borrowing	Education		-25				-565
Reducing Infant Class Size Grant	Grant	Education		580				580
Llanmartin Primary ICT	Borrowing but repaid by SA	Education	10					10
Malpas Park Primary	Borrowing but repaid by SA	Education	11					11
Education Capital Maintenance Grant	Grant	Education		1,829				1,829
Bassaleg 106 monies	S106	Education		205				205
Neighbourhood hubs (increasing budget)	Grant	RIH		480				480
Newport Market	Borrowing	RIH		4,000		-4,000		0
Mill Street	Borrowing	RIH		4,000				4,000
Childcare Grant - Flying Start	Grant	RIH		1,517	890			2,407
Chartist Tower	Grant / Reserves	RIH		1,600				1,600
PAC Capital Bid	Borrowing	RIH		59				59
Flying Start Maintenance	Grant	RIH		40				40
ENABLE	Grant	RIH		197				197
SMAPF	Grant	Adult Services	37					37
SMAPF - ST Fagan's	Grant	Adult Services	180					180
SMAPF - Penmaen house	Grant	Adult Services	103					103
Telecare	Other Contributions (Torfaen)	Adult Services	91					91
Homecare System	Other Contributions (Torfaen)	Adult Services	32					32

Bus Station	Grant	City Services		14				14
Road Refurbishment Grant (additional grant to estimate)	Grant	City Services	104					104
Riverside Park	S106	City Services	20					20
Newport Station Footbridge	Grant	City Services		-2,233	2,275			42
CCTV	Borrowing	City Services		45				45
Tredegar Car Park	Reserves	City Services		12				12
Road Safety Grant	Grant	City Services		105				105
Fourteen Locks	Grant	City Services		310				310
LTNF - ECO Stars	Grant	City Services		50				50
Safe Routes - St Davids RC Primary	Grant	City Services		205				205
LTF Monkey Island Bridge Lliswerry Pill	Grant	City Services		168				168
LTF Sustainable Transport	Grant	City Services		300				300
Bus Stop Enhancements	Grant	City Services		400				400
Core ATF Allocation	Grant	City Services		340				340
Inner City Links	Grant	City Services		700				700
Slippage			-4,706	4,176	530			0
Updated Programme			30,265	67,341	33,281	25,435	17,673	173,995



Report

Cabinet

Part 1

Date: 17 July 2019

Subject Commercial Property Investment Guidelines

Purpose In line with previous decisions on the establishment of a Commercial Property Investment fund, to recommend and approve the 'investment guidelines' for use by the Investment Board when reviewing and selecting potential acquisitions.

Author Head of Finance

Ward All

Summary Cabinet approved an approach to commercialisation in their March 2019 Cabinet, which included, amongst other things, the establishment of a £50m Commercial Property Fund. This would be invested and net returns, after costs, would contribute towards the solution to the Council's on-going financial challenge. Council approved the approach within the Capital Strategy and the necessary borrowing headroom in their April meeting.

An investment Board, a sub-group of the Cabinet, is being set up to make decisions on the investment opportunities and this report recommends the 'investment guidelines' which they would use when reviewing and recommending investments from this fund.

Proposal (1) To review and comment on the 'investment guidance' at the end of this report
(2) To approve the guidance for use by the 'Investment Panel' when reviewing and recommending property investment opportunities

Action by Head of Finance – distribute to Investment Board Members and officer advisory group

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive
- Strategic Directors
- Head of Legal and regulatory services
- Newport NORSE

Signed

Background

Establishment of the Council Commercial Property Fund

As the Council faces on-going financial challenges, the Cabinet considered a commercialisation strategy in their March 2019 meeting. Growing external income as one approach to closing the medium term forecasted funding gap was agreed. Amongst other aspects to this, the Cabinet agreed to the creation of a 'Commercial Property Fund' of £50m which would be used to invest in commercial property and generate a net financial return, after borrowing and other associated costs. Subsequent to that, in April, the full Council agreed the approach in the Council's Capital Strategy and authorised the necessary borrowing headroom to make available the £50m.

Cabinet agreed that investment decisions would be delegated to an 'Investment Panel', a sub-group of Cabinet. The panel would be supported by officers and Newport NORSE and, where required, external advisers.

In line with good governance and to manage the risk in undertaking this activity, Cabinet also agreed that an 'investment criteria' should be established to guide the Board in their review of potential investment and opportunities.

Investment Criteria

The draft 'Investment Criteria' is appended to this report and the Cabinet is asked to review this and adopt / make changes as appropriate.

The criteria stipulates two 'must do/have' criteria, as follows:

- Diversification criteria – set's maximum amount of the fund that should be invested in different property sectors
- All investments should make a positive net financial return, after relevant costs

Beyond these, the criteria is a guide to enable comparison of different opportunities and to build a strong, secure range of investments which provides acceptable financial returns to the Council, as the fund was set up to achieve.

The criteria will not mean that this activity is 'risk-free' and stop 'losses' as there is inherent risk in this activity but should provide a good framework for the panel to assess opportunities and make decisions from a considered position. It will contribute towards the well managed review of opportunities and inherent risks and therefore good governance.

Applicability

The guidance is for use when reviewing/assessing property opportunities to be funded from the Commercial Property Fund. This investment type is one of three in terms of the different investment activities in the Council's Capital Strategy:

- (1) Treasury Investments - those investments which arise from the organisation's cash flows and debt management activity, and ultimately represent balances which need to be invested until the cash is required for use in the course of business. This is managed through the Treasury Management Strategy
- (2) Operational (Service) Investments – those investments held clearly and explicitly in the course of the provision, and for the purposes, of operational services, including regeneration.
- (3) Commercial Investments – investments primarily taken for financial reasons with aim of making a financial surplus for the Council, which could include investment properties as well

as other activities such as shares in subsidiary companies etc. Activities guided by the investment guidance here fall into this category.

There is a degree of overlap between operational and commercial investment types in that operational investments could sometimes generate a financial return or that commercial investment include a regeneration benefit. The differentiation mainly comes down to what is the primary reason for the investment. The draft 'Investment guidance' recognises this and the investment criteria recommended includes the ability of the commercial investment to benefit the local economy/create jobs, with the primary reason to generate a financial return to the Council.

Financial Summary

The primary reason for the Commercial Property Fund is to make a financial return to the Council. There is no budget target currently included in the Council's Medium Term Financial Projections for this and this will need to be developed.

As the investment guidance says, any net financial benefit is after associated costs, which will include, amongst other things, capital financing charges, direct costs related to that investments and provision for required life-cycle costs where appropriate.

Therefore, the cost of borrowing related to the £50m, when invested, should be recovered through the income generated from that spend.

The Income/Costs associated with this fund will be reflected in the Councils current commercial/industrial service activity area, and structured separately to ensure the Council can report and manage the performance of the fund.

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?
Investment Fund makes losses	H	L	Investment Panel with advisers Investment guidelines, in particular diversification Appropriate returns providing a margin for any reductions / issues	Investment Panel Advisers
Investment Panel do not follow guidelines	H	L	Need to refer back to Cabinet if risk occurs Advice provided in Panel meetings	Investment Panel Advisers

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The objective of the Commercial Investment Fund is to make a net financial return which will contribute towards the funding of Council services. Therefore, to the extent services meet Council priorities and policies, this initiative positively contributes towards that.

Options Available and considered

The Cabinet has already agreed to carry out this investment activity. The guidelines here recommend how the investment panel considers opportunities. In that respect:

- Cabinet can approve the draft guidelines appended to this report
- Cabinet can suggest changes, taking advice from relevant officers

Preferred Option and Why

Cabinet need to agree a commercial property investment guidelines and are recommended to approve the one appended to this report, which has been drafted after researching those used by other Councils undertaking this activity.

Comments of Chief Financial Officer

These guidelines have been put in place to clarify the governance arrangements the investment panel need to follow when making decisions on this type of activity.

The key issues and risks from making these types of investment were outlined in the report both to Cabinet and Council where it was agreed to proceed with commercial property investments and the associated investment fund.

Comments of Monitoring Officer

The proposed Investment Strategy is in accordance with the Council's general powers to invest and prudentially borrow for the purposes of discharging its functions and for prudent financial management under of the Local Government Act 2003. The Council also has legal power to acquire land and property assets, both inside and outside its area, under section 120 of the Local Government Act 1972. Any borrowing and property investment must comply with Prudential and Treasury Management Codes and the Council's capital strategy. Full Council has resolved to establish a £50m property investment fund and has approved a revised capital strategy as part of the policy framework under the Constitution. However, any investment decisions will be an executive function for the Investment Board, which will need to be established as a sub-committee of Cabinet, with delegated powers. The draft Investment Strategy sets out a proposed framework and parameters for the Board to take investment decisions, having regard to the security and liquidity of any investments and the appropriate balance of risk and reward. Any investment decisions which fall outside the parameters set by the Strategy will need to be approved by full Cabinet.

Comments of Head of People and Business Change

The proposed guidelines set out a framework in relation to the property investment fund which is intended to create an additional income stream for the Council. Commercial investment income is one of the ways the Council is aiming to achieve financial sustainability over the longer term in order to support core service delivery. In addition to income generation the fund will aim to support the local economy in key sectors which are decided in collaboration with the Newport Economic Network. The guidance sets out governance arrangements which will help ensure a balanced portfolio to reduce exposure to individual sector risk. There are no human resources implications in this report.

Comments of Cabinet Member

The Chair of Cabinet, as Cabinet Member for Strategic Finance and Chair of the Investment Panel has reviewed the guidelines and approved it for consideration by Cabinet.

Local issues

There are no specific issues though the criteria favours Newport property investments over other locations

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

The objective of the Commercial Investment Fund is to make a net financial return which will contribute towards the funding of Council services. Therefore, to the extent services meet the requirements of the Act, this initiative positively contributes towards that.

The Investment Fund has been agreed at £50m funded from borrowing and when utilised, will represent a long-term revenue liability for repayment of that borrowing. Therefore, it will be important that the investment themselves make returns above all associated borrowing and other costs and maintained over the long-term. If this is not achieved, the investments will not cover costs and could be a 'cost' on general council finances in the future.

Crime and Disorder Act 1998

N/A

Consultation

N/A

Background Papers

Cabinet meeting March 2019 – recommendation of approach, setting up the Investment fund and Panel

Council April 2019 – approval of the approach and commercial property investment into the Council's Capital Strategy and borrowing facility of £50m

Dated:

This page is intentionally left blank

Newport City Council
Property Investment Strategy
2019-2024

DRAFT

1.0 Introduction

- 1.1 In April 2019, as part of developing its commercialisation strategy, Full Council approved the establishment of a £50m property investment fund in order to create a net income stream for the Council.
- 1.2 This strategy sets out the framework and parameters to be followed when considering the acquisition by Newport City Council (NCC) of an interest in property for the purposes of inclusion in the property investment fund.
- 1.3 It applies to the acquisition by The Council of all interests in non-operational property including freeholds, leaseholds, easements and options. However, it does not apply to acquisitions under compulsory purchase procedures.

2.0 Background & objectives

- 2.1 Over the past number of years, as government funding to support local government services has failed to keep pace with cost pressures, authorities have looked at alternative ways of delivering financial sustainability. As a result, an increasing number of councils have focused on generating new sources of income, often outside core activities, to support ongoing service delivery.
- 2.2 Investing in commercial property has been identified as one way in which the Council can support service delivery by creating a source of alternative income. An investment board will be established to enable the delivery of this strategy and will be a sub set of cabinet and function as a public committee with all the associated governance. The membership will be as follows:

Investment Board

Members: Leader
 Deputy Leader
 Cabinet Members x 3

Advisors: Chief Executive
 Strategic Director (Place)
 Head of Regeneration, Investment & Housing
 Head of Law & Regulation (Monitoring Officer)
 Head of Finance (Section 151 Officer)
 Supported by NORSE as specialist professional advisors

- 2.3 The investment board will be responsible for ensuring decisions are made in line with the framework set out in this strategy.

2.4 The Investment Board will follow the Governance & Purchase Flow Chart as shown in Appendix 1, and undertake regular review of the investment portfolio as detailed in section 5.

2.5 The key objectives of the strategy are to:

- ✓ Acquire properties that provide long term investment in accordance with the Councils corporate and financial objectives,
- ✓ Maximise return whilst minimising risk through the management processes as outlined in this strategy,
- ✓ The desired income yield (return) to provide a clear margin over the cost of capital, other direct costs related to the investment and where appropriate, contribution to life-cycle costs in a form which is sustainable, and has potential to increase through future rental growth
- ✓ Protect capital invested in acquired properties, by acquiring investment grade properties possessing characteristics that retain liquidity and preserve capital (notwithstanding market movement).
- ✓ Develop a governance framework that enables the Council to move at a timely pace in line with the market,
- ✓ Build a balanced property investment portfolio.
- ✓ Promote the economy of the city in key sectors, as identified by the Newport Economic Network
- ✓ Create employment through appropriate investment

2.6 Legal framework

2.6.1 The Council has a general power to invest for the purposes of discharging its functions or for prudent financial management under section 12 of the Local Government Act 2003 and can prudentially borrow for this purpose, subject to compliance with Prudential and Treasury Management Codes and the capital strategy.

2.6.2 Section 120 of the Local Government Act 1972 enables the Council to acquire land and property, either within the Newport area or elsewhere, for investment purposes. Section 123 of the Act provides a corresponding statutory power to dispose of land and property assets.

2.6.3 Section 2 of the Local Government Act 2000 gives the Council a general power of “well-being” to do anything (including incurring expenditure) which is likely to promote or improve the economic, social or environmental well-being of the area.

2.6.4 The combined effect of these statutory powers is to give the Council a wide discretion to acquire investment assets, both inside and outside the area, provided there is a tangible benefit to the citizens of Newport.

2.6.5 Full Council has resolved to establish a £50m property investment fund and has approved a revised capital strategy as part of the policy framework under the Constitution. Any investment decisions will be an executive function for the Investment Board, which will be established as a sub-committee of Cabinet, with delegated powers. This Investment Strategy sets out the framework and parameters for the Board to take investment decisions, having regard to the security and liquidity of any investments and the appropriate balance of risk and reward.

3.0 Criteria and assessment

3.1 This section provides a ‘hand-rail’ that will help guide the decision making process when investment opportunity. Its principles are to create a balanced commercial property investment portfolio with intrinsic risk diversification.

3.2 All proposed investments will be subject of a Business Case which will be created in conjunction with the Council’s Finance Team. This will then be subject to evaluation by the Council’s Investment Board. All potential acquisitions will be assessed against the following investment criteria:

- Location
- Covenant strength
- Lease length and terms
- Tenure
- Repairing obligations
- Net yield
- Other Factors to consider including Lot Size and Sector Weightings
- Contribution to local economy
- Opportunity to create local employment

For each investment opportunity; each will be assessed against the whole set of criteria and nothing will be considered in isolation. The assessment will be recorded by the Investment Board for future reference.

3.3 All acquisitions will be subject to:

- An independent valuation report supporting the purchase price
- Satisfactory building survey and assessment of economic life
- Satisfactory report on title

3.3.1 Location

First assessment of location should take into account the location based on the following hierarchy:

Preference	Location
1	Newport
2	South East Wales

3	South West & Wales region i.e. to include Bristol and surrounding areas
4	UK

Where the asset is located away from the City boundary or has specific management skill requirements, external agents may be instructed to manage it on our behalf, all costs incurred will be deducted from the gross annual return.

The second assessment of location should look at the type of location being invested in:

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Location	Major Prime	Macro Prime	Major Secondary	Macro Secondary	Tertiary
Examples	This includes Central London followed by the big seven cities (Birmingham, Manchester, Bristol, Leeds, Cardiff, Glasgow and Edinburgh)	Macro prime can be on edge of Major Prime cities or other major cities	Includes major town centres.	Includes all other towns but still within an area of growth	Relates to areas of little financial growth or investment.

3.3.2 Covenant strength

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Covenant	Single Tenant with Strong Financial Covenant	Single Tenant with Good Financial Covenant	Multiple Tenants with Strong Financial Covenant	Multiple Tenants with Good Financial Covenant	Tenants with Average Financial Covenant
Examples	<p>The covenant of the tenant(s) is considered in terms of both financial strength and risk of business failure.</p> <p>The financial standing of the tenant is considered utilising Dun & Bradstreet and CreditSafe whom are internationally recognised financial referencing agency. Other due diligence methods such as assessment of business plans and accounts may also be utilised.</p>				

3.3.3 Lease length

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Lease length	> 10 Years	7-10 Years	4-7 Years	2-4 Years	< 2 Years
Examples	<p>The length of the tenants / occupiers lease will determine the fixed term of guaranteed rental income.</p> <p>The longer the term remaining, in most cases, the better and more secure the investment.</p> <p>Break option dates need to also be considered as if they were the lease end date.</p>				

3.3.4 Tenure

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Tenure	Freehold	Long Leasehold (125 years minimum)	Leasehold (<125 years >75 years)	Leasehold (<75 years)	Leasehold (<50 years)
Examples	<p>Freehold creates the best possible interest in the property and would be in perpetuity.</p> <p>Considerations on leasehold periods are liquidity and how marketable properties are as time progresses.</p>				

3.3.5 Repairing obligations

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Repairing Obligations	Full Repairing and Insuring	Internal Repairing 100% recoverable	Internal Repairing Partially recoverable	Internal Repairing Non recoverable	Landlord Repairs
Examples	<p>The tenant has responsibility for all external and internal maintenance, decorations and repairs as well as liability for insuring the building.</p> <p>The tenant will have narrower liability for maintenance, decorations, repairs and insurance confined to the internal parts of the property they occupy. Such costs are recoverable through a service charge.</p> <p>The landlord retains responsibility for structural and external repairs without reimbursement.</p> <p>The landlord is responsible for all external and internal repairs</p>				

3.3.6 Net Yield

All investments considered must initially provide income (yield) at a positive net rate of return defined by the cost of capital borrowing for purchase. The acquisition costs where relevant will include Stamp Duty, investment acquisition agent fees and legal acquisition advice and will form part of the purchase cost.

A fund will be created to top slice net rental income to manage repairs, maintenance, staff resources and improvements, to prevent the portfolio becoming a net cost to the authority.

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Net Yield	5%+	4% - 4.99%	2.5% - 3.99%	2% - 2.49%	<2%
Examples	<p>The Net Return is determined by subtracting the (i) borrowing costs (interest and MRP) from the Net Yield (quoted as a % return on investment) (ii) other direct/relevant on-going costs and (iii) contribution to life-cycle costs where appropriate.</p> <p>The Yield is determined by the quality of the investment and is a factor of location, property type, tenant covenant, lease term and repairing responsibilities as well as demand for the specific type of investment. The more desirable the investment the typically lower the yield.</p> <p>The net returns of any project need to be sufficient to have a positive net return</p>				

3.3.7 Other factors

Sector Weightings

Sector	Target Weighting	Asset Profile
Industrial / Warehouse	Up to 40% of the portfolio	Logistics hubs, light industrial, trade parks
Offices, hotels & others	Up to 40% of the portfolio	Offices, business parks, hotels, cinemas, wind farms, petrol stations
Retail	Up to 40% of the portfolio	Small supermarkets, restaurants, retail warehouses, shops

Individual investment Size – No single asset should be over 40% of the fully invested portfolio by value. To reduce risk of exposure to single asset.

3.3.8 Summary

Below is a summary of the factors that will be evaluated collectively by the Investment Board when making a decision on acquiring an asset for commercial purposes.

The matrix below can be used as a checklist for the board in which to appraise each proposal as well as being able to ‘map’ each investment when reviewing the overall position of the Council’s portfolio.

Criteria	Excellent	Very Good	Good	Acceptable	Marginal
Location	Major Prime	Macro Prime	Major Secondary	Macro Secondary	Tertiary
Covenant	Single Tenant with Strong Financial Covenant	Single Tenant with Good Financial Covenant	Multiple Tenants with Strong Financial Covenant	Multiple Tenants with Good Financial Covenant	Tenants with Average Financial Covenant
Lease length	> 10 Years	7-10 Years	4-7 Years	2-4 Years	< 2 Years
Tenure	Freehold	Long Leasehold (125 years minimum)	Leasehold (<125 years >75 years)	Leasehold (<75 years)	Leasehold (<50 years)
Repairing Obligations	Full Repairing and Insuring	Internal Repairing 100% recoverable	Internal Repairing Partially recoverable	Internal Repairing Non recoverable	Landlord Repairs
Net Yield	5%+	4% - 4.99%	2.5% - 3.99%	2% - 2.49%	<2%
Other factors:	<p>Qualitative assessment of contribution to the local economy and employment</p> <p>Appraisal will also need to take into account sector weightings, individual investment size and assessment of the balance of the investment risk vs financial return.</p>				
Contribution to local employment & economy					
Other					

3.3.9 Referral to full Cabinet

Whilst these guidelines are focussed on the criteria to use when assessing individual investment opportunities and can be used to compare differing opportunities, they do not set any ‘minimum criteria’ other than that related to diversification of the investments and the requirement to make a positive net financial return. As this guideline applies to commercial investment and the use of the Council’s Investment Fund, the latter issue is an absolute requirement. In the case of the former issue,

where the Investment Board wish to deviate from this criteria and guidelines, then any decision will be referred to the full Cabinet for review and consideration.

4.0 Ongoing Review

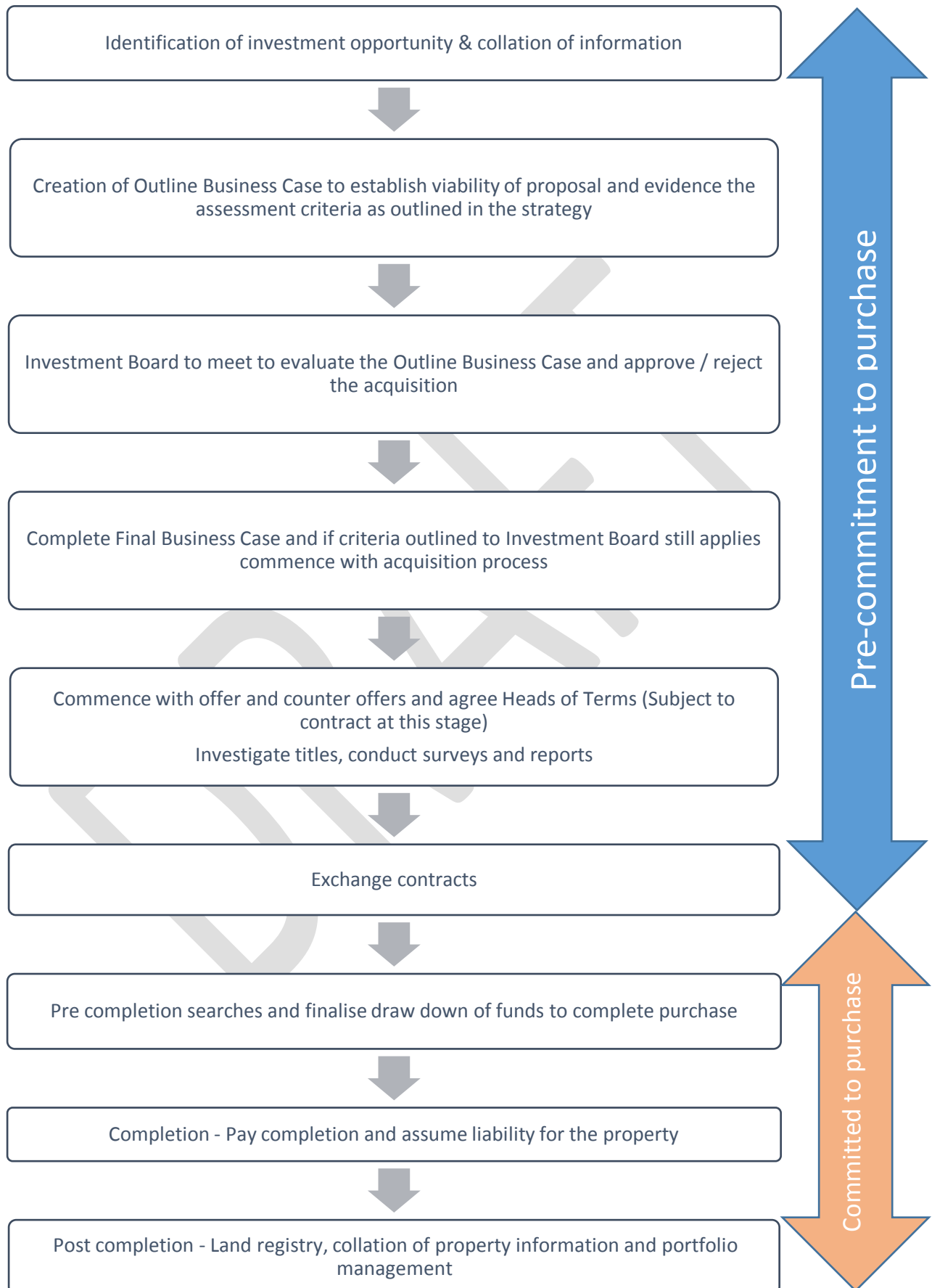
- 4.1 The investment criteria and guidelines within this strategy, as well as the ongoing performance of the investment portfolio will require ongoing regular review.
- 4.2 As good practice, quarterly and annual reviews between NCC and Norse will be held to ensure that the portfolio does not under-perform the market or its risk profile increase due to changes in both the macro and micro-economic position around the real estate market.
- 4.3 This will provide NCC with a clear understanding of the portfolio’s position and management, its risk return profile and any latent value that can be driven out through strategic asset management.
- 4.4 A regular review of the five year cash flow is important to understand any future working capital requirements, as well as assessing the accuracy of predicted rental income.
- 4.5 The quarterly and annual strategy review will cover:

<u>Quarterly</u>	<u>Annual</u>
<p>Investment:</p> <ol style="list-style-type: none"> 1. Brief market update – investment trends, activity and forecasts 2. Brief update on operational markets 3. Review of current investment strategy 4. Report on performance of the portfolio and individual assets 5. Provide a review of portfolio activity and the added value created over the previous period 6. Update Invest/Hold/Sell asset designation 	<p>Investment:</p> <ol style="list-style-type: none"> 1. Market update on investment trends, activity and forecasts 2. Update on the occupational markets 3. Review of current investment strategy 4. Re-confirm investment criteria and asset target weightings 5. Identify any re-alignment required to match market changes and forecasts 6. Benchmarking the existing portfolio and asset level investment returns 7. Report on performance of the portfolio and individual assets 8. Report on any KPI or performance criteria 9. Provide annual property business plans to evaluate added value opportunities 10. Provide a review of portfolio activity and the added value created over the previous 12months 11. Update five year cash flow forecast

	12. Update Invest/Hold/Sell asset designation
<p>Management:</p> <p>7. Report on portfolio management performance including rent collection rates, bad debt provision and service charge reconciliations</p> <p>8. Advise on all critical lease dates, break options, rent reviews and lease expiries</p> <p>9. Report on any health and safety incidents and insurance claims</p> <p>10. Report on dilapidations claims and status</p> <p>11. Capital expenditure requirements over the preceding quarter</p>	<p>Management:</p> <p>13. Report on portfolio management performance including rent collection rates, bad debt provision and service charge reconciliations</p> <p>14. Advise on all critical lease dates, break options, rent reviews and lease expiries</p> <p>15. Report on any health and safety incidents and insurance claims</p> <p>16. Report on dilapidations claims and status</p> <p>17. Capital expenditure requirements over the preceding 12 months</p>

DRAFT

Appendix 1 Governance & Process Flowchart



This page is intentionally left blank



Report

Cabinet

Part 1

Date: July 2019

Subject Newport City Council Brexit Preparations Update

Purpose To present an update to Cabinet on the Brexit preparations that Newport City Council has taken.

Author Director of Place
Head of People and Business Change

Ward All

Summary In 2017 the UK Government triggered Article 50 informing the EU that the UK was leaving in two years on 29th March 2019. In the run up to this date, all public sector bodies including Newport City Council made preparations based upon whether there will be a transition period or a 'No Deal'. In 2018 the Council in consultation with Welsh Local Government Association and Welsh Government established a Task & Finish Group of senior officers across the eight service areas to identify and make preparations to ensure key service areas had the necessary processes and resources in place. In addition to this activity the Council collaborated as part of the Gwent Local Resilience Forum monitoring arrangements to escalate any key issues / risks that may arise.

Following the Government's position of postponing the leave date to the end of October 2019, it was agreed to temporarily scale back the monitoring frequency of the Task & Finish Group and continue monitoring the situation until firmer information arises on the UK position. The Council is also monitoring the situation through the Council's Risk Management process with Brexit as a risk on the Council's Corporate Risk Register.

Proposal Cabinet is asked to consider the contents of the report in terms of the Council's Brexit preparations.

Action by Senior Leadership Team and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Corporate Management Team
- Internal Brexit 'task and finish' officer group

Signed

Background

In 2016, the UK public voted to leave the EU. Following the vote, the UK Government notified the EU that it was leaving and triggered Article 50. By triggering Article 50, the UK Government and EU had two years to negotiate and agree a withdrawal process from EU arrangements. The initial deadline date was set as 29th March 2019.

As with many other public, private and not for profit organisations, Newport City Council undertakes many activities where there is a potential impact as a result of leaving the EU. As a dock city Newport receives and sends goods to and from the EU and also has over 3,000 (4.76%) people from the EU living in the city. Newport also has many EU based companies or companies that trade with the EU such as Airbus that could be impacted by any withdrawal arrangement.

To enable the Council to make preparations, advice and guidance was provided by the Welsh Local Government Association (WLGA) and Welsh Government. Using their toolkit we established a Task & Finish Group in 2018 which is made up of senior officers across the eight service areas. In line with the toolkit we focused on three aspects:

1. **Your Organisation** (Priorities / People / Finance & Funding);
2. **Supplies and Services** (Services, suppliers and supply chain / Core Operations / Legal, Data & Regulatory)
3. **Your Place** (Local Community)

Using the toolkit the Task and Finish group was able to focus our activities and actions on these aspects and enabled us to gain an understanding on the potential impacts of a No Deal scenario. The Council's Task & Finish group will be convening at the end of June to examine the current position within the Council and progress that has been made to date. The group will continue meet until October and will be flexible to increase / decrease the frequency depending upon the UK's Brexit position. These can be found at Appendix 1 to the report. As part of the actions the Council set up [a webpage](#) on the Newport Council Website to provide advice and guidance to residents and businesses.

Newport City Council is continuing to monitor the situation closely and are receiving regular updates from the Welsh Government, WLGA, Health and our partner organisations. Regular updates will be provided to Cabinet and Cabinet Members for their portfolio by the Council's Corporate Management Team.

Financial Summary

The Council's Finance team are monitoring any impacts on budgets through the monthly budget reporting process.

Risks

Brexit is recorded on the Council's Corporate Risk Register which is presented to Cabinet and Audit Committee every quarter. In Quarter 4 2018/19 (March 2019) Brexit was assessed with a risk score of 12 and will continue to remain on the risk register in the foreseeable future.

Risk	Impact of Risk if it occurs* (1-5)	Probability of risk occurring (1-5)	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?
Brexit	4	3	See Report.	Senior Leadership Team / Corporate Management Team

Links to Council Policies and Priorities

Corporate Plan
Risk Management Strategy
Civil Contingencies Policy

Options Available and considered

1. To consider the contents of the on the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.
2. To request further information or reject the contents of the report

Preferred Option and Why

1. To consider the contents of the on the report and for Cabinet / Cabinet Members to receive updates from officers as part of their portfolio.

Comments of Chief Financial Officer

There are no direct financial implications arising as a result of this report. Consideration has been given to certain risk areas and assurances have been given that a no deal Brexit will not affect existing arrangements. All budget areas will continue to be monitored on a regular basis and any issues arising will be highlighted at the earliest opportunity.

Comments of Monitoring Officer

There are no legal issues arising from the Report itself. Any specific legal matters will be addressed as part of the work of the Task and Finish Group and any necessary actions.

Comments of Head of People and Business Change

As outlined there are potential long term impacts of Brexit which the Council must prepare for, working collaboratively with our partners. The report considers the potential for risks and opportunities and local and regional arrangements for monitoring these.

HR implications are as outlined in the report.

Comments of Cabinet Member

The Leader of the Council is briefed on all aspects of risk management within the Council and related Brexit issues and work.

Local issues

Members to be aware the impacts that Brexit can have on our Local Communities and business.

Scrutiny Committees

The Council's Audit Committee receives regular risk register updates on the Council's Risk Register which includes the Brexit Risk.

Equalities Impact Assessment

Not applicable.

Children and Families (Wales) Measure

Not applicable.

Wellbeing of Future Generations (Wales) Act 2015

There are potential long term impacts of Brexit which could affect the future demand on our services to provide the necessary support, advice and guidance. There may also be opportunities that could arise and the Council will need to make preparations to accordingly. In preparation we have been working collaboratively across the Council and with our partners to make sure that our services to prevent any scenario where services are disrupted and to provide resilience across the City and to our local partners. We have also been involving our stakeholders and where necessary providing the necessary advice and guidance to those that need our support. Going forward we will continue to monitor and report where necessary any impacts which Brexit could have on the delivery of our services.

Crime and Disorder Act 1998

Not applicable.

Consultation

Senior Leadership Team
Corporate Management Team
Brexit Task & Finish Group

Background Papers

Corporate Risk Register to Cabinet 19th June 2019
Welsh Government website '[Preparing Wales to leave the EU](#)'
Welsh Local Government Association '[Brexit Website](#)'
Newport City Council's '[Brexit Webpage](#)'

Dated: July 2019

Appendix 1 – Summary actions taken through the Task & Finish Group

Theme	Progress of Activity completed by Newport Council to 30 th June 2019
Your Organisation (Governance)	We delivered an open presentation in collaboration with the Welsh Local Government Association (WLGA) to Councillors in March 2019 to inform them of the arrangements being undertaken by the Council, WLGA and Welsh Government.
Your Organisation (Risk Management)	The Council has a Brexit risk monitored through the Corporate Risk Register and reflected the work being undertaken by the Council's Task and Finish Group.
Your Organisation (EU workers in Newport City Council)	Our HR team analysed the number of staff that originate from the EU. In Newport City Council we confirmed that we have under 100 members of staff from the EU. To support these members of staff as well as other members of staff in Newport we issued guidance and directed staff to the Home Office website.
Your Organisation (Finance and Funding)	Under the current arrangements Newport City Council receives approximately £500k from EU funding to support the Inspire to Achieve programme and other similar activities. We have been guaranteed by the Welsh Government that the funding will be available to 2022.
Your Organisation (Finance and Funding)	Welsh Local Government Association has allocated £45k to local authorities to support its Brexit arrangements. The funding is being to appoint a fixed term post, and support future communications and contingencies towards Brexit related activity.
Supplies and Services	As with many other organisations in the UK, a significant proportion of equipment and supplies come from the EU. Assurances were provided through the Council's Procurement team and our key partners (Newport Norse, SRS and Newport Live) that appropriate action had been taken to obtain assurances over availability of goods and services.
Supplies and Services (Social Services)	Throughout the process the Council has been in regular contact with its partners, providers and the Health service where arrangements are in place to manage the availability care provision and supplies. As Newport has a large population from the EU citizens mechanisms are in place and communications issued to identify any children, adults that are in our care to enable them to apply for settled status.
Supplies and Services (Regulatory Services)	As a dock city the Council's Regulatory Services have been liaising with the Association of British Ports and the Local Gwent Resilience Forum on managing regulatory checks on exported supplies. Regulatory Services have also completed additional training to enable them to undertake additional checks.
Local Community	As a member of the Gwent Local Resilience Forum (LRF) we have established mechanisms to monitor and report on any civil contingencies impacts. The Gwent LRF have reviewed their existing risk register for potential Brexit implications and have also worked with Welsh Government / Central Government with regard to the mitigation of potential new Brexit related risks. The Gwent LRF are continuing to monitor the situation closely with our partners.

Local Community	To support our EU communities we received additional funding from the Welsh Government to employ 2 Cohesion Officers (one based in Newport, one in Monmouthshire, hosted by NCC), based within our Connected Communities Team. These fixed term 2 year posts will focus on mitigating any identified increase in Brexit related community tensions, and supporting communities that are particularly affected, for example, European Economic Active (EEA) citizens.
Local Community	The Council set up a webpage on the Newport Council Website to provide advice and guidance to residents and businesses and provided links to the Welsh Government Brexit webpages and Home Office pages. An email address has been set up for community tensions to be reported and monitored, and details of racist incidents are now shared weekly by Gwent Police. An EU forum has been established, bringing service providers who work with EEA citizens together on a regular basis to co-ordinate provision and ensure consistent communications are shared with communities and agencies. Links have been established with those schools that have a high EEA pupil population and drop in sessions are ongoing, offering advice and support to parents.



Report

Cabinet

Part 1

Date: 17 July 2019

Subject Annual Welsh Language Monitoring Report 2018-19

Purpose This report reflects Newport City Council's progress on its Welsh language commitments during the financial year 2018-19.

The attached monitoring report is required to be published on the council's website in accordance with statutory deadlines.

Author Equalities Officer
Policy, Partnership and Involvement Manager

Ward All

Summary The Council is required to report annually on its progress in complying with the Welsh Language Standards under the Welsh Language (Wales) Measure 2011.

This report covers the third year of implementation, following the imposition of the majority of Welsh language standards in March 2016. The report provides Cabinet with an overview of the Council's progress in meeting the Welsh Language Standards.

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

Action by Head of People and Business Change, Heads of Service

Timetable Immediate

This report was prepared after consultation with:

Cabinet Member for Equalities and Assets (Deputy Leader)
The Council's Strategic Equalities Group, Welsh Language Implementation Group and
HR Manager, Elected Member Champion for Welsh Language

Signed Head of People and Business Change

Background

Legal context

This report reflects Newport City Council's progress on its Welsh language commitments during the financial year 2018-19. This represents the Authority's third year of implementing the Welsh Language Standards which came to force on the 30th of March 2016.

Governance and management

The implementation of, and compliance with, Welsh Language Standards is monitored through both the officer Welsh Language Implementation Group and the Strategic Equalities Group, which is chaired by Deputy Leader and Cabinet Member for Equalities and Assets. The Authority also has an Elected Member Welsh Language Champion. The implementation of the Welsh Language Standards has been identified as a medium risk on the Authority's Risk Register.

Developments

The Welsh Language Standards have provided NCC with the impetus to rise to the Welsh Government's challenge of delivering entirely bilingual public services. This annual report reflects the positive distance travelled by the Authority in reaching this aim, whilst also highlighting the work left to be done.

The Authority has taken a holistic approach to implementing change, allocating responsibility to service areas and putting governance arrangements in place through the Strategic Equalities Group, the Welsh Language Implementation Group and the Authority's newly established programme management portfolio boards which will deliver key Council projects in line with corporate themes.

Newport City Council continues to invest in the Welsh language, with a Welsh language and equalities budget to support internal adoption of standards and facilitate partnership and community initiatives. However, over the past 12 months the Authority has also made number of efficiency savings, including the move to a centralised translation service, which translates a huge volume of material for the Authority. This will result in a spending reduction for 19/20.

As was the case in our previous annual report, and referenced in our official challenges to the Commissioner's Compliance Notice which set out those Standards that we are required to comply with, there remain a number of limitations relating to legacy IT systems that cannot currently comply with Welsh Language Standards. However, as these reach the end of their operational lifespan they will be replaced by systems which will have considered Welsh language requirements at the outset of the procurement process.

Last year the Authority identified a number of priorities that it wanted to achieve in the 18/19 financial year, including a Welsh mystery shopper programme, improved and integrated impact assessment guidance, and the further development of our 5 Year Welsh Language Strategy. This report shows that we have made progress against many of these goals. However, as has been the case in previous financial years, the Authority will need to keep up momentum to ensure consistent implementation of our Welsh language standards.

To ensure this is the case, we have identified a number of actions which will help us keep pace in the 2019/20 financial year:

- Work on developing and promoting the update Fairness and Equality Impact Assessment (FEIA) process
- Greater promotion of the councils Welsh language services
- Development and delivery of suitable Welsh language awareness training across the organisation
- Enhance partnership working across Welsh Language Forum members in line with the Welsh Language Strategy

- Develop the intranet to include Welsh language guidance around compliance with the Welsh Language Standards
- Ensure that older, non-Welsh language compliant programmes, are replaced at the end of their functional life span, with new fully-compliant systems

Financial Summary

The cost of implementing the Welsh Language Scheme is largely met out of existing budgets by each relevant service area. The majority of the actions relate to work already identified in service improvement plans, for example workforce monitoring. In 2018/19 £277k was allocated to deliver Welsh Language Standards, reducing to £229k in 2019/20, with most of that amount earmarked for developing a sustainable translation service.

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 Welsh Language (WL) Standards in their entirety are not implemented	H	M	Governance of the WL Scheme / Standards and Equalities is strengthened through the WL Implementation Group and Strategic Equalities Group. Resources have been identified for implementation and translation provision.	Heads of Service Head of People and Business Change
That the Standards are not understood by employees	H	L	The WL internal communications strategy is a visible campaign that engages managers and employees. Training on WL awareness is now delivered by internal officers, helping to facilitate engagement between Welsh language officers and staff.	Head of People and Business Change
That the Council's website is not fully bilingual	M	H	The majority of the Council's website is now compliant with WL Standards, however, the number of associated systems which populate the site remains an ongoing challenge.	Head of People and Business Change Head of Streetscene

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

As detailed in the body of the report, the Council's commitments under the Welsh Language Standards are integrated into the Authority's key strategic documents, including the Strategic Equality Plan, the Wellbeing Plan, and the Authority's most recent Corporate Plan.

Options Available

- a) To approve the attached report and publish on the council's website
- b) To not approve the attached report and redraft.

Preferred Option and Why

Option a) is the preferred option, in order to ensure that the Council remains compliant with its statutory obligations.

Comments of Chief Financial Officer

There are no direct financial consequences as a result of the proposal to approve the monitoring report and then publish on the Council's website. The actual implementation of the Welsh Language Scheme is met by service area budgets and a central budget is also in place to develop a sustainable translation service with a reserve available to draw on for new standards and requirements which may be identified in the GAP analysis as outlined in the report moving forward.

Comments of Monitoring Officer

The Council has a statutory duty under the Welsh Language (Wales) Measure 2011 to comply with prescribed Welsh Language Standards in relation to the delivery of public services, policy making and record keeping. The Council is required to report annually on progress in meeting the Welsh Language Standards and publish the report in accordance with standard 158. This report sets out the actions taken and the progress made in meeting the Council's Welsh language commitments during 2018/19. It demonstrates that the Council has responded to the requirements of the Measure and the prescribed standards in a systematic way and has actioned some of the major areas of work identified in the 5 year Welsh Language Strategy adopted last year. However, further progress will be required in the next 12 months.

Comments of Head of People and Business Change

There are no direct staffing implications arising from this report.

This annual report reflects the positive progress made and highlights some examples of good practice that we have delivered over the past 12 months. The report also identifies some areas in which we will need to make improvements in the year to come, for example, improving the number of staff undertaking Welsh awareness and language improvement courses.

Continued work on the Welsh Language agenda, and the 5 Year Welsh Language Strategy contributes to the delivery of the Council's well-being objectives and the national well-being goals, in particular, working towards a Wales of vibrant culture and thriving Welsh Language.

Comments of Cabinet Member

I am pleased to see the progress the Authority has made over the past 12 months outlined in this report, and that our Welsh Language Standards are now recognised and understood by the majority of Council staff. Our governance arrangements ensure that we monitor ongoing implementation and progress against our standards, as well as seeking opportunities to effectively promote the Welsh language across the City in partnership with community-based Welsh language groups. As we move into a new year, I look forward to continuing to lead on this work, particularly in light of recent announcements in relation to our plans for an additional Welsh medium school, which I anticipate will provide further opportunity to build on the good work already undertaken.

Sylwadau Aelod Cabinet

Rwy'n falch o weld y cynnydd y mae'r Awdurdod wedi'i wneud dros y 12 mis diwethaf fel yr amlinellir yn yr adroddiad hwn, a bod Safonau'r Gymraeg bellach yn cael eu cydnabod ac yn ddealladwy i ran fwyaf o staff y Cyngor. Mae ein trefniadau llywodraethu yn sicrhau ein bod yn monitro'r gwaith parhaus o weithredu a sicrhau cynnydd yn erbyn ein safonau, yn ogystal â chwilio am gyfleoedd i fwrw ati i hyrwyddo'r Gymraeg ledled y Ddinas mewn partneriaeth â grwpiau Cymraeg cymunedol. A ninnau ar drothwy blwyddyn newydd, edrychaf ymlaen at barhau i arwain y gwaith hwn, yn enwedig yng ngoleuni'r cyhoeddiadau diweddar mewn perthynas â'n cynlluniau ar gyfer ysgol cyfrwng Cymraeg ychwanegol, yr wyf yn rhagweld y bydd yn cynnig cyfle pellach i adeiladu ar y gwaith da sydd eisoes wedi'i gyflawni.

Local issues

Not applicable.

Scrutiny Committees

Not applicable.

Equalities Impact Assessment and the Equalities Act 2010

No Fairness & Equalities Impact Assessment (F&EIA) is necessary for the annual report. Equalities and Welsh language agenda are well aligned and actions in the report referring to FEIA in Newport will consider both together.

The Welsh Language Standards are congruent with equalities legislation as outlined in the report

Children and Families (Wales) Measure

No consultation was needed for this report.

Wellbeing of Future Generations (Wales) Act 2015

The Wellbeing of Future Generations Act 2015, which came into force in April 2016, places an obligation on Local Authorities to improve the social, economic, environmental and cultural well-being of Wales. The Welsh Language Annual Report represents much of the work that the Authority undertakes to fulfil our Wellbeing objective to work towards 'a Wales of vibrant culture and thriving Welsh language'.

In support of the Act's sustainable development principle, our focus on developing a workforce which has a range of Welsh language abilities across service areas ensures an approach to meeting our Welsh language obligations which looks to the future, alongside continued efforts to promote increased use of Welsh within our local communities. This work is informed and delivered collaboratively with Welsh language community networks, and better integration of Welsh language considerations within our Fairness and Equality Impact Assessment process has improved the way our Welsh language responsibilities and community views impact on our policy and decision making.

Crime and Disorder Act 1998

Not applicable.

Background Papers

Welsh Language Standards (Newport City Council Compliance Notice)

Welsh Language Annual Report 18/19

5 Year Welsh Language Strategy

NCC Well-being Objectives and Well-being Statement

Wellbeing Plan

Dated: 10 June 2019

This page is intentionally left blank



Newport City Council Welsh Language Annual Report 2018-2019

Mae'r ddogfen hon ar gael yn Gymraeg
This document is available in Welsh

I gael copi o'r ddogfen yma mewn unrhyw fformat arall
e.e. Breil, Print Bras cysylltwch â:

To receive a copy of this document in any other format
e.g. Braille, large print etc. contact:

info@newport.gov.uk



Contents

Legislative Context.....	1
Newport City Council Annual Summary.....	2
Summary 1: Service Delivery Standards.....	3
Summary 2: Policy Making Standards.....	3
Summary 3: Operational Standards.....	3
Summary 4: Promotion Standards.....	3
Summary 5: Record Keeping.....	4
Summary 6: 5 Year Welsh Language Strategy.....	4
Summary 7: Moving Forward.....	4
Staff Skills.....	5
Training.....	8
New Posts.....	9
Complaints.....	10

Legislative Context

This annual report has been prepared in accordance with Welsh Language Standards 158, 164 and 170. This report will highlight how Newport City Council (NCC) has complied with the Welsh Language Standards were imposed on the Authority by the Welsh Language Commissioner in [Newport City Council's Compliance Notice](#).

As well as outlining the Authority's general compliance, this report also contains the specific information required by the Standards. This data includes the number of complaints we have received, the Welsh language level of our staff, the training we offer through the medium of Welsh and the level of Welsh we require on all vacant and new posts we have advertised during the financial year.

Newport City Council Annual Summary

The Welsh Language Standards have provided the Council with the impetus to rise to the Welsh Government's challenge of delivering entirely bilingual public services. This annual report reflects the positive distance travelled by the Authority in reaching this aim, while highlighting the work left to be done.

The Authority has taken a holistic approach to implementing change, allocating responsibility to service areas and putting governance arrangements in place through the Strategic Equalities Group, the Welsh Language Implementation Group and the Authority's newly established programme management portfolio boards which will deliver key council projects from now on.

NCC continues to invest in the Welsh language, with a Welsh language and equalities budget to support internal adoption of standards and facilitate partnership and community initiatives. However, over the past 12 months the Authority has also made number of efficiency savings, including the move to a centralised translation service, which translates a huge volume of material for the Authority.

As was the case in our previous annual report and referenced in our official challenges to the Commissioner's Compliance Notice, there remain a number of limitations relating to legacy IT systems that cannot currently comply with Welsh Language Standards. However, as these reach the end of their operational lifespan they will be replaced by systems which will have considered Welsh language requirements at the outset of the procurement process.

Last year the Authority identified a number of priorities that it wanted to achieve in the 18/19 financial year, including a Welsh mystery shopper programme, improved and integrated impact assessment guidance, and the further development of the Authority's 5 Year Welsh Language Strategy. This report shows that the Authority has made progress against many of these goals. However, as has been the case in previous financial years, the Authority will need to keep up momentum to ensure the uniform implementation of Welsh language standards.

We have identified a number of actions which will help us keep pace in the 2019/20 financial year:

- Work on developing and promoting the update Fairness and Equality Impact Assessment (FEIA) process
- Greater promotion of the councils Welsh language services
- Development and delivery of suitable Welsh language awareness training across the organisation
- Enhance partnership working across Welsh Language Forum members in line with the Welsh Language Strategy
- Develop the intranet to include Welsh language guidance around compliance with the Welsh Language Standards

Summary 1: Service Delivery Standards

A review of our compliance with Service Delivery Standards demonstrates the positive progress the Authority has made in delivering bilingual services to members of the public. However, it remains clear that the authority's services are not consistently compliant. As this body of standards relates to frontline services, these standards will remain a priority for us.

During the course of 2018-19 the Authority commissioned an independent mystery shopper exercise to evaluate the level of compliance across the council. The results are currently being considered and findings will be mainstreamed into our improvement strategy in the coming financial year.

Summary 2: Policy Making Standards

Improved instructions relating to Policy Making standards have been issued to staff through our guidance on Fairness and Equality Impact Assessments (FEIAs), which have been made available on our staff intranet. Whilst this guidance has strengthened the prominence of the Welsh language alongside other equalities considerations, further work is still required to ensure that processes relating to policy making standards are uniformly followed. In response to this the Authority will step up staff engagement in this area and feed FEIA guidance into a comprehensive package of staff communications.

The development of guidance on awarding grants and contracting is still in process, and is the subject of an internal task and finish group, linked to the delivery of the Authority's new Code of Practice on Ethical Employment in Supply Chains. Progress against this Code of Practice will be reported to the Strategic Equality Group and within the Equalities Annual Report from 2019/20 onwards.

Summary 3: Operational Standards

Our Human Resources team continue to work to ensure compliance across a number of the Operational Standards is maintained. Over the next 12 months the Authority will look to make better use of its staffing data so that it can be more strategic and targeted within its workforce development planning and within the allocation of training resources.

Work continues on the development of the policy for using Welsh internally with particular reference to how it is promoted and facilitated within the council and raise awareness of employees rights to use Welsh at Work.

Summary 4: Promotion Standards

In March 2017, Cabinet and Council approved the [5 Year Welsh Language Strategy](#) for the city. The Strategy is available on the Authority's website, and sets out how we will promote Welsh over the next five years. Currently, progress on the Strategy is reported to the Strategic Equalities Group whilst operational delivery is the responsibility of a number of working groups:

- the Welsh in Education Forum and the Promotion of Welsh in Education Group, which are led by the council and comprised of local partner organisations
- the Welsh Language Implementation Group, an internal council group which includes both Newport Norse and Newport LIVE

- the Fforwm Iaith (Welsh language forum for Newport) led by Menter Iaith Casnewydd

Summary 5: Record Keeping

The Authority has identified via its internal monitoring process that it remains compliant in this area. Over the past 12 months the Authority has introduced a new Customer Relationship Management (CRM) system which has improved the way the Authority both records complaints relating to Welsh language and customer information in regard to language choice.

The Authority has also developed Service Action Plans to monitor the implementation of standards across the organisation. These Service Area Plans are owned by the Service Area representatives within the Welsh Language Implementation Group.

Summary 6: 5 Year Welsh Language Strategy

As the Authority enters the second year of its 5 Year Welsh Language Strategy, we have been able to make notable progress against some of the objectives set out in the Strategy's action plan.

A 'Benefits of Bilingualism' campaign continues to be rolled out which promotes Welsh medium education across Newport. The accompanying [booklet](#) that has been developed by the Authority in close partnership with Menter Iaith Casnewydd and has been received positively by stakeholders. The campaign has recently been bolstered by the development of videos encouraging parents to consider Welsh medium education for their children, contributing to the Authority's target of increasing the number of pupils in Welsh Medium Education.

In addition to this, the 2018/19 financial year also saw the launch of Newport City Council's dedicated Black, Asian and Minority Ethnic (BAME) Welsh Language outreach project, which featured within the original action plan of the 5 Year Strategy, highlighted as an example of best practice by the Welsh Language Commissioner.

Summary 7: Moving Forward

At the start of the next financial year, we will be undertaking a comprehensive gap analysis to better understand our current Welsh language position, both in terms of compliance, and how meeting our standards is translating into improved public services and a shift in workplace culture. The gap analysis will also incorporate findings from our commissioned Mystery Shopper project and facilitate the identification of short, medium and long-term goals for the authority.

We will also be working to improve consistency across our various organisational and corporate plans and strategies, to ensure that Welsh language is an integral part of our corporate risk and performance processes, and properly considered in our decision-making. This is perhaps best demonstrated through the integration of the Welsh language agenda into the newly established portfolio management boards.

We will continue to develop links with our Welsh Language Forum and revisit our multi-agency promotional strategy for Welsh, with the aim of improving engagement with key Welsh language stakeholders. As we move towards the development of our new Welsh Medium Primary School we will be ensuring that we engage with our communities and develop promotional strategies which will further increase local appetite for Welsh medium education.

Staff Skills

The Authority collects information on the Welsh speaking ability of its staff by asking them to voluntarily record their skill level via the Employee Self-Assessment portal. As of 31st March 2019 the Authority employed 5842 staff, including staff in schools. Outlined in the table below is a breakdown of their known Welsh language ability.

Welsh language skills of all known NCC Employees as at 31/03/19

Headcount 2016/17	Headcount 2017/18	Headcount 2018/19
6,147	5,949	5842

	No. of Employees by Score 2016/17				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	2,782	1,135	210	158	1,833
Spoken	2,574	1,324	210	183	1,856
Understanding	2,606	1,272	224	193	1,852
Written	2,830	1,079	198	171	1,869
Percentage of headcount	43.9%	19.6%	3.4%	2.9%	30.1%
	No. of Employees by Score 2017/18				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	2,710	1,154	220	193	1,672
Spoken	2,531	1,329	217	189	1,683
Understanding	2,546	1,290	233	198	1,682
Written	2,764	1,101	208	177	1,699
Percentage of headcount	44.3%	20.5%	3.7%	3.1%	28.4%
	No. of Employees by Score 2018/19				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	2702	1156	208	211	1565
Spoken	2507	1342	211	206	1576
Understanding	2523	1305	226	215	1573
Written	2750	1,106	198	195	1593
Percentage of headcount	44.9%	21.0%	3.6%	3.5%	27.0%

Below is a summary of the distribution of staff Welsh skills across different service areas. As is demonstrated in the table, the Authority currently has a higher concentration of staff with Welsh skills working in schools than we do in other Council services.

Staff data demonstrates that over the next 12 months the Authority will need to work to reduce the number of staff that have not recorded their Welsh language ability. The same data also suggests a need to increase the number of advanced and intermediate Welsh language speakers across our service areas.

Our data suggests that we have 417 members of staff with either advanced or intermediate spoken Welsh skills, however, when we break down where these staff members are situated across the Authority, we can observe that the vast majority of these are within schools, and that we only have a relatively small number of Welsh speaking staff within our corporate services.

This relatively small number of Welsh speaking staff remains one of the most significant limitations to our ability to ensure delivery of reliable Welsh language services to the public.

	No. of Adult and Community Services Employees by Score 2018/19				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	280	30	3	9	268
Spoken	270	39	5	8	268
Understanding	270	37	5	9	269
Written	285	23	2	9	271

	No. of Children and Young People Services Employees by Score 2018/19				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	206	43	8	11	119
Spoken	202	47	11	9	117
Understanding	200	49	8	11	120
Written	211	32	11	10	122

	No. of Education Employees by Score 2017/18				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	114	39	6	6	131
Spoken	106	50	4	6	130
Understanding	110	42	6	6	132
Written	123	32	5	5	131

	No. of Finance Employees by Score 2017/18				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	48	20	1	1	22
Spoken	49	19	1	1	22
Understanding	48	17	1	1	25
Written	50	18	1	1	22

	No. of Law and Regulation Employees by Score 2017/18				
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record
Reading	159	26	5	8	28
Spoken	157	28	5	8	28
Understanding	154	31	5	8	28
Written	162	23	6	7	28

	No. of People and Business Change Employees by Score 2017/18					
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record	
Reading	81	15	3	2	27	
Spoken	73	23	3	2	27	
Understanding	75	20	3	3	27	
Written	81	14	3	2	28	
	No. of Regeneration, Investment and Housing Employees by Score 2017/18					
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record	
Reading	308	116	12	15	85	
Spoken	269	142	16	15	95	
Understanding	278	139	15	15	94	
Written	299	116	14	14	131	

	No. of Schools Employees by Score 2017/18					
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record	
Reading	1269	851	166	155	773	
Spoken	1146	977	163	152	776	
Understanding	1156	953	182	157	766	
Written	1293	841	154	143	783	

	No. of Strategic Directors by Score 2017/18					
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record	
Reading	1	1	0	0	1	
Spoken	0	2	0	0	1	
Understanding	1	1	0	0	1	
Written	1	1	0	0	1	

	No. of Streetscene and City Services Employees by Score 2017/18					
Welsh Competency	None	Beginner	Intermediate	Advanced	No Record	
Reading	263	28	6	6	107	
Spoken	262	29	5	7	107	
Understanding	261	30	4	7	108	
Written	267	27	4	6	106	

Training

Under Standard 128, the Authority is mandated to offer training programmes through the medium of Welsh on the following courses;

- Health and Safety for Managers
- Corporate Induction
- Performance Management
- Corporate Management Induction

Of the courses that were offered in Welsh, none were requested by members of staff. As such 0% of the staff attending a course attended a Welsh course. The Authority will need to evaluate the availability of Welsh training in the coming financial year and consider how these sessions are promoted to staff.

Welsh language courses and awareness training

The section below highlights the number of staff who have attended a Welsh language course or awareness training in the 2018/19 financial year. The language courses are delivered in partnership with Coleg Gwent and follow the national curriculum of teaching Welsh to adults. Welsh Language awareness sessions aim to provide staff with a practical knowledge of the Authority's obligations under the Welsh Language Measure. The low figure of attendees associated with the awareness sessions is accounted for by a change in training providers during the 2018/19 financial year.

It is recognised that the number of staff accessing Welsh language training is relatively low, and we plan to prioritise marketing of available courses and increasing opportunities for learners and speakers to participate in informal learning activities during 19/20.

Course Title (2018/19)	Number Enrolled
Welsh Language Awareness	6

Course Title (2018/19)	Number Enrolled
Improvers Course for Welsh Speakers	0
Welsh 2-day Introduction	8
Welsh at Work 90-minute Taster	16
Welsh Mynediad/Entry Level 30-week course (Year 1)	13
Welsh Mynediad/Entry Level 30-week course (Year 2)	6
Welsh Sylfaen/Foundation Level 30-week course (Year 1)	7
Improvers Course for Welsh Speakers	8

New Posts

Over the course of the 2018-19 financial year NCC advertised 175 vacant and new posts. Below is a table outlining the Welsh language requirements associated with these jobs. This data includes both core Council staff and staff working in schools.

Welsh Competency requirements on new posts (all posts)

No. of new posts 2016/17	No. of new posts 2017/18
842	577

2017/18		
Welsh Competency Requirement	Number	Percentage of Total
Essential	26	4.5%
Desirable	51	8.8%
Not necessary	499	86.5%
To be learnt in post	1	0.2%
Total	577	
2018/19		
Welsh Competency Requirement	Number	Percentage of Total
Essential	5	2.9%
Desirable	18	10.3%
Not necessary	151	86.3%
To be learnt in post	1	0.1%
Total	175	

If we remove staff working within schools from this dataset and focus solely on core Council staff (shown below) we can observe a significant drop in the percentage of posts in which Welsh is 'Essential' and 'Desirable'. This suggests that we have a higher proportion of Welsh Essential and Desirable posts being advertised in schools than we do in core Council services. Over the coming year we will be refocussing our efforts to actively attract Welsh speakers into critical roles across the Authority.

Welsh Competency requirements on new posts (excluding schools)

No. of new posts 2016/17	No. of new posts 2017/18	No. of new posts 2018/19
600	347	128

2017/18		
Welsh Competency Requirement	Number	Percentage of Total
Essential	6	1.7%
Desirable	43	12.4%
Not necessary	298	85.9%
To be learnt in post	0	0%
Total	347	
2018/19		

Welsh Competency Requirement	Number	Percentage of Total
Essential	1	0.1%
Desirable	13	10.2%
Not necessary	114	89.1%
To be learnt in post	0	0.0%
Total	128	

Complaints

In the 2018-19 financial year, Newport City Council received 0 complaints relating to non-compliance with standards recorded via our Customer Relations Management system.

Over the past financial year NCC has dealt with 1 complaint from the Welsh Language Commissioner's office regarding non-compliance with standards.

This complaint related to the failure to comply with the following standard:

Standard 52: Not maintaining bilingual websites

Whilst the Authority recognises the need to improve how it records complaints which relate to compliance with standards, particularly within the CRM, we are confident that we have taken an approach to resolving complaints that has allowed for organisational learning and change. We continue to work positively with the Welsh Language Commissioner and look forward to this continuing into the forthcoming year.

Date: June 2019
 Author: Equalities Officer

This page is intentionally left blank



Report

Cabinet

Part 1

Date: 17 July 2019

Subject End of Year Performance Analysis

Purpose To present Cabinet with an overview on service areas performance for 2018/19 against each of their service plans 2018-22; to address any areas of under-performance; and to consider recommendations / feedback from the Council's Scrutiny Committees.

Author Head of People and Business Change
Policy, Partnership & Involvement Manager

Ward All

Summary The Council's Corporate Plan 2017-22 has set out a mission statement for 'Improving People's Lives' and to enable us to meet the Well-being goals set out in the Well-being for Generations (Wales) Act 2015. The Corporate Plan has identified four Well-being Objectives and four themes (Thriving City, Aspirational People, Resilient Communities, and Modernised Council) to deliver on our mission statement. To support this, each service area developed their service plans 2018-22 outlining how they will support and deliver the Council's commitments.

The report highlights some of the important developments being made by the service areas in 2018/19. In terms of the progress made against their objectives in 2018/19, service areas reported that they had completed 36% of their actions with 59% reported as 'In Progress' of delivery and will be continuing into 2019/20. For the reported 86 National and Local performance measures reported at the end of the year:

- 50 out of 86 performance measures had met their target;
- 19 out of 86 performance measures were short of meeting their Target (within 15%);
- 17 out of 86 performance measures were 'off target' (over 15%).

Proposal Cabinet are requested to:

1. Note the contents of the report
2. Take action in conjunction with the Directors and Heads of Service to address areas of poor performance.

Action by Strategic Directors and Heads of Service.

Timetable Immediate

This report was prepared after consultation with:

- Chief Executive & Strategic Directors
- Heads of Service

Signed

Background

The Well-being of Future Generations (Wales) Act 2015 requires all public service bodies to state how they will deliver the wellbeing goals and ensure the delivery of these objectives consider the 5 ways of working (Long Term, Collaboration, Integration, Prevention and Involvement). In 2017/18 we launched the Corporate Plan 2017-22 which had identified four Well-being Objectives:

1. To improve skills, education and employment opportunities
2. To promote economic growth and regeneration whilst protecting the environment;
3. To enable people to be healthy, independent and resilient;
4. To build cohesive and sustainable communities.

To enable us to deliver these objectives we recognised that we need to make step changes in how we deliver our services and how we secure efficient and effective services now and in the future. We identified four themes (Aspirational People, Resilient Communities, Thriving City and Modernised Council) and 20 commitments to meet these challenges. To support the Corporate Plan, each of the eight service areas developed their service plan over the period of the Corporate Plan. Each service plan identified their objectives and actions; and performance measures that will be used to monitor their progress of delivery which are reported to Scrutiny Committees every 6 months. For the End of Year Review, we asked each service area to provide:

1. An update on the progress made against the delivery of their objectives and actions since the Mid-Year reviews were last reported to Cabinet in January 2019; and
2. End of year update on the National / Local performance measures.

What did we deliver in 2018/19?

2018/19 was a challenging year for the Council but significant progress had been made in the delivery of the Corporate Plan and also preparations for significant deliverables in 2019/20 and beyond. The most notable achievements were:

- **The Independent Living Strategy (Resilient Communities)** which commits us to provide clear pathways for eligible adults with learning difficulties and opportunities for independent living and community resilience
- **In Reach programme / Step Up and Step Down beds initiative and Reablement team targeted support (Resilient Communities)** in collaboration with Aneurin Bevan University Health Board are in place to improve the transfer of care between health and social care.
- **Gwent Homelessness Strategy (Resilient Communities)** was approved by all Gwent local authorities to commit towards finding suitable and affordable housing, advice and support as well as providing early intervention and prevention of individuals and families.
- **The Young Person's Promise (Resilient Communities / Aspirational People)** was approved and commits the Council to ensure young people of Newport are involved in the decisions made by the Council on services / activities that affect them.
- **Completion of the Glan Llyn Primary School, Caerleon Lodge Hill Primary School, Jubilee Park Primary School and Ysgol Gyfun Gwent Is Coed official opening (Aspirational People)** demonstrates our commitment to improve school environments giving as much opportunity for pupils to achieve.
- **Opening of Rose Cottage (Aspirational People)** to support our provision for bringing back looked after children from out of county provision into Newport. This enabled improvements in the care and support for those children and enabled efficiency savings.
- **Improvement in GCSE and A Level Results (Aspirational People)** in 2017/18 demonstrating the hard work and commitment pupils and teachers are putting in improve standards and opportunities in the city.

- **Newport City Council Apprenticeship Programme (Aspirational People)** has continued to provide opportunities to school leavers working for the Council to gain valuable work experience and qualifications.
- **City Services making preparations to implement Civil Parking Enforcement on 1st July 2019 (Thriving City)** to improve parking and access in and around the city.
- **National Software Academy (Thriving City)** moving into the Information Station building and creating opportunities for the future undergraduates and post graduates to gain industry ready software qualifications and support Newport and surrounding area technology sector.
- **Chartist Tower redevelopment (Thriving City)** into a four star hotel has been ongoing in 2018/19 and will be opened in September 2019 to support the City Centre regeneration and the new Conference Centre at Celtic Manor.
- **Introduction of new Waste Strategy and Bins (Thriving City)** to support the Council's commitment to reduce waste taken to landfill and recycle over 70% of waste by 2025.
- **City Services implementation of a new Customer Relationship Management (CRM) system and 'My Newport' (Modernised Council)** which enables residents and businesses to access their information and make online payments. 2019/20 will see the development of online Council Tax facility to enable online payments and view their Council Tax information.
- **Launch of Office 365 (Modernised Council)** across the Council which will enable Smarter and safer working.
- **Regeneration Investment and Housing preparing the Ringland Neighbourhood Hub (Modernised Council)** to deliver multi-services to residents and to enable improved linkages between the Council, Health and other partners in 2019/20.

In 2018/19 each service area had developed a service plan from 2018-22 to support the delivery of the Corporate Plan. At the end of 2018/19, service areas had completed 36% of actions identified in the plans with 59% of actions reported as being 'In Progress' and 3% of actions to be commenced in 2019/20. There was 2% of actions stopped and no longer completed. For those actions deemed as being 'In Progress' and 'To be Commenced' these will be carried forward into 2019/20 and delivered within their respective service plan.

At the End of Year 2018/19, 44 out of 86 measures were classified as National indicators with 26 measures (59%) reporting as being 'On Target' with 11 measures (25%) reported as being 'Short of Target'. Seven of the 44 measures (16%) were 'Off Target' and were in Social Services. However, it should be noted that Social Services and Education measures are being reviewed in 2019/20 and will change from 2020 onwards. At the time of writing the report, comparative data with other local authorities in Wales had not been released. As soon as this data is available we will provide an updated Cabinet report on the performance of Newport's National measures with other Welsh local authorities.

In 2018/19 we collected 42 Local Measures in the Council with 24 measures (57%) reported as being 'On Target'. 8 of the 42 measures (19%) were reported as being 'Short of Target' with 10 measures (24%) reported as being 'Off Target'.

The delivery of service plans and performance measures that are reported as 'Amber' or 'Red' are reported every quarter to Corporate Management Team and Senior Leadership Team and for actions to be undertaken to improve performance.

A summary of performance is attached in Appendix 1.

Financial Summary

Costs incurred in the delivery of the Service Plan activities and Corporate Plan are outlined in the Council's Annual Budget statement which was approved by the Council in February 2019.

Risks

Newport City Council maintains a Corporate Risk Register that monitors and reports high level risks that could impact on the Council's ability to deliver the Corporate Plan. The Risks are reported to the Council's Audit Committee and Cabinet every quarter and monitored through the Council's Senior Leadership Team and Corporate Management Team.

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 does not deliver its Corporate Objectives	High	Low	Performance of service plans are monitored and reported to Senior Leadership Team, Corporate Management Team and Service Area teams every quarter. Six monthly reviews are submitted to Scrutiny and Cabinet for review.	All Senior Managers / Cabinet members and officers

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

This reports supports the delivery of the Council's Corporate Plan 2017-22. Service Plans have been prepared to align with the Council's Corporate Well-being Objectives and Commitments. The delivery of the Corporate Plan also supports the delivery of the One Newport Public Services Board Well-being Plan 2018-23.

Options Available and considered

1. To note the contents of this report, to monitor and action performance measures with declining performance in conjunction with Heads of Service and to receive an analysis report of year end data.
2. To reject this report or ask for further information.

Preferred Option and Why

Option 1 for Cabinet to consider the contents of the report and to ensure that where performance has not achieved its target or is declining that Senior Leadership Team and Heads of Service are taking the necessary actions to improve performance.

Comments of Chief Financial Officer

There are no adverse budgetary implications arising as a result of this report. The Corporate Plan and component Service Plans were developed for delivery within existing budgets and any remedial actions needed to improve performance will still need to be made within these overall budget levels.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The end of year performance analysis has been undertaken in accordance with the Council's performance management framework. The report identifies progress in meeting the Council's strategic Corporate Plan and Well-Being objectives and the delivery of operational service plan objectives and key performance indicators. For the most part, objectives and targets have been met or have been exceeded but, where necessary, actions have been identified to address areas of under-performance. Summary conclusions from the Performance Scrutiny Committees are also included in the Report.

Comments of Head of People and Business Change

The alignment of Well-being Objectives and Corporate Objectives in the Corporate Plan through to service plans and individual performance objectives is important for delivering success in the Council. Where performance measures are indicating below than expected delivery, mechanisms are in place to escalate these to Corporate Management Team and Senior Leadership Team and enable close monitoring and actions to improve performance.

There are no direct HR implications arising from this report.

Comments of Cabinet Member

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

Local issues

All Wards

Scrutiny Committees

Performance of each Service Area was reported to the Council's Place and Corporate Scrutiny Committee and People Scrutiny Committee in June 2019. Comments and Recommendations from both Committees are attached in Appendix 2 of the report.

Equalities Impact Assessment and the Equalities Act 2010

We have consulted with the Council's Equalities Officer and confirmed that there was no requirement to undertake an Equalities Impact Assessment.

Children and Families (Wales) Measure

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

Wellbeing of Future Generations (Wales) Act 2015

The delivery of the Council's Corporate Plan 2017-22 is being in consideration of the Well-being for Future Generations Act. All Well-being Objectives and Corporate Themes / Commitments are aligned to the One Newport Well-being Plan and also the Welsh 7 goals for sustainable development in Wales.

As part of our commitment to the Well-being Act, the objectives and activities undertaken by the Council's Service Areas consider the 5 Ways of Working with assurances provided by Wales Audit Office and the Well-being of Future Generations Commissioner.

A separate Annual Report will be submitted in September 2019 which will provide an overview of the Council's progress against delivering the Council's Corporate Plan.

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

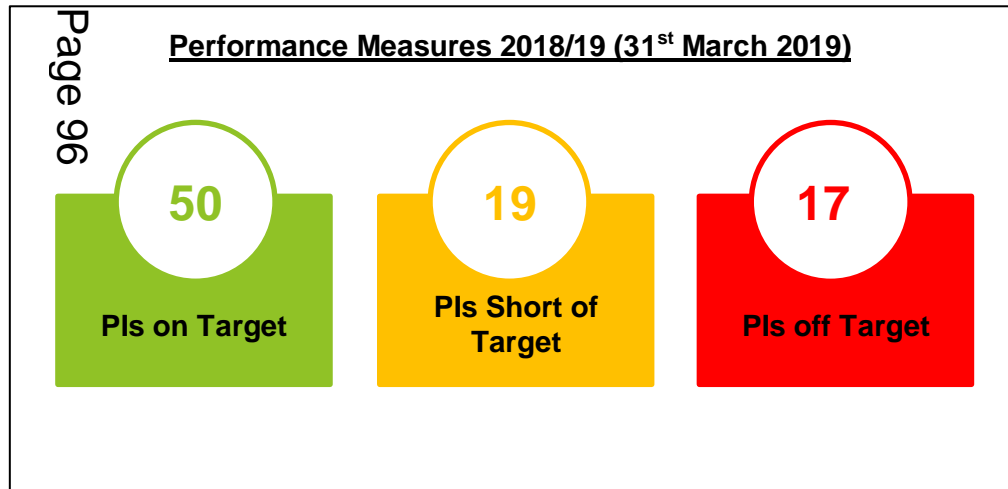
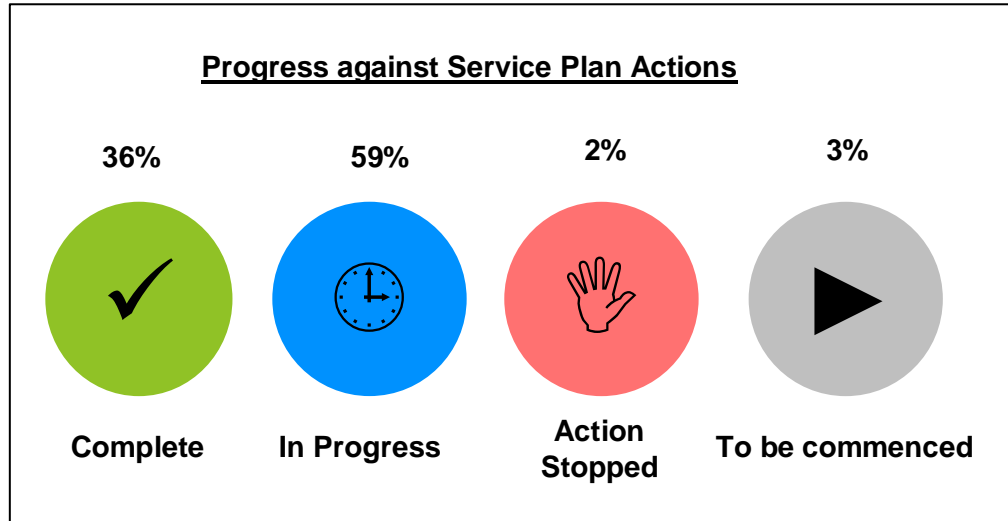
Not applicable.

Background Papers

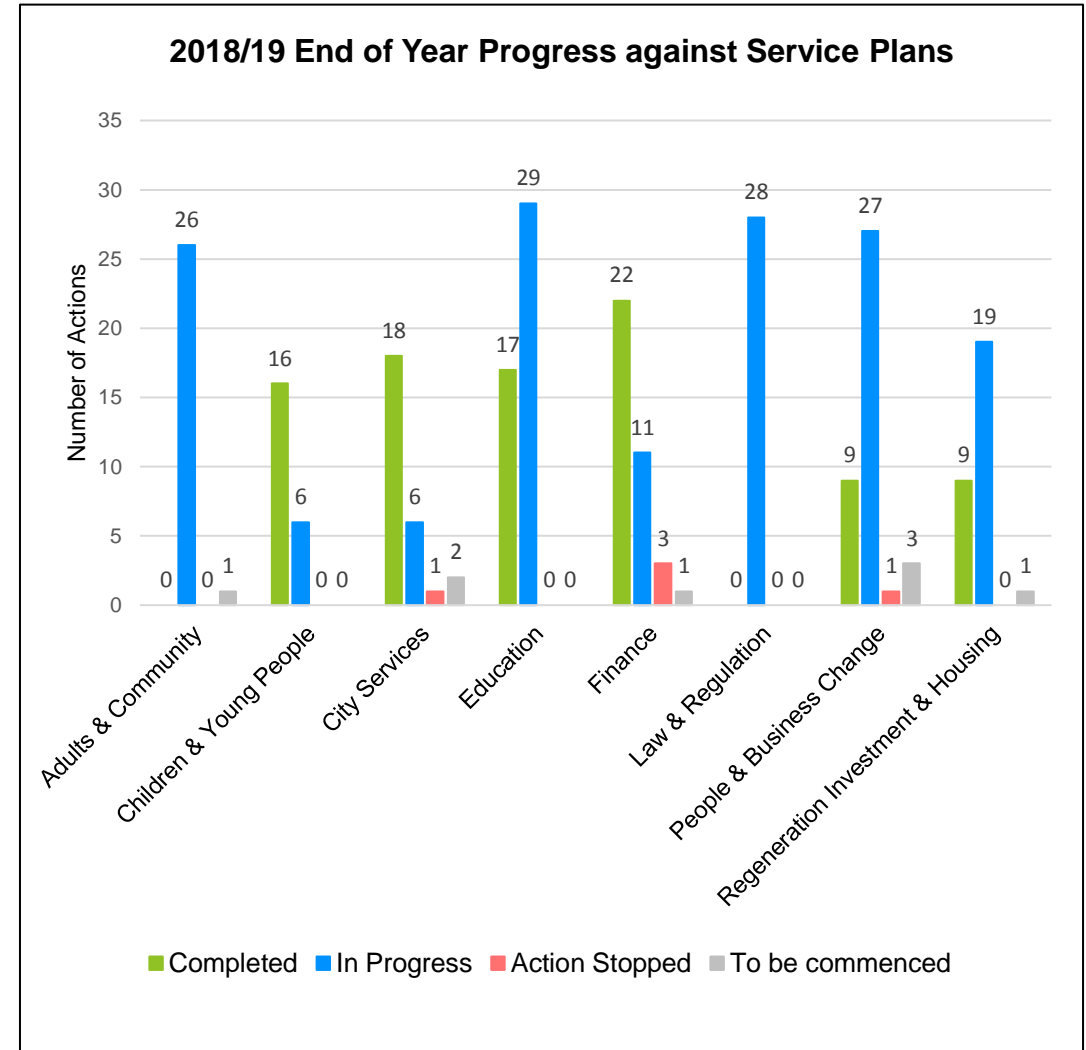
Place & Corporate Scrutiny Committee (June 2019) End of Year Review 2018/19
People Scrutiny Committee (June 2019) End of Year Review 2018/19

Dated: July 2019

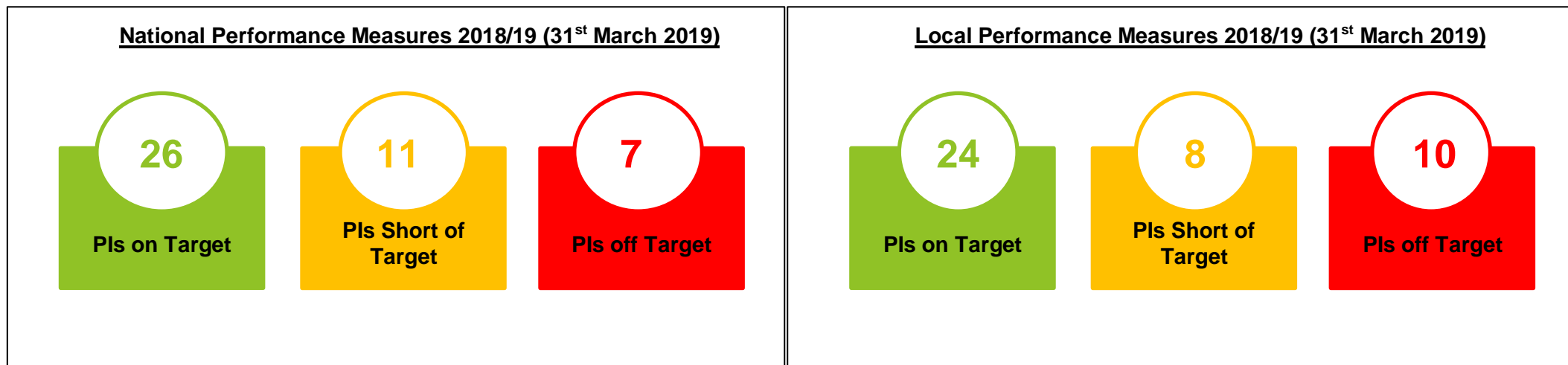
Appendix 1 – Summary of Performance 2018/19



Performance against target over time			
Year	2016/17	2017/18	2018/19
Green Measures	58%	68%	60%
Amber Measures	32%	23%	23%
Red Measures	10%	9%	20%



Performance Measures Analysis 2018/19



In 2018/19, the Council had 86 National and Local performance measures to monitor and report on the delivery of services. The performance measures across the eight service areas are split into the following categories:

National - Public Accountability Measures (PAMs) – Set annually by the Welsh Local Government Association in relation to the performance of local authorities across Wales;

National - Social Services Performance Measures (SSPM) – Set annually to monitor the delivery of Social Services (Adults and Children) across Wales.¹

Local – Set annually by service areas to monitor and report on specific services and activities delivered by the Council.

At the End of Year, 44 out of 86 measures were classified as National indicators with 26 measures (59%) reporting as being 'On Target' with 11 measures (25%) reported as being 'Short of Target'. Seven of the 44 measures (16%) were 'Off Target' and were in Social Services. However, it should be noted that Social Services and Education measures are being reviewed in 2019/20 and will change from 2020 onwards.

In 2018/19 we collected 42 Local Measures in the Council with 24 measures (57%) reported as being 'On Target'. Eight of the 42 measures (19%) were reported as being 'Short of Target' with 10 measures (24%) reported as being 'Off Target'.

The following pages provide an overview of National and Local measures and their performance from 2018/19.

¹ At the time of the review, all Social services performance measures are being reviewed with new measures to be set for 2020/21.

National Performance Measures End of Year Performance 2018/19

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
(PAM) – Percentage of adults satisfied with their care and support Annual	80.9%	N/A	N/A	This measure will no longer be collected for 2019/20 onwards.
(PAM) – Percentage of carers that feel supported. Annual	51.1%	N/A	N/A	This measure will no longer be collected for 2019/20 onwards
(Social Services Performance Measures, SSPM) – The Percentage of adult protection enquiries completed within 7 days. Monthly	98.9%	90%	98.9%	
(SSPM) – Length of time (days) adults are in care homes. Monthly	789.2 days	1,100 days	868.2 days	
(SSPM) - Average age of adults entering residential homes. Monthly	84.8 years	75 years	79.2 Years	
(SSPM) – Reablement no package of care and support. Annual	81.4%	50%	76%	
(SSPM) – Adults who have received advice and assistance no repeat contact.	79%	40%	41.9%	

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Annual				
(PAM) – Percentage of young people NEET year 11.	1.1%	1.5%	1.3%	
Annual				
(SSPM) – Percentage of assessments completed for children within statutory timescales.	93.2%	90%	91.5%	
Monthly				
(SSPM) – Percentage of re-registrations of children on local authority children protection registers.	2.4%	10%	3%	
Monthly				
(SSPM) – The average length of time for all children who were on the Child Protection Register during the year.	231 days	260 days	253.4 days	
Monthly				
(SSPM) – Percentage of looked after children who have had 1 or more changes of school.	8.6%	12%	12.7%	
Monthly				
(SSPM) – Percentage of children achieving the core subject indicator at key stage 2	62.5%	60%	59.4%	
Annual				
(SSPM) – Percentage of children achieving the	6.5%	5%	3.3%	

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
core subject indicator at key stage 4. Annual				
(PAM) – Visits to sport and leisure centres per 1,000 population. Quarterly	7,888	7,800	7,452	
(PAM) – Percentage of principal A roads that are in overall poor condition. Annual	2.3%	2.9%	2.6%	
(PAM) – Percentage of principal B roads that are in overall poor condition. Annual	4.2%	4.9%	4.4%	
(PAM) – Percentage of principal C roads that are in overall poor condition. Annual	6.9%	7.6%	7.1%	
(PAM) – Average number of days taken to clear fly tipping incidents. Quarterly	2 days	5 days	Not Applicable	First year of reporting this Performance measure.
(PAM) – Municipal waste reused, recycled and composted. Quarterly	58.98%	58%	59.82%	
(PAM) – Percentage of households for whom homelessness was prevented. Quarterly	54%	52%	57%	

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
(PAM) – Percentage of empty properties brought back into use. Half Yearly	0.6%	0.5%	1.3%	
(PAM) – Number of new homes created as a result of bringing empty properties back into use Half Yearly	21	18	22	
(PAM) – Percentage of all planning applications determined in time. Quarterly	87.5%	85%	89%	
(PAM) – Percentage of planning appeals dismissed. Quarterly	75.7%	65%	60.8%	
(PAM) - Number of additional affordable housing units delivered per 10,000 households. Half Yearly	18.76 units	12 units	Not Applicable	
(SSPM) – Percentage of children seen by a dentist within 3 months of becoming looked after. Monthly	18.2%	20%	12.7%	
(SSPM) – Percentage of care leavers who are in education training or employment at 24 months Monthly	48.7%	50%	45.7%	

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
<p>(SSPM) – Percentage of children looked after who were registered with a GP within 10 working days.</p> <p>Monthly</p>	79.7%	90%	91.9%	This target this year was bedevilled by challenges in the work with health. Some challenges mid-way through the year have now been resolved and both GP registrations and completion of LAC medicals are improving.
<p>(PAM) – Percentage of cleanliness inspections of highways and relevant land.</p> <p>Bi-monthly</p>	91.4%	97%	91.6%	Whilst performance did not meet the target in 2018/19 year end, we are confident that this year will be a marked improvement over previous years. The frequency of cleaning every street in Newport is being reviewed and a new schedule will be in place in the next few months, which will create a more consistent level of cleansing across Newport. New cleansing vehicles are also being purchased to ensure greater resilience going forward. In addition to this, litter enforcement will be strengthened, new litter bins will be provided and a proactive communications campaign will be undertaken.
<p>(PAM) – Kilograms of residual waste generated per person.</p> <p>Quarterly</p>	196.95	195 Kgs/Person	Not Applicable	This is a new measure and the target had been set as a provisional one based on a tonnage forecast. The target has been reviewed at year end based on 18/19 performance, and NCC is on currently on track to meet the revised target for 19/20, due to the Council's adopted waste strategy and policy on residual waste restrictions.
<p>(PAM) – Percentage of Attendance, Primary School Year End 2017/18.</p> <p>Annual</p>	94.6% (2017/18)	94.7% (2017/18)	94.7% (2016/17)	Although performance was slightly below target the Wales LA ranking position increased to 13/22. This is the highest ranking position Newport has achieved since 2012.
<p>(PAM) – Percentage of attendance, Secondary school year end 2017/18.</p> <p>Annual</p>	93.4% (2017/18)	93.8% (2017/18)	93.6% (2016/17)	Although performance was slightly below target the Wales LA ranking position increased to 16/22. This is the highest ranking position Newport has achieved since 2012.
<p>(PAM) – Percentage of food establishments broadly compliant with food hygiene standards</p> <p>Quarterly</p>	94.64%	95.16%	95%	This performance is consistent with the previous year. It represents a significant improvement compared with 2 years ago and is an excellent result when you consider the numbers and types of food premises that we have to regulate.

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
(PAM) - National Sickness Days lost. Annual	10.1 days	8.8 days	10.1	
(PAM) – Average number of calendar days to deliver a Disabled Facility Grant Half Yearly	201	192	174	The DFG indicator has deteriorated due to increased timescales for OT assessments provided by Social Services. Whilst Social Services are working to resolve these delays, there is likely to be further impact before an anticipated improvement is realised.
(PAM) – Percentage of quality indicators (with targets) achieved by the library service Annual	75%	80%	Not Applicable	This is a new performance measure. The introduction of a new Neighbourhood Hub approach, will integrate improved library provision at the heart of community facilities. At the core of this community-based approach, is an aim to positively drive performance across a number of the national quality indicators.
(PAM) – Delayed Transfers of Care (DTOC) Monthly 103	6.18 days	3.5 days	6.02 Days	<p>DToC is an area of significant achievement</p> <p>Although performance has declined very marginally the 6.18 figure is a significant achievement and close to the maximum possible. With hindsight the target of 3.5 days was too high given the increasing complexity of cases. The ongoing close management of Social Services and Health is responsible for keeping the figure low in the face of increasing service demands. The three established services that continue to complement the management of this complex set of issues are:</p> <ul style="list-style-type: none"> a) In Reach – early discharge planning from the ward, now fully operational in the Royal Gwent and St Woolos b) Reablement - targeted to support and facilitate timely discharge c) Step up step down beds continue to operate effectively with 54 out of 70 people successfully returning home. <p>Home First is a new health and social care regional initiative that seeks to prevent hospital admission. It is too soon to measure the impact of this new service on hospital discharge figures but evaluation is ongoing.</p>
(SSPM) – Reablement reduced package of care and support.	3.1%	50%	N/A	WG Guidance changed in 2018/19 and therefore we are unable to compare this figure with last year's data because the

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Annual				denominators were different. Therefore, it must be noted that the target of 50% is now irrelevant. However, the purpose of this measure is to identify how many people have benefited from the Reablement service and have been helped to maintain their independence. If we combine the two figures – 81.4% for no package of care after Reablement and 3.1% for a reduced package of care after Reablement it shows a total of 84.5% of clients achieving a positive outcome.
(SSPM) – Percentage of children supported to remain living within their family Monthly	56.5%	65%	65%	This was a new measure post the SSWA. It poses some challenges as children should only be supported to remain at home if it is safe to do so and assessments will change once a family is known. The guidance for the revised performance measures should improve the position in terms of setting realistic targets.
(SSPM) – Percentage of looked after children returned home from care Monthly	8.1%	13%	10.8%	Please see above.
(SSPM) – Percentage of looked after children who have had 3 or more placements Monthly	16.5%	9%	8.6%	This data is being checked as it does not correlate with other submissions.
(PAM/SSPM) – Percentage of care leavers who are in education training or employment at 12 months Monthly	36.4%	50%	44.4%	Both of these areas continue to be a challenge. This will be a focus of work for 2019/20.
(PAM) – Percentage of care leavers that have experienced	22%	5%	8.5%	This relates to a small number of young people and so one or two has a large impact on the %. This includes the rare use of B and B.

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
homelessness during the year. Monthly				
(PAM) – Capped 9 Score Annual	336	N/A	Not Applicable	No benchmark target set as first year data has been captured by Welsh Authorities.
(PAM) – Percentage of pupils assessed in Welsh at the end of Foundation Phase 2017/18. Annual	4.5% (2017/18)	N/A	Not Applicable	No benchmark target set as first year data has been captured by Welsh Authorities.

Local Performance Measures End of Year Performance 2018/19

Select number of local measures reported as being Green and achieving their target.²

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Number of young people actively engaged in helping the Council make decisions. Quarterly	18,871	12,000	Not Applicable	The strong performance relates to the use of Bus Wifi to target younger citizens. Over 50% of respondents to these surveys are under 25, and tend to be more diverse than traditional engagement methods.
Percentage of managers undertaking regular check-ins through Clear Review process. Quarterly	82.48%	80%	Not Applicable	
Freedom of Information responses completed in time Quarterly	90.06%	88%	88.33%	
Council Tax collection (Percentage) Monthly	96.64%	96.6%	96.67%	Overall, a good year for collection of the council tax charges due for 2018-19 and an excellent result in terms of reducing the legacy of outstanding arrears. The arrears from previous years have reduced significantly due to the increased emphasis on the arrears collection and the creation of a small dedicated debt recovery team within the Council Tax Section.
Non Domestic Rates Collected % Monthly	97.07%	97%	97.5%	A good end of year performance in terms of collecting NNDR, in spite of the challenges faced by some businesses in the current climate.
Percentage of Internal Audit plan completed Quarterly submission	83%	82%	84%	An excellent team performance in getting planned audit work and reports out in line with the expected target. This will enable the Chief Internal Auditor to provide an overall year end opinion.

²To View full performance measures please visit Place & Corporate Scrutiny Committee Agendas [10th June 2019](#) and [24th June 2019](#); and People Scrutiny Committee [11th June 2019](#) and [25th June 2019](#)

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Percentage of pupils achieving the expected outcome at the end of Key Stage 2 2017/18 Annual	90.7% (2017/18)	89.9% (2017/18)	90.1% (2016/17)	Performance in the Key Stage 2 Core Subject Indicator (CSI) has improved by 0.6 percentage points.
Percentage pupils achieving the expected CSI outcome at the end of Key Stage 3 2017/18 Annual	88.4% (2017/18)	86.1% (2017/18)	85.3% (2016/17)	Performance continues to improve, with 88.4% pupils achieving the core subject indicator (CSI), an increase of 3.1 percentage points from 85.3% in 2017.
Total number of days lost to secondary fixed term exclusions in 2017/18. Annual	1,338 days (2017/18)	1,527 days (2017/18)	1,344 days (2016/17)	
Total number of children supported by Youth Offending Service in suitable accommodation at the end of intervention. Quarterly	86.69%	85%	N/A	
Number of events held on a range of countryside, biodiversity and recycling related matters. Quarterly	81	30	38	
Number of active travel journeys. Quarterly	200,927	100,000	139,680	
Number of visitors to city parks, open spaces, and coastal path Quarterly	380,370	250,000	340,846	

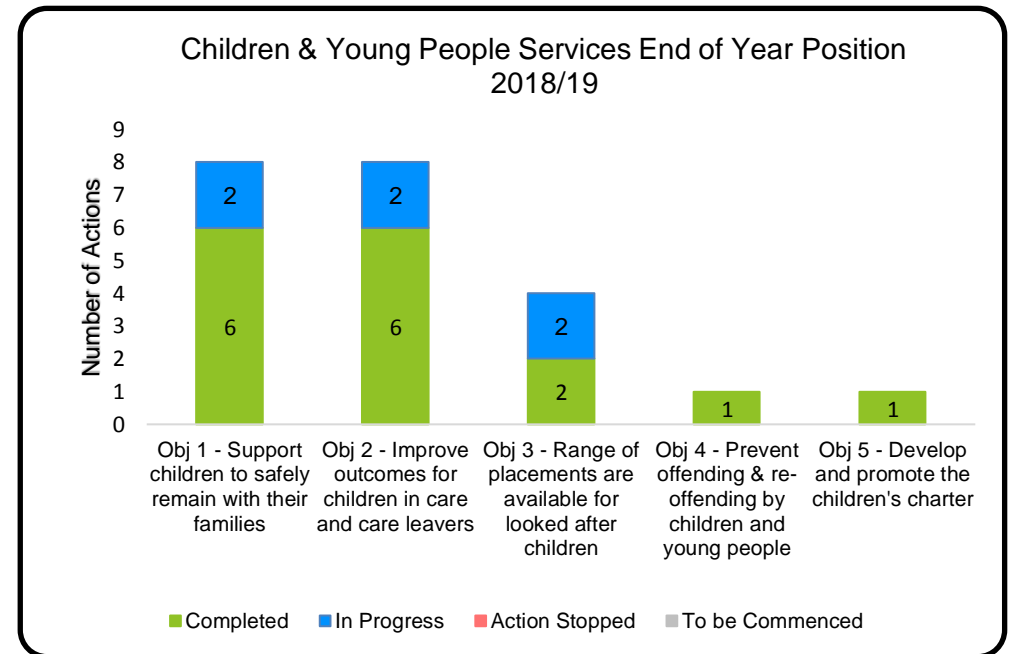
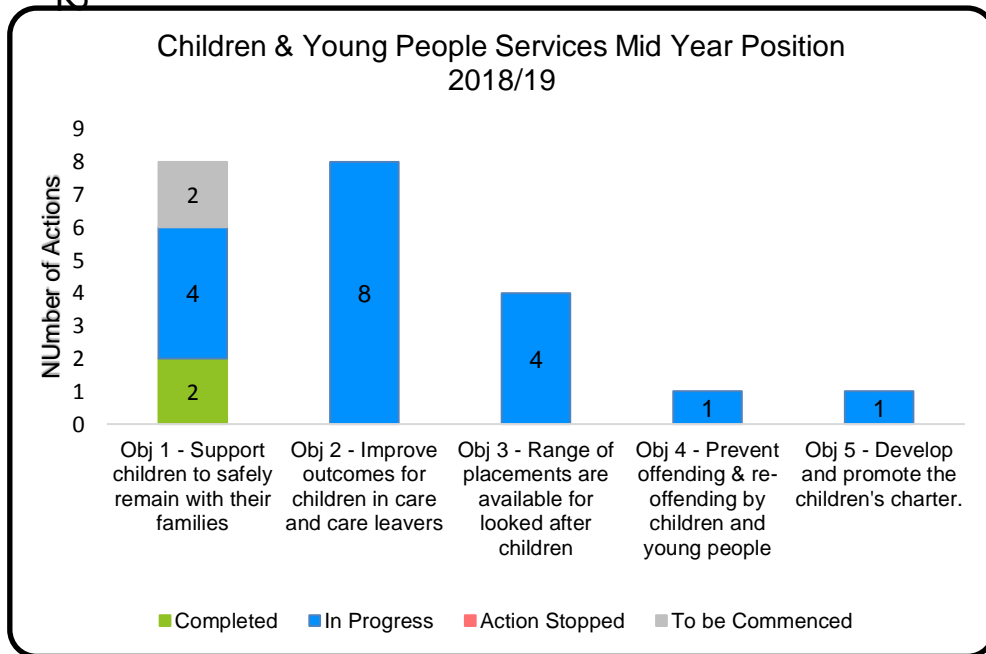
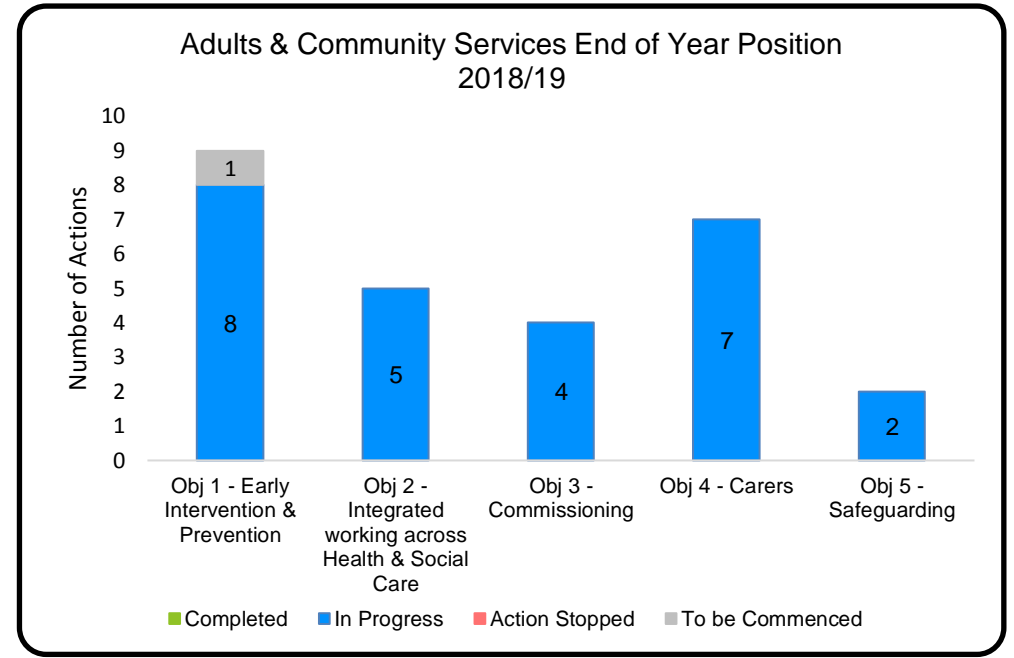
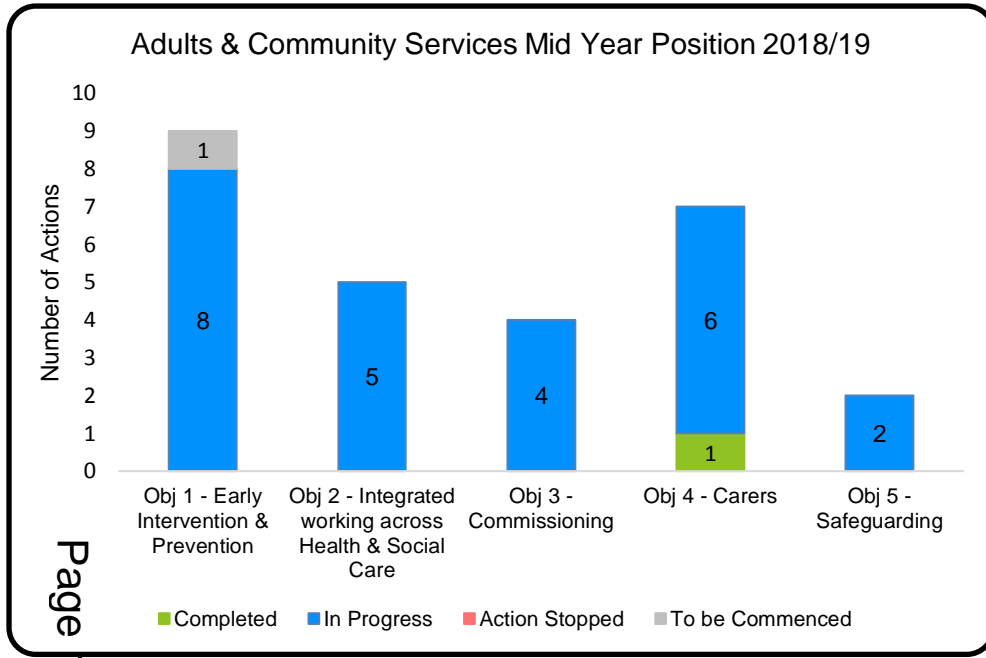
Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Total number of social media followers Quarterly	29,300	27,000	26,933	
Average value of fraud investigations successfully concluded. Quarterly	£76,976	£30,000	Not Applicable	First year of reporting and no comparable data.
Percentage of legal searches in 5 days. Monthly	96.77%	96%	94.19%	
Percentage of municipal waste recycled at the HWRC Quarterly	60.84%	65%	59.77%	Despite still falling short of the target, upward trend has continued and performance for Q4, with 63.4% recycling, has been much better than in Q4 last year. Works to reverse traffic at the CA site concluded in March 2019 and that will make traffic management easier and will contribute to keep the improved performance
Percentage of pupils achieving level 2 threshold including English and Maths 2017/18. Annual	57% (2017/18)	60% (2017/18)	55.5% (2017/18)	Although the measure is below target, performance has improved from the previous year. Newport has been above the national average in this measure for the last two years.
The number of schools being accredited at Healthy Schools Level 4 and 5. Annual	33%	35%	31%	Schools continue to progress through the Healthy Schools accreditation awards. There is an increased focus on secondary school participation and a focus on schools achieving the National Quality award.
Payment of invoices within timescales Monthly	88.9%	90%	88.6%	Marginal improvement over 2017/18 performance, and just shy of target. Detailed reporting has been introduced to identify areas within the Council that are causing delays in the payment of invoices. Meetings have commenced and will continue throughout 2019/20 with service areas causing delays to understand their issues and seek improvements to process. It should be noted that whilst the PI sits within Finance, the failure

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
				to enable payment within 30 days mainly exists within other Service Areas; as stated above, this is now being challenged.
Number of suppliers using Lodge Cards Annual submission	6	7	6	This PI has not been pursued as envisaged and been stopped from 2019/20. The focus is now on the 'card programme' as a whole and the value/transactions going through all the card programme.
Percentage of agreed management actions – implemented within 6 months of final Internal Audit Report Annual	87.5%	90%	N/A	Difference represents 1 audit recommendation only
Percentage of Anti-social behaviour incidents resolved by wardens. Quarterly	92.84%	93.96%	93.96%	The resolution rate is consistently over 90% but performance tailed off very slightly over the last two quarters because of the numbers of service requests received. However, the outturn figure was still within 1% of a very challenging target and still demonstrates a good level of performance.
Number of staff trained in Prevent PVE. Quarterly	295	300	680	The 2017/18 position included sessions completed for school staff, we would not anticipate the annual training provision continuing at the same level and the 19/20 targets reflect this. Training continues for new staff, both within schools and across the wider LA. The national training package is currently under reviewed and a refreshed training strategy will be developed during 19/20 once a Home Office package is launched.
Number of Looked after Children Monthly	375	325	N/A	As with much of Wales we have seen a continued rise in the numbers of looked after children. The reasons are multifactorial and include increased levels of deprivation, a risk averse local judiciary, increased numbers of UASC, a wider understanding of the impact of domestic abuse. There is a substantial body of work to try and reduce the numbers but the exogenous pressures are substantial. This is an area of substantial National scrutiny and WG requires a reduction strategy for 19/20.
Average number of hours school aged children attend at the start of intervention.	0	25	N/A	Linked to Youth Justice Performance Measures. New performance measures will be developed in 2019/20

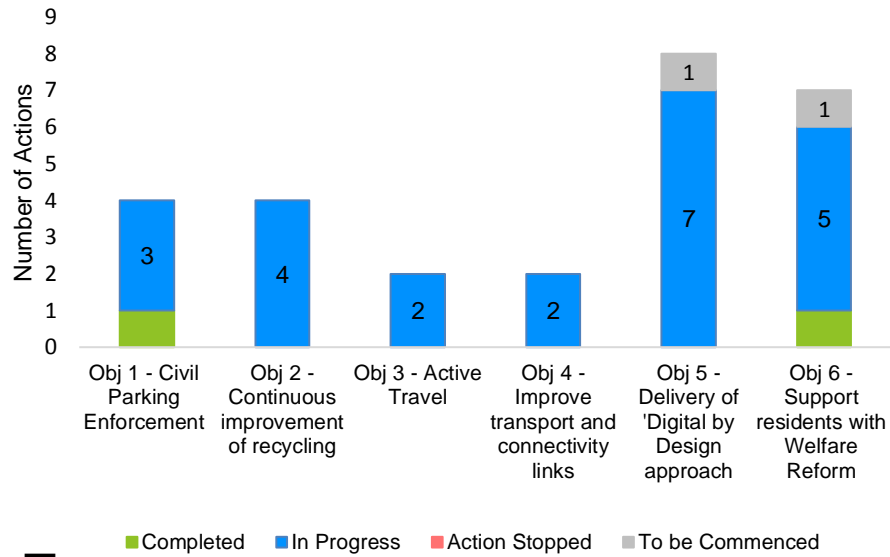
Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Quarterly				
Percentage change in average hours school aged children attend at the start & end of intervention.	0	40%	N/A	Linked to Youth Justice Performance Measure. New performance measures will be developed in 2019/20
Quarterly				
Percentage of Free School Meal pupils achieving level 2 inclusive	26.15% (2017/18)	33.3% (2017/18)	28.79% (2016/17)	Performance of Free School Meal (FSM) pupils in 2018 has declined by 2.6 pp to 26.2%. In comparison, the national FSM average improved by 0.9 pp from 28.6% to 29.5%. This is an Estyn recommendation and is reflected as a priority in the Education Service plan for 2019/20.
Annual				
Percentage of young people recorded as unknown following compulsory education.	1.2%	0.5%	0.7%	Every effort is made to ensure as few young people are recorded with an unknown destination. This includes carrying out 3 home visits at different times of the day and working with their previous education establishments. Due to GDPR issues all LA 'unknown' data has increased through the destination survey.
Annual				
Increase Council Tax accounts paid by Direct Debit.	60%	72%	58.8%	The percentage of council tax payers choosing direct debit continues to increase. It is hoped that when online services become available this will increase further.
Annual				
Percentage Legal prosecutions issued within 20 working days.	51.8%	85%	80.7%	Performance has dipped in the last three quarters because of staff turnover and long-term sickness absence. A management decision was taken to prioritise other, more urgent litigation work. However, we have consistently met this target (89.4% last year) and this level of performance should be restored once there is a full complement of litigation staff within the section.
Monthly				
Number of employees trained in Welsh Awareness.	48	150	141	Following a number of staffing changes and loss of the previous course provider in 18/19 Welsh language awareness training will be delivered and promoted in 19/20. Further training solutions are being explored for 19/20 in order to maximise delivery, including mandated e-learning when new staff join the Council.
Quarterly				

Performance Measure	2018/19 Actual	2018/19 Target	2017/18 Position	Service Area Comment (For Measures not meeting targets)
Percentage of challenges to Welsh language provision upheld. Half Yearly	100%	40%	Not Applicable	The number of Welsh language challenges remain low, however we would expect a number of challenges to be upheld in any one year and these numbers are, by nature, unpredictable. Welsh language investigations can often span a number of months, so challenges upheld may also relate to complaints made in previous periods. We continue to work closely with services and the Commissioner to ensure any upheld challenges result in organisational learning.
Number of young people actively involved in Newport Youth Council work. Quarterly	11	15	18	Newport Youth Council provider changed in 2018/19 and we are developing the profile of the group through social media and schools. A permanent Participation Worker has now been appointed which will support the membership development.

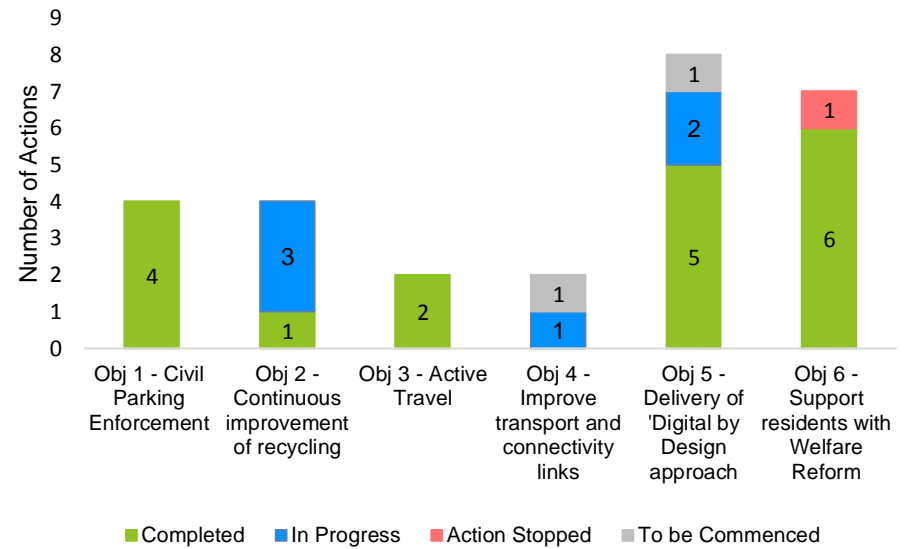
Progress against Service Plan Actions



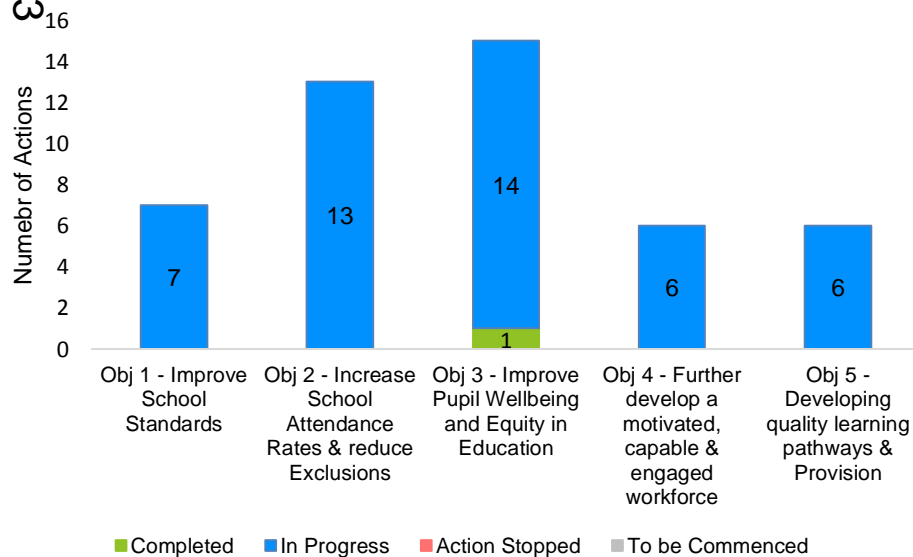
City Services Mid Year Position 2018/19



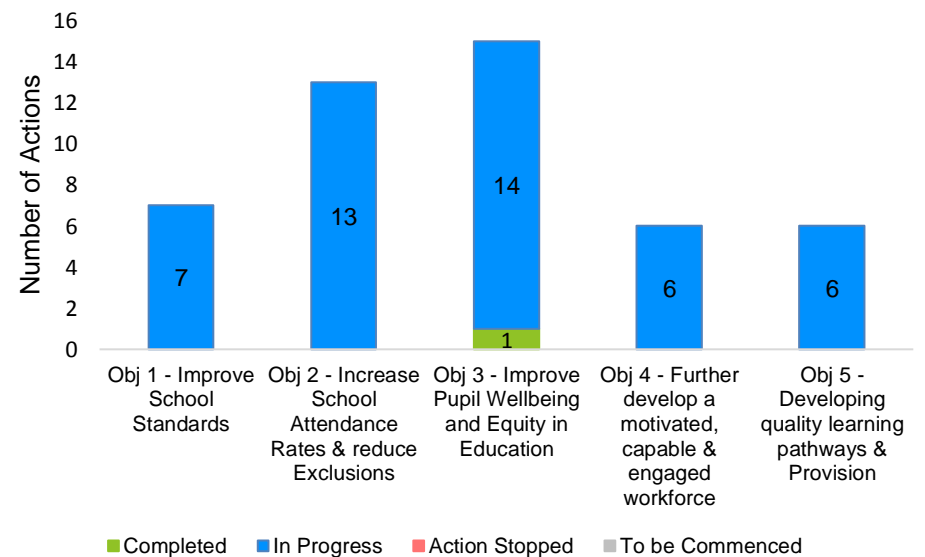
City Services End of Year Position 2018/19



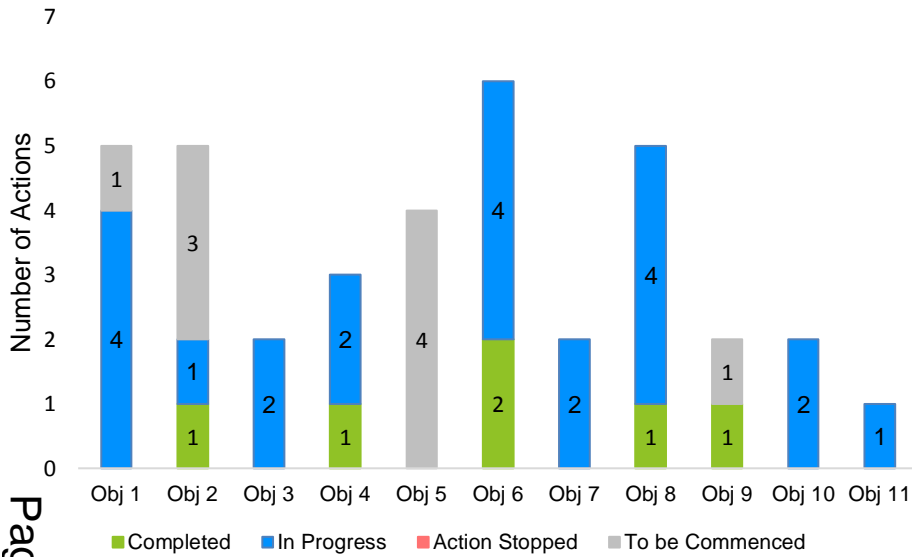
Education Service Mid Year Position 2018/19



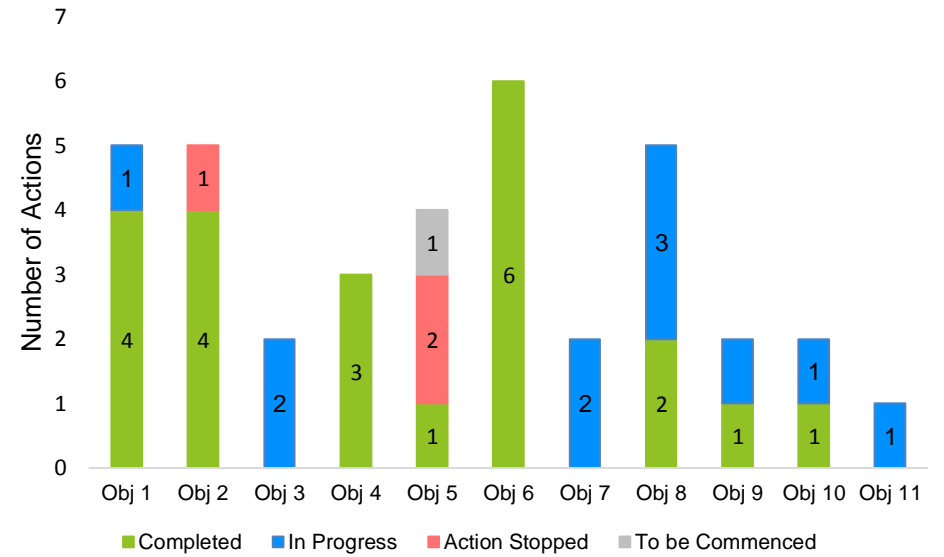
Education Service End of Year Position 2018/19



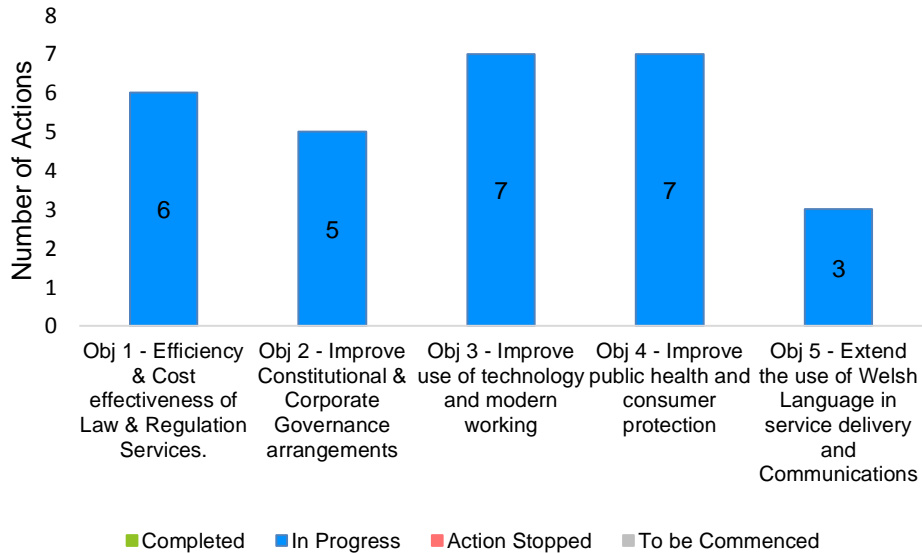
Finance Service Mid Year Position 2018/19



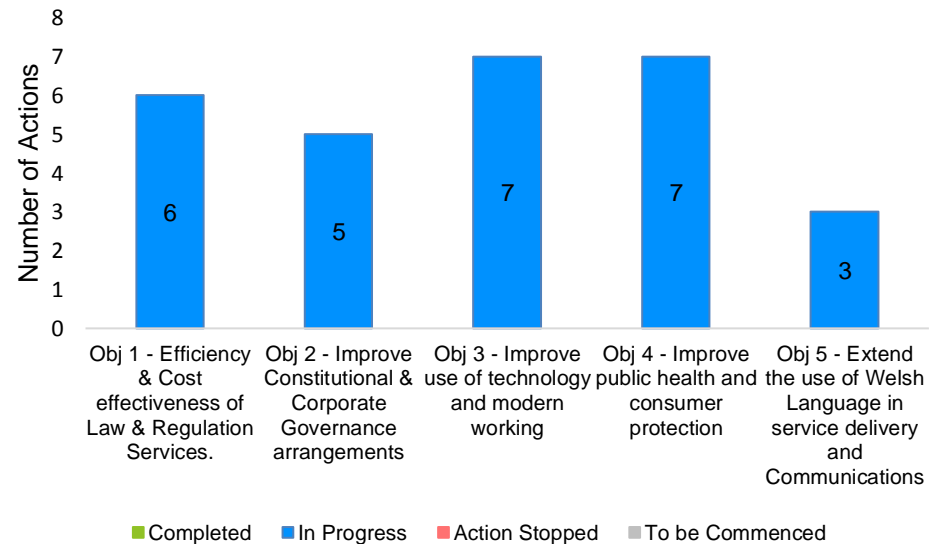
Finance Service End of Year Position 2018/19



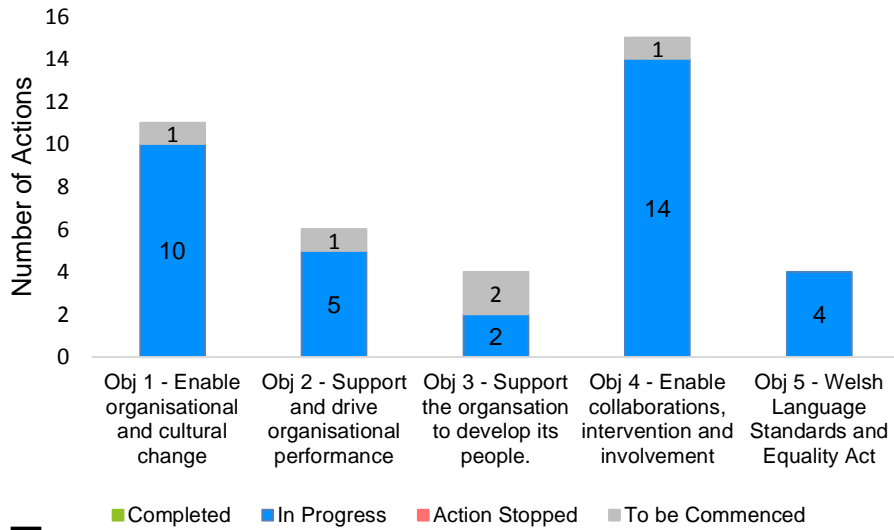
Law & Regulation Mid Year Position 2018/19



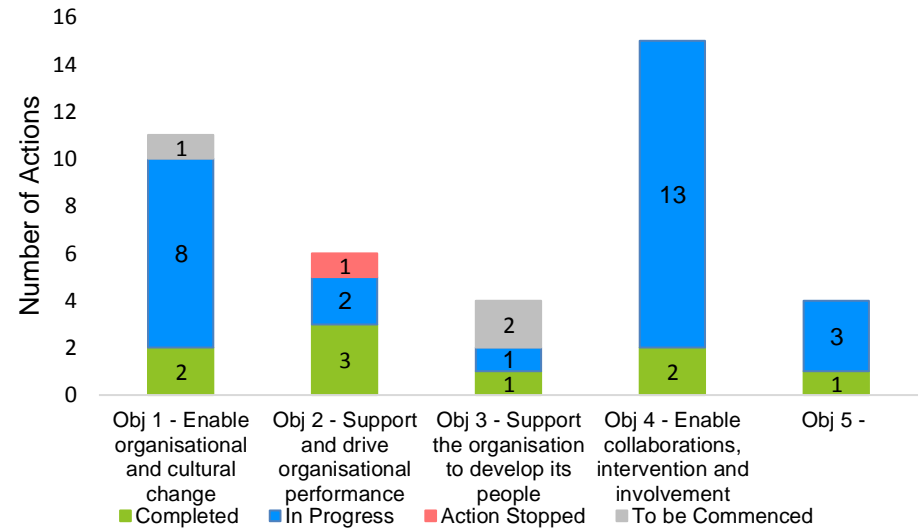
Law & Regulation End of Year Position 2018/19



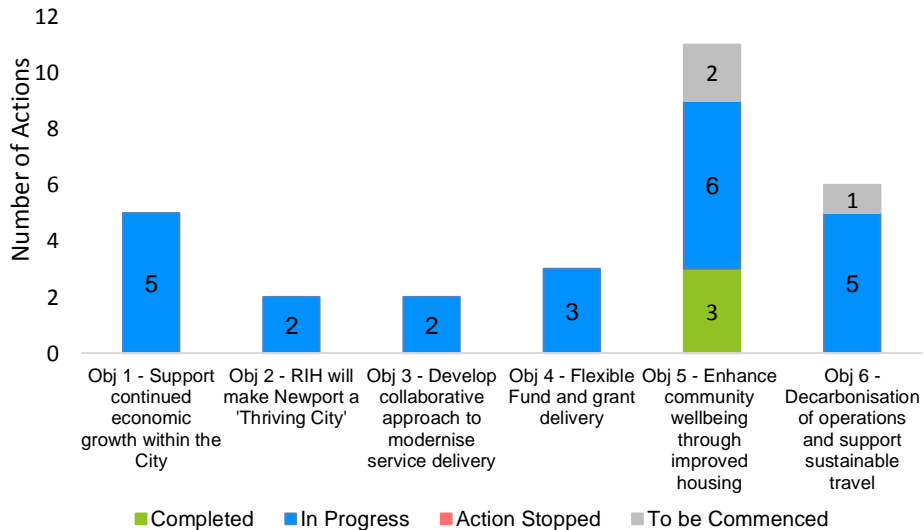
People & Business Change Mid Year Position 2018/19



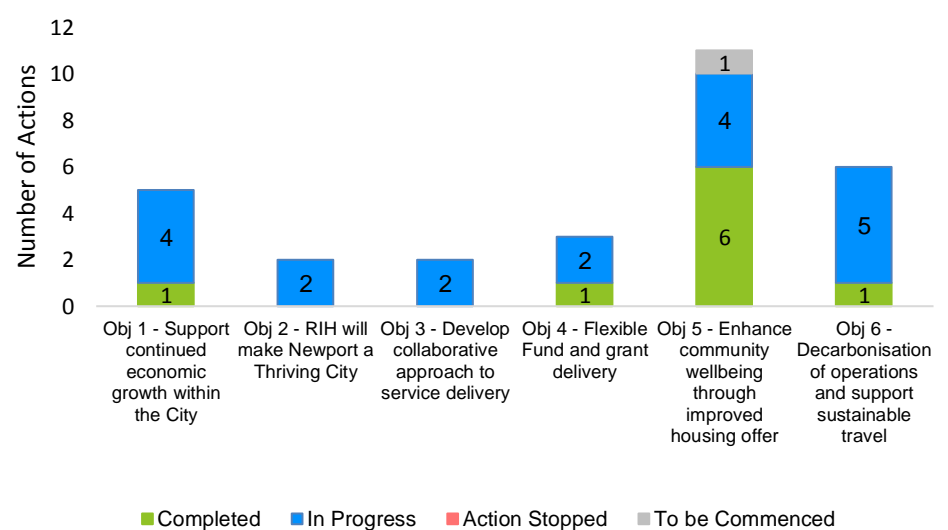
People & Business Change End of Year Position 2018/19



Regeneration Investment & Housing Mid Year Position 2018/19



Regeneration Investment & Housing End of Year Position 2018/19



Appendix 2 – Summary of Scrutiny Committee Comments

End of year reports for each Service Area were presented to the People Scrutiny Committee and Place and Corporate Scrutiny Committee in June 2019. A summary of comments and recommendations raised for the service areas performance is summarised below for Cabinet to consider:

Adults and Community Services

- The Committee recognised the difficult times facing Adult and Community Services and the pressures the service area was under. The Members wished to thank all of the staff and Cabinet Member for their hard work and dedication to providing the best services possible for the citizens of Newport.
- The Committee requested that they were informed of the Welsh Government new measures when they were released.

Children and Young Peoples Services

- The Committee wished to congratulate and thank the Officers and Staff for the devotion and hard work to supporting the children and young people of Newport often through the most difficult of times.
- The Members were happy to hear the wait time for CAMHS has improved drastically and there was no longer a numerous monthly wait time to be seen.
- The Head of Children and Young People to provide the Committee with up to date information on the number of Looked After Children who have had three or more placements.

Education

- The Committee stated that it was positive to see the Officers constantly reviewing the educational needs of the young people in Newport and forecasting the needs of the future young people as well, especially those who required additional support.
- The Committee requested a report on the Bridge Achievement Centre and the satellite provisions across the city and how these provisions support the needs of the young people.
- The Members requested that an information report be provided to the Committee on the primary school aged young people who are with the Catch 22 provider.

Regeneration, Investment and Housing

- The Committee raised a number of issues relating to regeneration during the discussion and suggested that further information was needed with the plan to give a fuller picture of the performance in this area.
- The Committee note the assurances that the issues raised by the Committee would be considered in the Economic Growth Strategy. This was being considered by the Overview and Scrutiny Management Committee at its meeting on 26th September 2019. The Committee agreed to forward a summary of its concerns to the Overview and Scrutiny Management Committee to consider as part of the draft plan.
- The Committee were advised that the detail of the Economic Growth Strategy including the work programme undertaken by the Regional City Deal will also be considered by the Performance Scrutiny Committee – Partnerships, who received regular updates from the Council's nomination on the Joint Committee. The Committee noted this, but asked that where there were cross overs with the work of the regeneration area that projects be referenced in the Economic Growth Strategy. Members also asked that the Draft strategy addresses the empty retail space in the city centre.
- In relation to the Market Arcade, the Committee suggested that the overall cost of this should be more clearly outlined within one action in the Service Plan, to ensure that it could be monitored effectively by the Committee in the future.
- Members discussed the remit of the service plans, and whether including Housing within the same portfolio as Regeneration and Investment did not allow the Committee to have equal information and time to dedicate to these large areas. The Committee were advised that the portfolios of the service plan followed the Directorate Structure as these areas were under the same Head of Service. In relation to Cabinet Portfolios, the Committee were advised that this was a political decision for the Leader to determine portfolios.
- Members felt that Housing area required further information, and that this information be brought back to the Committee for further discussion and exploration including information on areas of underperformance:
 - More, specifically information on the effectiveness of scheme for borrowing and improving existing homes and bringing properties back into use and addressing numbers of unoccupied properties.
- The Committee noted the contribution of the Cabinet Member to the meeting, and asked that it be noted that the Committee appreciate the frank and open discussion with the Cabinet Member on her portfolio.

City Services

- The Committee commended City Services on reaching the targets set by WAG for Recycling. During the questioning, the Committee asked for information on how this will be sustained and improved in line with the increasing targets. The Committee noted that the Waste Strategy Action Plan was on its work programme and agreed ask that the update include further information on how progress will be sustained in this area.
- In relation to the Waste Targets, the Committee suggested that the Council demonstrate how it is leading by example on recycling. For example through ensuring recycling stations throughout all council buildings, and the separation of bags for litter pickers to recycle cans and plastic, which the Committee had been advised was in progress to be implemented.

Law and Regulation

- The Committee wished to raise their concerns on the levels of anti-social behaviour in Newport and for this to be a focus for the Law and Regulation service area going forward into the 2019/2020 financial year.

People and Business Change

- The Committee made no comment directly to the Cabinet Member for Community and Resources.

Finance

- The Committee requested that Officers in the Finance department were congratulated for their collaborative working arrangements with external organisations and the Third Sector in Newport.
- The Committee hoped that the service area would continue to support those citizens of Newport who required additional help to avoid indebting themselves to the Council through nonpayment of Council Tax.

This page is intentionally left blank



Report

Cabinet

Part 1

Date: 17 July 2019

Subject Cabinet Work Programme

Purpose To report and agree the details of the Cabinet's Work Programme.

Author Cabinet Office Manager

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 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 June 2020, 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 Cabinet Office Manager 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 Cabinet Office Manager

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 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 June 2020, 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 Cabinet Office Manager 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: 25 June 2019

This page is intentionally left blank

NEWPORT CITY COUNCIL: CABINET/COUNCIL WORK PROGRAMME 2019/20

MEETING	AGENDA ITEMS	LEAD OFFICER
CABINET 19-JUN-19	Treasury Management Year End Report	HoF
	Corporate Risk Register Update	HP&BC
	Forecast Numbers of LAC	SD People
	Work Programme	COM
CABINET 17-JUL-19	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Commercial Property Fund Investment Guidelines	HoF
	Brexit Update	HP&BC
	Welsh Language Annual Report	HP&BC
	Performance Update – Early Year End PI Analysis	HP&BC
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 23-JUL-19	NNDR Relief Scheme Treasury Management Year End Report	
COUNCIL 10-SEP-19	Democratic Services Annual Report Member/Officer Protocol Scrutiny Annual Report Standards Committee Annual Report Improvement Plan	
CABINET 18-SEP-19	Capital Programme Monitoring July 2019	HoF
	July Revenue Budget Monitor	HoF
	Revenue Budget and MTFP Draft Proposals	HoF
	WAO Annual Improvement Report	HP&BC
	WAO Certificate of Compliance 1	HP&BC
	Strategic Equality Plan Annual Report	HP&BC
	Corporate Plan Annual Report	HP&BC
	Corporate Risk Register Update	HP&BC
	Air Quality Management Plan (provisional – dependant on whether public consultation and engagement with stakeholders has been carried out)	HoL&R
	Work Programme	COM
CABINET 16-OCT-19	Final Year End Analysis of PIs (All Wales Data)	HP&BC
	WAO Annual Improvement Report	HP&BC
	WAO Scrutiny Fit for the Future Report	HP&BC
	Director of Social Services Annual Report	SD – People
	Work Programme	COM
CABINET 13-NOV-19	Revenue Budget Monitor	HoF

	Capital Budget Monitor	HoF
	Revenue Budget and MTFP: Draft Proposals	HoF
	Public Services Ombudsman Annual Report	CX
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 26-NOV-19	Director of Social Services Annual Report Strategic Equality Plan Annual Report	
CABINET 11-DEC-19	Revenue Budget and MTFP: Draft Proposals	HoF
	Treasury Management 6 monthly Report	HoF
	Corporate Risk Register Update	HP&BC
	WAO Certificate of Compliance 2	HP&BC
	Work Programme	COM
CABINET 15-JAN-20	Mid-Year Analysis of PIs	HP&BC
	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
COUNCIL 28-JAN-20	Mayoral Nomination 2020/21 Council Schedule of Meetings Treasury Management 6 monthly report Council Tax Reduction Scheme	
CABINET 12-FEB-20	Capital Strategy and Treasury Management Strategy	HoF
	Revenue Budget and MTFP: Final Proposals	HoF
	Corporate Safeguarding	HC&YPS
	Work Programme	COM
COUNCIL 25-FEB-20	Budget and Medium Term Financial Plan Capital Strategy and Treasury Management Strategy	
CABINET 11-MAR-20	Pay and Reward Statement 2020/21	HP&BC
	EAS Business Plan	CEdO
	Categorisation of Schools	CEdO
	Corporate Risk Register Update	HP&BC
	Work Programme	COM
CABINET 08-APR-20 (t.b.c.)	Items TBC	
	Corporate Safeguarding	HC&YPS
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC

COUNCIL 28-APR-20	IRP Annual Report NNDR Rate Relief Pay and Reward Policy	
CABINET 06-MAY-20 (t.b.c.)	Items TBC	
	Work Programme	COM
COUNCIL 12-MAY-20	AGM	
CABINET 03-JUN-20 (t.b.c.)	Corporate Risk Register Update	HP&BC
	Risk Management Strategy	HP&BC
	Work Programme	COM

This page is intentionally left blank

One Newport Public Services Board (PSB)

Summary of Business: 11 June 2019

Annual Appointment of Vice-Chair

Ceri Davies (Natural Resources Wales) is re-appointed as vice-chair of the PSB.

Well-being Plan Annual Report

The Board has agreed its Well-being Plan Annual Report 2018-19. Although the PSB is at an early stage in delivering the Plan, there has been progress against all interventions. The Report will be published on 3rd July 2019

The Green and Safe Spaces Intervention Board has produced a vlog as an alternative way of reporting progress and supporting engagement. View the vlog [here](#). In the coming year the five PSBs in the Gwent area will be developing new ways of performance reporting and engaging communities in PSB Well-being Plan progress and delivery.

The Board noted that the Terms of Reference for the new M4 Commission set up by Welsh Government do not reference Newport. The Council will be raising this with Welsh Government, with PSB partners supporting this approach.

The Board noted that a petition had been received by Newport City Council regarding a number of issues in the city centre. The PSB agreed to issue a joint response since partners are working together on city centre safety, environmental improvements and regeneration schemes.

Safer Newport

The Board received a progress report on the work of Safer Newport, which is the city's Community Safety Partnership and a sub-group of the PSB. Safer Newport focuses on anti-social behaviour, serious and organised crime, local neighbourhood issues and delivering a safer city centre. Members include Gwent Police, Newport City Council, South Wales Fire and Rescue Service, Aneurin Bevan University Health Board and the National Probation Service.

The Board acknowledged challenges in this area and the essential preventative and collaborative focus of Safer Newport's work.

Early Years Integration Transformation Programme

The Board has supported a proposal for Newport to be a Pathfinder area under Welsh Government's Early Years Integrated Transformation Programme.

The project seeks to ensure an overall strategy for early years shared across organisations, that services are clear and easy to access and links between services are invisible, and the well being of the child is at the centre of every decision.

Newport City Council, Aneurin Bevan University Health Board and Public Health Wales are joint partners in this project. The work will report through the Strong Resilient Communities Intervention within the Wellbeing Plan delivery.

Engagement

The PSB reviewed engagement activity, with a view to optimising engagement with stakeholders and citizens, particularly children and young people. The support provided by the Council's Partnership Team was noted, including advice on engagement, access to the Youth Council, use of bus Wi-Fi surveys, and access to school councils / pupil voice.

The PSB is expanding its Engagement Group and will undertake a feasibility study of online engagement systems. Engagement remains key to our work.

Partnership Evaluation 2019

The Board agreed proposals for its next self-evaluation.

Community Council Representation on the PSB

The Board noted Welsh Government's intention to add a representative from community councils to the list of required 'invited participants' on PSB's. The Board has invited the community council sector to nominate a representative to sit on the Third Sector Partnership & Engagement Group.

PSB Meetings and Papers

One Newport PSB publishes its meeting papers and minutes online. View papers [here](#).

One Newport Bulletin

One Newport issues a monthly bulletin containing a host of activities and events organised by partners across the city for people of all ages. View the latest bulletin [here](#).

Get Involved – Newport Citizen's Panel

The PSB welcomes the views of local people. One way to get involved is to join our Citizen's panel and give us your opinions through quarterly questionnaires on issues, services and projects in the city. Find out more [here](#)

Twitter: Follow us [@onewport](#) **Website:** Visit us at <http://onewportlsb.newport.gov.uk/>