

# Agenda



## Newport City Council

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Date: Tuesday, 1 March 2022  
Time: 5.00 pm  
Venue: Via Teams Live Event  
To: **All Members of the City Council**

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### **WEBCASTING NOTICE**

*This meeting is being conducted remotely in accordance with the Local Government & Elections (Wales) Act 2021 and is being recorded and also live streamed for viewing by the public via the internet.*

*At the start of the meeting the Mayor or Person Presiding will confirm that the remote meeting is being recorded and live streamed. The images and sound recording may be also used for training purposes within the Council. If you have any queries regarding this, please contact the Democratic Services Manager.*

Item	Wards Affected
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| 1. | <u>Preliminaries</u> <ul style="list-style-type: none"><li>i. To receive any apologies for absence.</li><li>ii. To receive any declarations of interest.</li><li>iii. To receive any announcements by the Mayor.</li></ul> |
| 2. | <u>Minutes</u> (Pages 5 - 24)  |
| 3. | <u>Appointments</u> (Pages 25 - 26)  |
| 4. | <u>Police Issues (30 minutes)</u><br>30 minutes is allocated for questions to the Gwent Police representative.   |
| 5. | <u>Notice of Motion: Cost of Living</u><br><b>Notice of Motion - National Cost of Living Crisis</b>  |

**This council recognises the unprecedented cost of living crisis facing many households across Newport, Wales and the UK. In the coming months more and more households will see increases of a magnitude never seen before as the energy price cap is removed or energy deals come to an end. This comes on top of a cost of living crisis created by the impacts of Brexit and**

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Date of Issue: Tuesday, 22 February 2022

the Covid Pandemic which have already seen an unprecedented squeeze on peoples incomes.

Inflation remains is at the highest level for over 30 years which is putting huge pressure on household budgets as earnings have not kept pace with prices, leaving family budgets squeezed and people worse off. The additional costs of day to day living are already impacting negatively on every household across Newport but even more so on families who are living close to the bread line many of whom still need to visit food banks and will now be faced with the terrible choice of heating their home or putting food on the table.

The charity National Energy Action (NEA) has warned that a record 6 million UK households will be in fuel poverty when the next increase in the energy price cap comes into force in April, and this view is compounded by the findings of the Resolution Foundation think tank, which warned that millions of UK families face a "year of squeeze" in 2022 thanks to rising energy bills, stagnant wages and tax rises. The Bank of England has also said it expects inflation to reach 6% by the spring.

The Resolution Foundation have said that an increase in National Insurance contributions from April, along with an expected rise in energy bills in the same month could amount to a £1,200 hit to household finances, with low-income families forced to bear the brunt of these rises as they spend a greater proportion of their income on electricity and gas.

As a Council, we will continue to do everything within our power to help mitigate energy costs by signposting residents to the number of financial support options available. We have administered over £1.5million to our eligible residents through the winter fuel support grant. We have also increased our support for food banks and related charities to £100,000.

However, the help families need to deal with the cost of living crisis can only be fixed by decisive action by the UK Government

This Council therefore calls upon the Leader of the Council to write to the Prime Minister and Chancellor of the Exchequer and call for the immediate implementation and action for the following:

- **Suspension of the proposed increase in National Insurance contributions**
- **A reduction in VAT for Energy Bills to help families and householders**
- **An introduction of a new lower price cap on energy bills to protect households from excessive price rises**

The Motion is to be proposed by Councillor Jason Hughes and seconded by the Leader.

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| 6. | <u>National Non-Domestic Rates: Discretionary Rate Relief Schemes 2022/23 (Pages 27 - 48)</u> | All Wards |
| 7. | <u>Discretionary Rate Relief for Charities and Similar Organisations</u>                      | All Wards |

(Pages 49 - 64)

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| 8.  | <u>2022/23 Capital Strategy and Treasury</u> (Pages 65 - 126)  | All Wards |
| 9.  | <u>2022/23 Revenue Final Budget and MTFP</u> (Pages 127 - 168)   | All Wards |
| 10. | <u>Welsh Language Five Year Strategy</u> (Pages 169 - 250)   |           |
| 11. | <u>Regional Population Needs Assessment - Social Services and Wellbeing Act</u> (Pages 251 - 314)  | All Wards |
| 12. | <u>Questions to the Leader of the Council</u><br>To provide an opportunity for Councillors to ask questions to the Leader of the Council in accordance with the Council's Standing Orders. |           |

**Process:**

No more than 15 minutes will be allocated at the Council meeting for questions to the Leader of the Council.

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

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| 13. | <u>Questions to the Cabinet Members</u><br>To provide an opportunity to pose questions to Cabinet Members in line with Standing Orders. |
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**Process:**

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

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

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

Questions will be posed to Cabinet Members in the following order:

- i. Deputy Leader and Cabinet Member for Assets and Member Development
- ii. Cabinet Member for Education and Skills
- iii. Cabinet Member for Social Services
- iv. Cabinet Member for Regeneration and Housing
- v. Cabinet Member for Community and Resources
- vi. Cabinet Member for Streetscene
- vii. Cabinet Member for Licensing and Regulation
- viii. Cabinet Member for Culture and Leisure

**For information:** A digest of recent decision schedules issued by

Cabinet, Cabinet Members and Minutes of recent meetings of Committees has been circulated electronically to all Members of the Council.

14. Questions to the Chairs of Committees
15. Live Event  
[Council Meeting, 1 March 2022 - YouTube](#)



# Minutes

## Council

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Date: 25 January 2022

Time: 5.00 pm

Present: Councillors J Cleverly, P Cockeram, K Critchley, D Davies, M Al-Nuaimi, C Evans, M Evans, C Ferris, D Fouweather, G Giles, J Guy, D Harvey, Councillor R Jeavons, M Kellaway, M Linton, D Mayer, R Mogford, Councillor J Mudd, J Richards, M Spencer, T Suller, H Thomas, K Thomas, C Townsend, Councillor R Truman, T Watkins, M Whitcutt, K Whitehead, D Wilcox, D Williams, G Berry, J Clarke, Y Forsey, P Hourahine, J Hughes, J Jordan, L Lacey, S Marshall, H Townsend, J Watkins, A Morris, Horton, Hussain and Jones

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### 1. Preliminaries

#### 1.i Apologies

Apologies were reported from Councillors Dudley and Routley

#### 1.ii Declarations of Interest

None

#### 1.iii Mayor's Announcements

The Leader introduced Gavin Horton, new labour councillor for the Victoria ward and the Mayor formally welcomed him to the meeting.

### 2. Minutes

Minutes of 23 November 2021 were approved and accepted as a true record.

### 3. Appointments

To consider the proposed appointments set out in the report

Councillor Harvey moved the appointments set out in the report, as agreed by the Business Managers, subject to the additional appointments set out below.

**Resolved:** That the following appointments be agreed.

#### Governing Body Appointments

Governing Body	No of Vacancies / Re-appointments	Nominations Received
High Cross Primary School	1	Stewart Jones
Bassaleg School	1	Gavin Horton

Clytha Primary School	1	Lucy Arthur
Newport High School	1	James Clarke
Malpas Church in Wales School	1	Jane Mudd
Ysgol Bryn Derw	1	Chris May
Malpas Park Primary School	1	TBC
Crindau Primary School	1	Colin Seeney
Lliswerry Primary School	1	Ruqia Hayat
Tredegar Park Primary School	1	Allan D Screen
Caerleon Lodge Hill Primary School	1	Abby Vowles
Rogerstone Primary School	1	Paula Bartlett
St Joseph's High School	1	Alex Pimm
Maindee Primary School	1	Gavin Horton

### **Committee Meetings**

Performance Scrutiny Committee: Place and Corporate, Councillor J Cleverly to replace Councillor C Evans as Chair.

### **Dispensation**

It was moved by Cllr Harvey and duly seconded by Cllr Fouweather that dispensations for extended absence should be granted by Council to Councillor Holyoake and Councillor White.

### **Resolved:**

That Councillors Holyoake and White be granted special dispensation for six months absence under of section 85 of the Local Government Act 1972.

## **4. Police Issues**

The Mayor was pleased to welcome Superintendent Vicki Townsend to the meeting.

Members were asked to kindly note that this was Superintendent Townsend's first meeting and she was here today to introduce herself and to set out her policing priorities. The Mayor therefore asked members to confine any questions to any matters arising from her presentation, as opposed to any detailed questions that they may have about specific policing issues in their wards, as Supt Townsend would not be in a position to answer those questions today and they would need to wait until the next Council meeting.

### Questions raised by councillors:

- Councillor Whitehead referred to the use of the off road bikes, near St David's Hospice, which had been previously reported and was a constant problem as well as being disruptive and upsetting to patients and their family. The Superintendent advised Councillor Whitehead of similar experience when working at Blaenau Gwent and the measures which were put in place to address this. Supt Townsend attended a meeting recent regarding off road bikes and cars with a review on 27 January. Any further information was welcomed by the Police by contacting 101 to provide intelligence in order for the Police to build a picture.
- Councillor Al Nuaimi mentioned partnership funding between the Council and Police in relation to safety to be spent by March 2022 and asked how the money was being spent and what could be expected by the public. The Superintendent was aware of the Safer Streets initiative and a dedicated Chief Inspector who focussed funding on the identified

areas. The Police were at the procurement stage which meant certain processes and requirements needed to be adhered to however the target of March would be met.

- Councillor Jeavons referred to the inappropriate use of vehicles on SDR during a Sunday night in particular and a Go Safe was requested to be used to address this and Councillor Jeavons asked if the Superintendent could chase Inspector Cawley on this matter. Superintendent Townsend assured the councillor that this would be discussed with Insp Cawley.
- Councillor Harvey mentioned that Inspector Cawley and S Greening were always very helpful with their outstanding work in Always.
- Councillor Forsey mentioned the new Highway Code which was to be introduced with changes of right of road for walkers and cyclists, with this in mind, what plans would be put in place to make this effective and promote this in Newport. Supt Townsend advised that the Police were taking a watching brief on when this was legislated with advice from their legal department. Engagement would be led through 'Go Safe' and Ops Planning and would be supportive of those actions but would not take the lead because education was something that was done from the centre of the force. The Supt would update the Council when changes took place. In addition Councillor Forsey asked did Operation Closed Path take place. The Superintendent advised that she would look into this and feedback.
- Councillor Hourahine asked what resources to chase down off-road bikes and quad bikes were being put in place. Supt Townsend advised that this was a national issue. There were no tactics for these vehicles because of the safety implications if police tried to stop them, because they were not insured for road use. Blaenau Gwent had looked at targeting these vehicles when they were being fuelled or repaired, fuelling vehicles at specific addresses. A safe way therefore needed to be considered to be able to seize and stop the vehicles in a safe way and not chase them as the risk to the individual and the officer could be dangerous.
- Councillor M Evans asked Supt Townsend to elaborate on sustainability and policing referred to during her introduction and an update on the 101 service. The Superintendent advised that sustainability meant doing things more efficiently. An example of this was a device/mobile phone which helped upload information in relation to an incident by logging on and send the information to the station rather than having to physically attend the station which was much quicker and enabled officers to go to their next call. Retrospective facial recognition via CCTV was also used but this was not live use breaching people's rights. There were 26 different projects all with a technical aspect to make efficiencies for the front line. In terms of 101 waiting times were slightly different due to increased demand post covid. Offer additional methods however to report incidences was via social media, with an allocated social media dealer who would deal with on average six to seven calls rather than 1 call through 101 service by comparison. Other methods being looked into was virtual responses by the used of Teams, which meant that members of the public could speak to the police in the comfort of their home rather than visiting the police station.
- Councillor Suller referred to the confiscation of cars. The Superintendent advised that this was done via the use of Section 59 seizures. A centralised road police team focused on anti social behaviour in relation with cars. Training was involved and a cohort was allocated to Newport, with six officers working 12 hour shifts, mornings and nights.
- Councillor Townsend had spoken with taxi drivers about increased racist comments and asked was this being addressed by the police and could they meet with taxi drivers. Supt Townsend advised she was not aware but would talk to her colleague as Hate crimes

were reported and reviewed daily and the Supt would therefore look into this. Supt Townsend asked Councillor Townsend to send over details.

## 5. **Treasury Management Six Monthly report 2021/22**

### **The Mayor invited the Leader to introduce the above report.**

The Leader advised colleagues that this was a compliance report to confirm that Treasury activities in the first half of 2021-22 accorded with the Treasury Strategy previously considered and set by Members. The report also compared activity with the year-end position for 2020-21 to indicate the movements and resulted causes.

The report presented the following information:

- A reminder of the treasury strategy agreed
- Details of borrowing and investment activity
- Details of wider economic considerations such as the pandemic and the economic climate
- An update to the International Treasury code on commercial investment funding
- An examination of activity against performance, confirming compliance

The report had been presented to Governance and Audit Committee and Cabinet and was endorsed by them for onward consideration by full Council.

As at 30 September 2021 the level of borrowing decreased by £9.1m on 2020-21 levels to £144m.

This was in relation to the repayment of a PWLB loan which matured in the first half of 2021/22, as at 3 September further borrowing to replenish this loan was not required. This may be needed to be covered by temporary borrowing before 31 March 2022.

There were also a number of loans; Equal Instalments of Principal (EIP), which paid back principal over the life of the loan, and the interest associated with the loan went down as the principal outstanding reduced.

The level of investments also increased by £4.1m to £28.9m, meaning a decrease in net borrowing of £13.3m during the first half of the financial year to £115.1m. Included within the investment figure was £13.9m held in the form of cash.

This was circa £6m less than year-end but due to the continuing pandemic the Authority has continued to keep more cash available at very short notice than is normal, to cover any unexpected calls on cash flow.

There was not much demand for very short- term borrowing within the marketplace, and in September rates on deposits below 14 days with the Debt Management Account Deposit Facility (DMADF) were still very low at 0.01%. The Authority had investment with other local authorities of £15m with slightly better, but low interest rates. It was anticipated that investments would reduce during 2021/22 as an alternative to borrowing until we reached the balance of £10m, which would remain invested for compliance with Markets in Financial Instruments and Derivatives Directive (MiFIDII).

As a result, no new long-term borrowing was required to be taken out in the first half of the financial year.

It was however anticipated that the Council would need to undertake additional borrowing on a short-term basis for the remainder of the year in order to cover normal day to day cash flow activity. With current capital expenditure forecasts, it was however expected that there would

be no specific requirement to undertake long-term borrowing this financial year, although external borrowing might be considered to manage interest rate risks and the Council's longer term borrowing necessity.

Lastly, Prudential Indicators; the Authority measured and manages its exposures to treasury management risks using various indicators which could be found in Appendix B. The report confirmed the Council continued to comply with the Prudential Indicators set for 2021/22.

**Resolved:**

That Council noted and approved the report on treasury management activities to 30 September 2021, approving in the process that activities were in line with the agreed Treasury Management Strategy for 2021/22.

**6. Council Tax Reduction Scheme**

**The Mayor invited the Leader to introduce the above report.**

The Leader explained that the procedural report was a requirement to be considered and approved by full Council. It confirmed that the Council would adopt the national 'Council Tax Reduction Scheme' which the Welsh Government updated for 2022/23.

Council was required to consider and approve this each year. The report set out some of the key changes the Welsh Government made to the national scheme.

In approving this scheme, the Council ensured that Wales had one national scheme which was consistent wherever you lived. In addition to our approval of the scheme, the Council considered a small number of discretions locally, which were explained in the report. It was therefore proposed that Council maintained the current position on these.

The Leader also took the opportunity to remind and encourage all residents in receipt of low incomes, who required financial assistance to pay their Council Tax, to contact the benefits department to apply for the scheme. This was a valuable scheme and was there for residents.

**Resolved:**

That Council approved the Council Tax Reduction Scheme for 2022/23 in accordance with the Council Tax Reduction Schemes (Prescribed Requirements and Default Schemes) (Wales) (Amendment) Regulations 2013 ("the Prescribed Requirements Regulations") exercising its local discretions as indicated in the report.

**7. Director of Social Services Annual Report**

The Mayor invited the Leader to present the report.

The Leader took opportunity to again thank Chris Humphreys for undertaking the Director's role during this period. The Director of Social Services Annual Report 2020/2021 was completed by Chris Humphrey. Chris undertook the role of Acting Director of Social Services from December 2019 – October 2021. This report reflects the period when Chris stepped up into the role under the most exceptional of circumstances.

The report reflected the unprecedented period of demand and delivery for Social Services across Children's and Adults social care. In May 2021 Care Inspectorate Wales undertook an Assurance Check which looked back at the period of 2020/2021. In their check they noted:

"We found support was underpinned by a relationship of openness and honesty about the options available for people who need care and support and carers who need support".

Children's services were experiencing unprecedented demand and increase in referrals while in adult services they were working under significant pressure. The findings identified a culture of improvement and mutual support and a recognition of positive leadership. It was noted that while staff were exhausted with complex high volume case work morale was generally good.

Across Adults and Children's Social care delivery of services continued with all levels of provision being maintained despite the impact of the pandemic. From Community Connectors, and children's preventative services to advocacy, home care, and family support through to statutory interventions in family justice and provision of foster care and residential homes care and support was offered to citizens directly. Staff continued with face to face service delivery as well as seeking out innovative solutions in order to address the restrictions of the pandemic.

Adult Services developed a new outreach service and successfully embedded its hospital discharge processes into the new Grange Hospital that opened in September 2020. The Hospital and Reablement teams were present at hospital sites throughout. While in Children's Services the introduction of the Rapid Response team and the delivery of Baby and Me supported families to be able to safely care for their children within the family home.

Working in partnership across the public sector and with our communities was key to being able to continue to deliver positive and robust services. At all levels of Social Services officers and Members continued to represent the Council in regional and National fora including the Safeguarding Boards, Regional Partnership Board, Unaccompanied Asylum-Seeking children regional group and a plethora of partnership groups specifically to address the demands of the pandemic and ensure services could be delivered effectively across all agencies.

While 2020/2021 brought enormous pressures across Social Services the report outlined the extraordinary ways in which staff continued to care for and protect our most vulnerable citizens. Going forward into 2021/2022 would bring significant challenges but will undoubtedly create opportunities to continue to improve services.

The Leader invited the Cabinet Member for Social Services to say a few words and also took the opportunity to thank the Cabinet Member for his hard work and dedication to the services.

Councillor Cockeram firstly mentioned that he concurred with the Leader's comments about Chris Humphrey and the excellent job she did during the pandemic and the continued service delivery by Social Services during the pandemic and also thanked all members of the council staff for their contribution over the past two years. There were big challenges faced by Social Services, including safeguarding. Having the Police and the health sector in the Safeguarding Hub was a big improvement. This was a pilot scheme in Newport was now being rolled out across Wales after its success. In addition to this, with schools being in lockdown and not knowing what was happening to children could also be an issue.

The Council had 380 looked after children, with 256 of those in foster care. Foster carers were looking after the majority of the children and the Cabinet Member wanted to thank them for their hard work. The Council had also seen 26 successful adoptions during the lockdown. One of the areas where the Cabinet Member was pleased about was the Children's Services residential homes which was also a big success and minister wrote a letter to thank the Council for this service.

There was 840 referrals from the new hospital in Llanfrechfca and 475 were discharged, which meant they prevented 60% of these going to hospital. There was also a new Dementia Reablement Service which was doing well.

The Cabinet Member thanked the Regional Partnership Board for their funding, on which the Local Authorities relied upon. The report also went to scrutiny and received positive comments. There were underspend but we were currently not in the real world because of the impact of covid.

The Cabinet Member thanked the staff who had been exemplary but were also tired and there was a general issue with staffing across Wales. The Cabinet Member felt that a regional report was needed on how to increase staffing and request that Coleg Gwent and other colleges to provide bursaries to encourage people to enter the profession and work for the council. Finally, the Cabinet Member considered that overall this was a positive report.

The Corporate Director for Social Services, Sally Jenkins was invited to also say a few words. The Corporate Director reiterated thanks to Chris Humphrey, as well as thanking staff as the pressure on them was huge. Staff were tired and morale was low but the positive messages and also with a commitment for staff to continue to work for Newport by retaining students was a tribute to the support offered to them from the Council. The report covered the year of 2021 but it felt that we had rolled straight over into another period of real challenge for 2022.

Finally, the Corporate Director took the opportunity to thank the Cabinet Member for Social Services along with other elected members for their support whilst Social Services continued to deliver their services. In light of the Omicron variant, there was concern about how staff would continue to work, however this would be monitored and Social Services would do everything to ensure the best service with the support offered.

#### Comments from councillors:

- Councillor Hughes thanked Chris Humphrey for her report and recalled working for her as a social worker. The Council was proud of the teams and the way they conducted themselves. As a social worker himself he felt that it was often undervalued. The Council also mentioned the progress being made with foster care in Newport.

#### **Resolved:**

That Council received the Annual Report of the Director of Social Services, 2020/21.

## **8. Gambling Act - Statement of Principles**

The Cabinet Member for Licensing and Regulation was invited by the Mayor to present the report.

Councillor Truman informed council that once every three years, the Gambling Act 2005 required the council, in its position as the "Licensing Authority" to review its Gambling Policy.

The current Gambling Policy came into force in January 2019, therefore a reviewed policy was presented to Council.

The current policy worked very well and supported businesses and guided the council and its officers. This led to the revised policy containing very few amendments.

The proposed changes were mainly updated references, data, and dates. The main principles of the Policy remain unchanged.

The Policy continued to support the three licensing objectives:

- 1 crime reduction
- 2 maintain fairness and

3 protect children.

It was likely that the UK Government would conduct a wide-reaching review of gambling regulation during the year. If this was the case, a more in-depth policy review to deal with any new approaches may need to be carried out.

The proposed policy went out for formal consultation between 16 August 2021 and 31 October 2022.

Just one representation was received from the firm of solicitors representing the Betting and Gaming Council. This representation was reproduced within the report. As a result of their input several minor changes were made to the policy. These changes had the effect of making the policy more 'reader friendly'. Councillor Truman thanked the Betting and Gaming Council for their input.

The Policy did not cover either online gambling or games run by the National Lottery as these were governed and enforced by the Gambling Commission.

Councillor Truman therefore, moved that Council approved the revised Statement of Principles under the Gambling Act 2005.

**Resolved:**

That Council approved and adopted the revised Statement of Principles under the Gambling Act 2005.

9. **Schedule of Meetings for 2022/23**

The proposed schedule of meetings attempted to structure the diary with a series of meetings to facilitate the decision making process through the Council, Executive and Regulatory Committees. The schedule of meetings set a pattern of meetings for Scrutiny Committees and other bodies.

The diary did not include dates for meetings of individual Cabinet Members as Cabinet Members would take a view on when they needed to meet to make decisions, rather than be bound by a diary of meetings. This would of course, not affect members' opportunities for consultation on proposed decisions or to request to meet the Cabinet Member before decisions were taken.

It was suggested that the dates, times and locations of all meetings other than the Council meeting were to be left to each individual committee. It was suggested that the needs of Councillors who had work or other commitments at any time during the day were taken into account by the various committees and groups.

The schedule would remain a guide, was subject to change and amended to meet the needs of the work programmes of each committee or other group.

**Resolved:**

That Council adopted the schedule of meetings as the basis for arrangements for May 2022 to May 2023.

10. **Democratic Services Committee Minutes: 13 December 2021**

The Mayor advised that the Democratic Services Committee Meeting Minutes from 13 December were before colleagues for noting. There was however, one matter that was referred by Democratic Services Committee to full Council for a decision and that matter would be put to council members.

Under Item 5 there was a minuted discussion about whether the Committee should recommend that Council appoint a Presiding Member to chair Council meetings as from May 2022. At the meeting, there was a tied vote and the Chair declined to exercise a second and casting vote.

The matter had therefore been referred to full Council without any recommendation.

Before there could be any debate and vote on this matter, it would, therefore, be necessary for a member of the Council to formally move and second a motion as to whether or not the Council should appoint a Presiding Member.

The Mayor invited colleagues to move a formal proposal to appoint a Presiding Member. Councillor Hourahine moved the proposal and reserved the right to speak at the end of the debate. Councillor Whitcutt also seconded the proposal and reserved the right to speak later in the debate.

Councillor Fouweather raised a point of order, querying whether it was a legal motion as it was not itemised on the Council Agenda.

The Monitoring Officer assured Councillor Fouweather and the rest of Council that this was a valid motion, in line with the Council Standing Orders. The matter had been referred to Council and was referenced in the minutes of the Democratic Services Committee, which had been published with the Council agenda. It was not necessary for the motion to be written down. The motion that had been moved and seconded was simply to appoint a Presiding Member.

The Mayor then asked if any Councillors wished to request an amendment to the substantive motion. Councillor M Evans, therefore requested an amendment which was seconded by Councillor Fouweather, that further information on the job description and remuneration be referred back to the Democratic Services Committee for further discussion.

Council then debated the amendment first.

#### Comments from councillors:

- Councillor M Evans spoke in support of the amendment., The appointment of a Presiding Member was originally turned down in 2019 because there was a cost to this role and was not sure if it was a fixed term appointment of five years. In addition to this, it was felt that the role of the Mayor would be diminished and undervalued and should therefore go back to the Democratic Services Committee. At this point, Councillor Evans asked for a recorded vote on the amended motion.
- Councillor Whitcutt spoke on the amendment and advised that if the substantive motion was passed the details of the role could be discussed at Democratic Services Committee and would then come back to Council. The role of Presiding Member would be able to carry out the role as well as their normal duties, similar to committee chairs. Councillor Whitcutt therefore asked that the original motion be considered.
- Councillor M Evans asked for point of clarification on whether who could be appointed as Presiding Member. The Monitoring Officer advised that the Democratic Services Committee would determine who could apply as part of the application process adding that the Presiding Member would be a full time appointment for Council.
- Councillors Suller, J Watkins and Fouweather spoke in support of the amendment and stressed the importance and elevation of the role of Mayor of Newport and that it was appropriate to debate this at the Democratic Services Committee for further consideration

- Councillor Harvey mentioned that the Democratic Services Committee Chair referred it to council and added that the role of Presiding Member would be apolitical.
- Councillor Mudd observed that the status of the mayoralty would not be diminished and that the Council had applied for the elevation Newport City Council's Mayor to that of Lord Mayor during the Queens Platinum Jubilee.
- Councillor Cockeram added that when he was in the role of Mayor, chairing council was very difficult and training as a Presiding Member would be ideal as well as possibly chairing member seminars, consistency was therefore required.
- Councillor Jordan queried the reported that the salary of £25,000 PA and asked if this was only for council meetings or would there be other meetings to chair. The Monitoring Officer advised that it was for chairing the council meetings only. The total salary was £25K but it was an additional £9K a year on top of a councillors basic salary, hence £25K in total.
- Councillor Morris referred to impartiality of the Mayor and that a Mayor should not act politically. However, he felt it was difficult to decipher what was being put in front of the Council and was in agreement that this should be sent back to the Democratic Services Committee to be re discussed and considered next year.
- Councillor Spencer supported the original motion as this recommendation could be put back to council again, after being discussed at Democratic Services Committee.
- Councillor M Evans summed up his amendment and mentioned that if the motion was taken on face value a Cabinet Member could also become mayor and impartiality would be removed. The Chair of Democratic Services Committee could have stopped the President Member discussion but felt it needed further debate at Council. Councillor Evans felt it was far too early to consider the motion and requested that a recorded vote be taken to look at the role in more detail.
- Councillor Hourahine, in his right to reply advised that the recommendation came from the Democratic Services Committee and that it was a straightforward request for an appointment of a Presiding Member. All the questions asked this evening were partially answered in the report and there was no suggestion that the role of mayor was to be diminished and it was hoped that the elevation of Lord Mayor would mean further engagements and opportunities for Newport. All Mayors had done their best in representing the city but not necessarily council meetings. In compliance, the role of President Member, which came from the WG was a positive move and should therefore not be batted back and forth. Councillor Hourahine therefore asked that the amendment be rejected and return to the substantive motion.

At the request of Councillor M Evans to take a recorded vote on the amendment, Councillors Mogford, Fouweather, Suller, Jones and J Watkins supported the request and the following was recorded:

Councillor Name		For	Against	Abstain
Al-Nuaimi, Miqdad				1
Berry, Graham	Absent			
Clarke, James			1	
Cleverly, Jan	Left the meeting			
Cockeram, Paul			1	
John Jones		1		

Critchley, Ken			1	
Davies, Deb			1	
Dudley, Val	Apologies			
Evans, Chris				1
Evans, Matthew		1		
Ferris, Charles		1		
Forsey, Yvonne			1	
Fouweather, David		1		
Giles, Gail			1	
Guy, John			1	
Harvey, Debbie			1	
Hayat, Ibrahim	Absent			
Hayat, Rehmaan	Absent			
Holyoake, Tracey	Dispensation			
Hourahine, Phil			1	
Hughes, Jason			1	
Jeavons, Roger			1	
Jordan, Jason		1		
Kellaway, Martyn		1		
Lacey, Laura			1	
Linton, Malcolm			1	
Marshall, Stephen			1	
Mayer, David			1	
Mogford, Ray		1		
Morris, Allan		1		1
Mudd, Jane			1	
Gavin, Horton			1	
Richards, John			1	
Routley, William	Apologies			
Spencer, Mark			1	
Suller, Tom		1		
Thomas, Herbie			1	
Thomas, Kate			1	
Townsend, Carmel		1		
Townsend, Holly		1		
Truman, Ray			1	
Watkins, Joan		1		
Watkins, Trevor			1	
Whitcutt, Mark			1	
White, Richard	Dispensation			
Whitehead, Kevin			1	
Wilcox, Debbie			1	
Williams, David		1		
		13	26	3

The amendment was lost as indicated in the table above. Therefore, the Mayor opened the debate on the substantive motion.

Councillor Whitehead felt that the Presiding Member would still be political, however lost the right to reserve his comments at the end of the debate as the amendment to the motion was lost.

Councillor Mayer moved a closure motion that the matter be put to the vote without further debate. The Closure motion was duly seconded and carried by a majority vote. The Monitoring Officer advised that Councillor Hourahine, as the mover of the substantive motion, had the right to make a closing speech before the matter was put to the vote in accordance with the closure motion.

Councillor Hourahine reiterated that in his view a President Member should be appointed.

**Resolved:**

It was resolved by a majority vote that a Presiding Member would be appointed by the Council as from May 2022.

**11. Mayoral Nomination for 2022/23**

The Mayor invited the Leader to nominate the Mayor for 2022/23.

The Leader was delighted to formally move Councillor Kellaway as the Mayor for 2022/23, which was also seconded by Councillor M Evans.

The Mayor was very pleased that the Deputy Mayor would be Mayor.

**Resolved:**

That Council nominated Councillor Martyn Kellaway as Mayor for 2022/23.

**12. Questions to the Leader of the Council**

The Leader updated council on recent announcements.

**Support for residents and businesses**

Many residents and businesses faced a challenging two years and the post-Christmas period could be particularly difficult for some.

Together with its partners, the Council could offer a wealth of advice and support – from help with bills, to assistance in finding work or accessing training. If anyone was struggling financially, the Leader urged them to get in touch. There was also information on the website contact via the City Contact Centre.

The Leader was pleased that the council was able to commit £100,000 to support local organisations dedicated to helping people affected by food poverty. Local food banks provided a lifeline to some individuals and families by providing essential supplies to those struggling to cover the most basic needs.

Demand for the food banks was very high and the Council was putting money into services at the heart of communities, as they were making a real difference to people's everyday lives.

The funding would help community food initiatives meet increased demand or difficulties sourcing sufficient donations.

The council was also administering the Winter Fuel Support scheme for Newport residents and the Leader urged people eligible to apply for this extra financial help before the deadline of 18 February.

The continuation of help for local businesses was available by distributing grants to those whose livelihoods were impacted by the pandemic.

The Council also supported those who wanted to start or expand a small business through its City of Newport Business Fund. This offered grants of up to £10,000 towards costs such as rent, or the purchase of equipment.

### **City centre graffiti initiative**

The Council was working with Newport Now, the Business Improvement District (BID), to tackle graffiti in the city centre. Member businesses could have graffiti removed free of charge by the council thanks to funding from Newport Now.

The initiative was aimed at making the city centre a more desirable place to shop, live and work and promote the local economy.

This remained one of the Council's priorities and the Leader was pleased to see some new, independent businesses opening their doors in recent months. Shop local had never been a more-important message – as well as being better for the environment was so vital, these businesses could only thrive and survive if they were used.

### **Social value**

The Leader announced that last week Cabinet agreed to put social value at the heart of its work.

The Council would adopt the Welsh national themes, outcomes and measures framework for measuring social value (known as TOMS).

It set out seven themes, 35 outcomes and 93 measures that were produced to help public sector bodies gain more social value through their commissioning, procurement, and contract management processes.

This would allow the council to ensure that its work generated as much social value as possible, benefitting the people and communities it served.

### **Participatory budgeting scheme**

In February and March, residents could vote for projects put forward as part of the latest round of the participatory budgeting scheme, Our Voice, Our Choice, Our Port.

Launched last year, 24 community groups and projects received a share of the £103,000 available in the initial round.

The Council allocated £250,000 from its Covid-19 recovery fund for this round of the scheme. This allocation was for community groups to develop community-based Covid recovery projects.

A further £165,000 was made available by Aneurin Bevan University Health Board, taking the total available in this round to £415,000.

Community groups and projects were able to bid for up to £15,000 to help support an idea or project that helped meet one of the scheme's key themes.

Funding would be allocated to projects according to the vote share. This was a fantastic way of empowering residents to take decisions on what mattered to them.

### **Devon Place Bridge**

The Leader thanked all those involved in the operation to install the spans of the new Devon Place Bridge over the railway line at Christmas. It went incredibly well and it was an excellent piece of engineering.

The project was being led by the Council working with partners Transport for Wales and Network Rail and local contractors Alun Griffiths.

Work was now underway on the rest of the bridge, which should be completed later this year.

It was a direct replacement for the old Devon Place subway, and would provide an active travel link from the city centre to the streets north of the railway line.

### **Holocaust Memorial Day**

Thursday 27 January would mark one of the most somber days in the calendar.

In recognition of Holocaust Memorial Day, the Council was preparing to light the Civic Centre clock tower in purple and raise the memorial flag outside the building.

This year, the theme was "One Day" when people from around the world would remember all the victims of genocides – in the Holocaust, Cambodia, Rwanda, Bosnia, Darfur.

Newport had many diverse and wonderful communities and the Leader wanted to celebrate that as well and welcomed those who made the city their home and it was important that everyone feel safe in the city.

The Leader was proud that the Council would again be "lighting the darkness" by lighting up the clock tower and hoped people would join the national commemoration and put a candle safely in a window at 8pm.

### **Questions to the Leader**

#### Councillor M Evans:

Councillor M Evans referred to an urgent decision taken by the Leader on 1 December 2021 in relation to free bus travel over the Christmas period, where councillors were unable to comment as there was no consultation. Councillor Evans asked why was it not planned earlier and how much did it cost for free travel and did it increase footfall.

#### Response:

The Leader advised that the decision made was based on professional officer advice. The scheme offered up to residents an opportunity of free travel during 1-21 December around Newport. The Burns report showed that 35% of residents did not have cars and it therefore allowed those with no cars to access the city centre and visit family and friends during the lead up to Christmas. It also reflected the value for people of active travel. Passenger journeys did go up and the details were in the report that Cllr Evans referred to in his question.

#### Supplementary:

Why was it not decided in the summer to promote funding. On officer advice why was it taken so late in the day.

#### Response:

The Leader referred Councillor Evans back to the report and advised that securing of external funding was successful for another scheme of this nature and that the Leader would be making an announcement on that soon.

Councillor Whitehead:

When would the cemeteries be fully opened, as we were one of the last Council's in Wales not to fully open and concern was expressed by the public.

Response:

The Leader was aware of the concerns expressed by public and agreed with the acknowledgment by Councillor Whitehead of measures put in place by covid. Some issues with the plant machinery and vehicular access during the week. There was access to cemeteries every day, although only sometimes pedestrians had access. People needing access to the cemetery could contact the council to get this access. Cemeteries were open during the Christmas period, however it was reported that some people treated cemeteries poorly and with lack of respect. One driver almost ploughed into mourners during a funeral. There was £25,000 worth of damages to Christchurch cemetery when it was broken into and there was also numerous photos of those with no respect people parking on graves. But we did need to ensure that they were open to public and in the Council was in the process of undertaking further assessment to open in a safe way to public and information would be coming soon.

Supplementary:

Councillor Whitehead mentioned that the booking system was proving chaotic for a certain age group and hoped to be back to normal as soon as.

Councillor C Townsend:

Similar to Whitehead, Councillor Whitehead also referred to access to cemeteries and asked if a Fairness and Equality Impact Assessment (FEIA) could be carried out, which would be a big help.

Response:

The Leader advised that with a view to opening cemeteries it would not need to be considered as there were no changes to policy although FEIA were relevant and considered in all decisions made by the Council.

## **Ballot Questions**

Councillor K Thomas:

In the light of the emerging cost of living crisis, could the Leader outline to members the support available for citizens at this time.

Response:

The Leader mentioned that this was a difficult time and the main challenge was the energy crisis and in the coming months there would be increases of a magnitude never seen before. The Resolution Foundation had highlighted price increases in energy bills over taking living wages. The Resolution Report stated that Spring looked particularly difficult with April bringing a broad based cost of living catastrophe, which after a pandemic was what citizens were faced with. With other increased bills, this could cost households an increase of over £1,000. The Council did try to mitigate this but there was also huge pressure on council budgets. The impact on families meant that residents had to choose between heating their homes or eating. Residents would be signposted by the Council to help and support, including small businesses. Information on the website was also available and the Leader urged residents and small businesses to get in touch as funding from the Council of £100,000 was available as well as the Winter Fuel funding therefore residents must apply before 18 February.

## **13. Questions to the Cabinet Members**

There were five written questions to the Cabinet Members:

## **Question 1 – Deputy Leader/ Cabinet Member: City Services**

### Councillor Forsey:

Many of us have viewed the fascinating footage of the new Devon Place footbridge installation which took place during the Christmas break. Can the Cabinet member give council an update on the project and set out the anticipated completion date?

### Response:

The installation of the main decks over Christmas was completed successfully. As the members are aware, rail track possession to enable such activities can only take place when there are no trains running, and so required staff to be working overnight and through Christmas day.

I would therefore like to thank the dedication and effort of staff within City Services, our contractors Alan Griffiths and Welsh Government for the funding of the project.

Contractors are currently undertaking de rig works to remove the temporary concrete pads and supports that were required for the crane to lift in the bridge sections and undertake alterations to the overhead electric lines.

The final fabrication of stairs, ramps and parapets are progressing to programme at the Prosteel Engineering workshop in Pontypool. These will be delivered to site in March and then lifted into place from Queensway and Devon Place.

Following completion of the structural bridge element, works will commence to the public realm which will include paved areas, planters and sustainable drainage.

Works are programmed for completion this summer.

## **Question 2 – Deputy Leader/Cabinet Member: City Services**

### Councillor Marshall:

Please can the Cabinet member provide council with an update on Active Travel schemes and outline future plans for active travel in Newport.

### Response:

This year's active travel (AT) schemes have progressed well with all schemes complete or programmed for completion by 31<sup>st</sup> March. The schemes delivered this year are:

#### **Tredegar Park**

The route runs through Tredegar Park, continuing through the pedestrian subway under Forge Road to provide a link to the route through the old golf course.

#### **Monkey Island**

The route through Monkey Island includes a new unsegregated bridge connecting the north footway of the main road, the open space area and the housing estate, so users do not have to use the multiple pedestrian crossings on the Southern Distributor Road junction. Both routes will also benefit from the introduction of low-level street lighting which has also been designed to minimise the impact on wildlife and the environment.

#### **New Bridge at Fourteen Locks Canal Centre**

A new active travel bridge has been constructed at the Fourteen Locks canal site. The bridge is located below the Canal Visitor Centre and provides a safe and convenient crossing point over the pond.

## **Gaer Fort**

The route runs from Bassaleg Road to Wells Close (Gaer Estate) and provides a link to the northern areas of the city and the City Centre.

## **Future Schemes**

Several other projects are under development (outline feasibility study) this year including the Bettws canal link and bridge, fourteen locks road bridge and Old Town Dock bridge. The authority will be submitting further funding bids 2022/23 to see these schemes delivered.

To help plan future improvement and expansion of AT in the city, a major public consultation exercise was undertaken in 2021. The information from the consultation has informed our statutory Active Travel Network Map for Newport. This was submitted in December to the Welsh Government

## **Question 3 – Cabinet Member: Sustainable Development**

### Councillor Horton:

At the last full council meeting the Leader announced that Newport City Council had won the “Outstanding Organisation Award” at The National’s inaugural Environment awards. Please can the cabinet member update council on the ongoing work that has led to this award.

### Response:

This award is a result of the outstanding all-around effort and a reflection of the ultimate reduction the Council has made in terms of carbon emissions over the past 3 years. Through a combination of capital projects and bold policy changes the Council has significantly reduced its carbon footprint, and these reductions in energy have continued to be delivered despite the impact of COVID 19.

These projects have ranged from:

### **Training and employee engagement on sustainability and carbon reduction**

Through the delivery of carbon literacy training to Members and staff, and through widespread engagement via workshops as part of the creation of the Council’s proposed Climate Change plan. This engagement will continue as part of the delivery of our carbon neutral 2030 objectives and the involvement of all Members and employees will be the key to our success.

### **Building retrofit**

The council has completed projects such as the conversion of the velodrome to 100% LED lighting, and we are now developing an ambitious programme of works across the estate which will include the installation of heat pumps to reduce gas boiler usage, Solar PV, LED lighting, more efficient ventilation and new controls.

### **Solar panel installation**

Working in partnership with Egni Co-op (a community energy group) the Council scooped the award for best “Community Energy Scheme” at the Ystadau Cymru Awards for the work we delivered, rolling out solar panels on an incredible 27 council buildings. Planning permission has also been achieved for a small solar farm on council land and is reflective of the administration’s commitment to climate change and sustainability.

### **EV charging and vehicles**

The council has installed public EV charging points across a number of our public car parks (<https://www.newport.gov.uk/en/Transport-Streets/Electric-vehicle-charge-points.aspx>) and we are continuing the delivery of public infrastructure via the installation of on-street chargers and rapid chargers for residents use.

## **Sustainable Design**

The Council is supporting two low carbon housing developments, both of which have agreed to not use fossil fuel combustion to provide heating. The developments have also included SuDs attenuation zones planted with a wet meadow mix of flora, including nut/berry bearing tree/shrub species to provide foraging opportunities and habitats for wildlife.

It is clear to see why Newport City Council has been awarded this fantastic award.

### Supplementary:

Would there be possible training for members to better sign post residents?

### Response:

Yes, this would happen later in the year for a better understanding of the environmental agenda in the city. The Leader would also be happy to provide a briefing for Councillor Horton.

## **Question 4 – Cabinet Member: Licensing and Regulation**

### Councillor Mogford:

Within the last two years a number of UK Cities have introduced 'Clean Air Zones' such as Manchester and Birmingham. Have there been any plans or discussions by the Council to introduce a 'Clean Air Zone' in or around Newport's City Centre?

### Response:

There are no current plans or discussion about introducing Clean Air Zones in or around Newport City Centre.

Those councils that have introduced Clean Air Zones have been specifically identified and directed to do so by Central Government and provided with additional funding to enable this, because of specific air quality problems within their City Centres.

I would refer Councillor Mogford to the detailed information that I have previously provided at Council in response to questions about air quality management in Newport. The worst areas of air pollution in Newport, where the levels of nitrous oxide exceed air quality standards, have been designated as Air Quality Management Areas and most of these are located along the M4 corridor. The only AQMA's that are on the outskirts of the City Centre are in Chepstow Road and George Street. All of these AQMA's were declared a number of years ago and, as I have previously advised Council, the emission levels in all of those areas are gradually reducing. Therefore, we are making good progress in reducing emissions and improving air quality.

We will continue to monitor air quality and we intend purchasing and installing additional real-time monitors for these AQMA's closer to the City Centre. This will enable us to update the Council's Air Quality Action Plan with actions to improve air quality in these AQMA's. A key part of the action plan will be to establish local action groups to engage with the local communities, because educating the public and encouraging changes in behaviour are essential if we are to reduce the effects of air pollution on public health. We have already established the first local action group in Caerleon and a second action group will be formed shortly for the Chepstow Road area.

The use of Clean Air Zones is just one of a range of possible measures that can be used to address air quality and would only be appropriate where other, less intrusive, measures have been unsuccessful. As I have advised previously, the Council has developed active travel routes and sustainable travel initiatives, including the use of electric vehicles. The issue of air quality cannot be addressed in isolation and is part of the wider climate change and carbon reduction agenda.

Supplementary:

The designation of a clean air zone would be an improvement, was it therefore in the gift of this council to provide this.

Response:

Councillor Truman advised that it was not.

**Question 5 – Cabinet Member: Education and Skills**

Councillor Hourahine:

Many councillors are school governors and are aware of the challenges that our schools have faced during the pandemic. Can the Cabinet member provide council with an update on the return to school for the spring term and include an overview of the support that is in place for both pupils and staff?

Response:

The return to spring term has presented various challenges to our schools which continue to operate significantly well under the circumstances. We continue to work with our school leaders to ensure that we provide clear advice and bespoke support based on the needs of individual schools.

Local authority officers have continued to communicate regularly with Headteacher's to provide health & safety advice, information on the hardship fund, up to date TTP self-isolation advice for the school community and any necessary supplies of CO2 monitors, face coverings and PPE.

Face to face learning remains a priority. At the beginning of this term, Welsh Government allowed schools two planning days to consider how they may operate with a forecast workforce pressures. This space and time was gratefully received by all of our schools and as a result of excellent local authority and school efforts; overall Newport has experienced only minor interruptions. This does not take away the high level of operational complexities which schools have managed on a day to day basis and I would like to take this opportunity to thank our Headteacher's, schools staff and local authority officers who have worked tirelessly to 'keep things as normal as possible for our learners'. Their efforts are not underestimated. The dedication of our staff goes beyond any of our expectations.

To date, there have been less than ten incidents of year group closures. At this time pupil attendance has had to be managed very sensitively. School staff and the Education Welfare Service have been supporting families with a range of strategies to reassure pupils, parents and carers that school is a safe place and the best place to be.

Where possible our schools have continued to develop their medium and long term strategic plans which include for instance, work around learner standards, catch up programmes, ALN Reform implementation, and Curriculum for Wales's progression.

In Newport we have ensured that pupil wellbeing remains central to everything we do and I am pleased to report that schools now have further capacity to refer pupils to school based counselling. In addition schools continue to be supported by the local authority to ensure that they are able to sustain and improve their own whole school approaches to wellbeing following the continued unsettlement that the pandemic has brought.

To enable and support pupils in their learning as Cabinet we have over seen the investment in digital equipment which will enable home learning as well as providing an equitable level of access across the whole of the local authority. By the end of this financial year we will have provided schools with:

- 9024 laptops, Chrome books, PCs and apple devices

- 146 charging trolleys
- 105 interactive screens
- 106 projectors

Additionally, Cabinet has made a series of budget investment proposals to support education and our schools. Being minded these are draft proposals, which are subject to consultation and review they currently include:

- 3 new Teacher Advisors for schools who will support with early identification of ALN, behaviour needs and work with the schools who have the most vulnerable children.
- Additional support for the Safeguarding Hub
- An additional £1.2 million for ALN learners
- £1.75 million to support additional pupil place demand
- Funding to address teacher and education workforce pay increases.
- There will be an additional £888k which is needed in order to meet the forecast increases of free school meal uptake.

It is worth noting that at the beginning of the pandemic 3200 pupils were accessing free school meals. There are now 7000 children who currently require a free school meal at lunch time. This is a rise of 118% and shows the level of support families require across our city and is a measure of the impact of the pandemic, as well as Brexit with the consequent rise in cost of living.

As a Cabinet we remain committed to supporting our schools, staff and pupils. We want the best for our children and a focus in recent times has been on well-being and on ensuring pupils and families are kept safe and will clearly continue to be the case. However, we also want our children to have aspirations and go onto achieve their dreams and this will also continue to be a key priority for this authority.



# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** Appointments

**Purpose** To agree the appointment of Council nominees to committees and outside bodies.

**Author** Governance Team Leader

**Ward** General

**Summary** In accordance with its terms of reference within the Constitution, Council is responsible for appointing the members of Council Committees, and the Council's representatives on outside bodies. The current vacancies and nominations received are set out in the attached report.

**Proposal** Council is asked to receive and approve the nominations for representatives, as listed in the report

**Action by** Governance Team Leader

**Timetable** Immediate

This report was prepared after consultation with:

- Council Business Managers
- Head of Law and Regulation

**Signed**

## Background

In accordance with its terms of reference within the Constitution, Council is responsible for appointing the members of Council Committees, and the Council's representatives on outside bodies. The current vacancies and nominations received are set out below.

Any vacant appointments / nominations received after the publication of this report, will be announced at the Council meeting by the appropriate Business Manager or Group Leader.

### Governing Body Appointments

Governing Body	No of Vacancies / Re-appointments	Nominations Received
John Frost School	1	Tracey Holyoake
St Andrews Primary School	2	Ken Critchley Roger Jeavons
St Michaels Primary School	1	Modupe Obilande
Milton Primary School	2	Emma Corten-Stowell Julie Hando
Llanmartin Primary School	1	Ray Mogford

### Outside Body Appointments

Norse Board Director - Rhys Cornwall

### Head of Service Appointments

Head of Regeneration and Economic Development – Tracey Brooks

Head of Environment and Public Protection – Silvia Gonzalez-Lopez

Head of People, Policy and Transformation – Tracy McKim

Head of City Services – Stephen Jarrett

Head of Children's Services – Natalie Poyner

Head of Prevention and Inclusion – Caroline Ryan-Phillips

### Proposal

Council is asked to receive and approve the nominations for representatives, as listed in the report.

### Comments of Chief Financial Officer

There are no financial implications directly arising from this report.

### Comments of Monitoring Officer

The appointment of individuals to serve on outside bodies is a Local Choice function under the Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007. The Council has determined that responsibility for this function shall rest with Full Council unless delegated by the Council.

### Background Papers

Newport City Council Constitution

Local Authorities (Executive Arrangements) (Functions and Responsibilities) (Wales) Regulations 2007

**Dated: 22 February 2022**



# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** National Non-Domestic Rates: Discretionary Rate Relief Schemes 2022-23

**Purpose** The purpose of this report is for Council to agree that Newport City Council adopts the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2022-23 (Part A), and also to adopt Newport City Council's City Centre Local Rate Relief Scheme (Part B)

**Author** Head of Finance

**Ward** All

**Summary** This report is split into two sections:

**Part A** Welsh Government Retail Leisure & Hospitality Rate Relief Scheme 2022-23

**Part B** Newport City Council Local City Centre Rate Relief Scheme 2022-23

To assist businesses to recover from the impact of the Covid-19 pandemic, the Welsh Government has again made available grant funding for billing authorities to deliver in 2022-23, the Retail, Leisure and Hospitality Rate Relief Scheme to reduce the rates payable for qualifying ratepayers.

The Welsh Government has agreed to reimburse the Council in full for any awards made under the scheme and it is envisaged that up to 1,200 businesses will benefit from reduced rates by way of this relief.

The scheme will deliver:

1. 50% rate relief in 2022-23 for qualifying properties which are broadly used for retail, leisure or hospitality.

Details of the Welsh Government scheme are contained in **Part A** of this report.

In addition to the Welsh Government scheme, **Part B** of this report sets out a proposed scheme to provide additional financial help for existing city centre businesses to recover from the economic impact of the Covid pandemic and also to encourage new businesses to move into and trade from empty properties in the city centre.

There are three appendices to this report:

Appendix 1 Welsh Government Retail, Hospitality & Leisure Scheme 2022-23 Guidance

Appendix 2 Newport Local City Centre Rate Relief Scheme 2022-23 (  
Appendix 3 Map of the Newport City Centre BID area

**Proposal** It is proposed Council agrees to adopt the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2022-23 and the Newport City Centre Local Rate Relief Scheme, by making the appropriate determinations and decision, included within the report, as required by Sections 47(1)(a) and 47(3) of the Local Government Finance Act 1988.

**Action by** Head of Finance to implement the Scheme and make discretionary awards using delegated powers.

**Timetable** Effective from 1 April 2022

This report was prepared after consultation with:

- Head of Law & Regulation
- Head of People & Business Change
- Head of Regeneration, investment & Housing

**Signed**

## **Background**

### **Part A- Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme 2022-23**

Welsh Government has made available funding for billing authorities to deliver in 2022-23, an all Wales Retail, Leisure and Hospitality Rate Relief Scheme.

The Scheme is fully funded by Welsh Government and will enable those businesses that are in the retail, leisure or hospitality sector to benefit from reduced business rates in 2022-23.

The scheme covers all businesses that occupy business premises operating in the retail, leisure or hospitality sector.

The means of making the awards of Retail, Leisure and Hospitality Rate Relief is the Council's discretionary powers under section 47 of the Local Government Finance Act 1988.

The Council is required to make a formal determination (Section 47(1)(a)) and decision (Section 47(3)) to adopt the scheme so that this discretionary power may be exercised by the Head of Finance under delegated powers. The formal determination for this Part A scheme, the Welsh Governments national scheme, is shown below.

The Council will be reimbursed for the rates income foregone as a result of the Scheme by way of a direct grant.

The relief differs to the retail, leisure and hospitality schemes that have operated in previous years in that businesses will be required to apply for the rate relief and the award will be 50% of the rates payable.

The scheme also sets a limit of £110,000 as the total amount of relief that any ratepayer can claim across Wales, this will mean that some ratepayers with multiple properties across Wales will not be able to claim the rate relief in every area, local councils will have to carry out additional checks to ensure that the limit is not exceeded.

If the scheme is adopted, it is estimated that up to 1,200 businesses could benefit from reduced rates in 2022-23 in Newport, although the scheme limit of £110,000 may see less than this number actually qualifying. Once an application has been made and determined the rate relief will be applied directly to the rate bill and future instalments reduced accordingly.

As the scheme is fully funded by Welsh Government there are no risks to the Council in adopting the scheme, there would however be risks to businesses that operate in the sectors covered by the scheme if the scheme was not adopted. The resolution for the adoption of this WG National scheme is shown below.

### **Resolution - WG Retail, Leisure and Hospitality Rate Relief Scheme**

- (a) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay council tax set by the Council.

- (b) Relief is not available under this resolution in respect of any hereditament which is occupied by -

- the Welsh Ministers, a Minister of the Crown or government department,
- any public authority (including any local authority),
- the holder of any public office, or
- the Crown

(c) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing year 2022-23 'The Scheme' shall apply to the hereditaments described, and that the Head of Finance use his delegated powers to apply the relief.

## 'The Scheme'

### Introduction

The relief is intended to be a temporary measure for 2022-23 only, aimed at businesses operating in the retail, leisure and hospitality sector in Wales, for example shops, pubs, restaurants and cafes.

The Welsh Government will provide rate relief, eligible businesses occupying commercial premises in the financial year 2022-23.

Properties that will benefit from this relief will be occupied properties such as shops, hotels, restaurants, cafes and drinking establishments.

### Level of Support

Eligible ratepayers must be occupying commercial business premises in the financial year 2022-23 and meet the criteria set out by Welsh Government, see **Appendix 1** for full details.

Ratepayers that qualify under the scheme will benefit from a reduction of 50% in the rates they would be due to pay in 2022-23.

The total amount of relief available is £110,000 across all properties occupied by the same business across Wales. All businesses are required to make a declaration that the amount of relief they are seeking across Wales does not exceed this cap.

### State Aid

Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the UK Government and the EU provides that during a transition period State Aid rules will continue to apply as now and will be subject to control by the EU Commission as at present.

The UK Government has notified the EU of its intention to bring forward an immediate change to the UK's tax treatment of non-domestic property, in response to the ongoing Covid-19 emergency, and to seek clearance under Article 107(3)(b) of the Treaty on the Functioning of the European Union. Subject to this approval, the Expanded Retail Discount Scheme will become a notified state aid scheme. Once the notification has been approved by the European Commission, it will supersede the de minimis regulation as the appropriate cover for awarding the discount, meaning existing de Minimis limits will no longer restrict the provision of support.

## **Part B - Newport City Council's City Centre Local Rate Relief Scheme**

Part A of this report covered the Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme for 2022-23, and whilst this is welcomed and will provide much needed rate relief to those in the retail leisure and hospitality sectors, it is recognised that this scheme alone will not be sufficient to address the problems faced by the Newport city centre.

In addition to the 'all Wales' support set out in Part A, a local scheme to reduce rates in the city centre is also proposed, both to assist existing city centre businesses and encourage greater levels of occupancy.

Over time Newport city centre has been adversely affected by businesses moving out of the city centre or ceasing to trade completely, most recently by the closure of the largest store, Debenhams.

The city centre has a number of vacant properties, some of which can be classified as 'persistently' vacant (i.e. vacant for 12 months or more), and appear to be in need of repair and modernisation. Newport boasts a wealth of heritage architecture but this can, in turn, generate a further layer of cost and constraint for potential occupiers.

Rates in the city centre are comparatively high, in part reflecting the outmoded design of many premises, which were created to maximise space for stock, customers and display and leaving them unsuitable to modern trading.

Commercial rates regimes inherently distort economic activity in favour of internet trading as online competitors do not experience a similar burden of taxation, and the costs associated with rates are a further disincentive towards business and property investment. Online trading had significantly impacted the High Street prior to the pandemic, and has further been accelerated by Covid-19.

These factors disproportionately affect the retail, leisure and hospitality sectors, who have also borne the greatest economic impact from the pandemic, with measures to restrict the movement and contact between people inevitably curtailing the ability of these industries to trade. HMRC data confirms that the majority of Newport employments furloughed through the pandemic were in these sectors.

Despite the availability of the Coronavirus Job Retention Scheme and other support to sustain businesses, the coronavirus pandemic has still resulted in over half a million job losses across the UK. The Business Register and Employer Survey indicates Newport job losses to 2020 were concentrated in the retail and hospitality sectors.

Given the property challenges outlined above, it is reasonable to conclude that the effects on those businesses trading from the city centre have been particularly acute.

Localised business rate relief can be a significant instrument in creating resilience for these businesses as they seek to recover. Whilst the Council has an enviable record in attracting investment, with over £20m of funding secured from the Welsh Government Transforming Towns framework to revitalise empty and underutilised properties and spaces, vacant properties nevertheless remain a challenge.

The ability to secure regeneration funding in itself requires investment by an owner or occupier, which limits the extent to which it can assist businesses on the margins. However relief on rates can be controlled and extended by the Council, without requirements for co-investment from the recipient. Sustained relief from business rates therefore offers a potentially very attractive stimulus for recovery in town and city centres.

## Legislative Background

The means of making the Newport City Centre Scheme is the Council's discretionary powers under section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

The Localism Act 2011 extended the scope of section 47 and there is now a general power to award discretionary relief to any ratepayer providing that it would be reasonable to do so having regard to the interests of local council tax payers.

In the main, decisions to award relief under the extended powers of the Localism Act would be exercised in respect of all eligible properties within a defined area, of a defined type, as specified in the proposed scheme in **Appendix 2** of this report.

The Council is required to make a formal determination (Section 47(1)(a)) and decision (Section 47(3)) to adopt the Newport City Council's local city centre scheme so that this discretionary power may be exercised by the Head of Finance under delegated powers.

In addition to the power to create a local rate relief scheme, it must be in the interests of the council tax payers of the city. This is because a local scheme will be funded locally using funds of the Council.

In assessing benefits to the council tax payer it is expected that the Newport City Centre Scheme will help to reduce the number of empty retail units in the city centre, this will improve the look and feel of city centre for all residents. Employment opportunities will be improved by attracting new businesses to set up within the city centre and assisting existing businesses to remain viable following the Covid pandemic and again, all residents will benefit from this from the general city centre environment and employment opportunities.

The Council can be as broad as it wants to be with a local scheme, however the city centre has been identified as requiring an economic boost and it is reasonable to concentrate of this area as it impacts on all city residents.

What constitutes the 'city centre' is open to interpretation so the scheme options have been modelled on the properties within the existing Newport city centre BID area, as this is an established well defined city centre area.

It is anticipated that if a scheme is adopted it will mirror the geographic area of the bid see **Appendix 3** for a map of the area.

To give a sense of volume and costs, we have modelled mainly Retail Leisure and Hospitality sector in the city centre alongside a comparison for all businesses

Options were as follows:

1. Rates relief at various levels for re-occupied empty Retail, Leisure and Hospitality Properties.
2. Flat rate allowance to all re-occupied empty Retail, Leisure and Hospitality Properties.
3. Rates relief at various levels for all occupied Retail, Leisure and Hospitality properties.
4. Flat rate allowance to all occupied Retail, Leisure and Hospitality properties.
5. Rates relief at various levels for all occupied businesses.
6. Rates relief at various levels for all unoccupied businesses.

The options as above have been modelled using current rating information and estimated costs range up to £3.6m for one year.

If the criteria is narrowed by rateable value the costs reduce significantly and again if the sectors eligible for help are restricted.

The table below shows the estimated costs of the schemes modelled based on current data.

	EMPTY RETAIL, LEISURE & HOSPITALITY		OCCUPIED RETAIL, LEISURE & HOSPITALITY		ALL OCCUPIED PREMISES	
		£K		£K		£k
50% to All Empty / Occupied	78	553	101	658	441	3,500
50% Limited to RV's <£50k	69	250	91	332	415	1,500
50% Limited to RV's <£25k	60	173	77	209	329	740
25% to All Empty / Occupied	78	277	101	166	441	1,800
25% Limited to RV's <£50k	69	125	91	332	415	761
25% limited to RV's <£25k	60	87	77	105	329	370
FLAR RATE @ £1,000	78	74	101	99	441	419
FLAT RATE @£500	78	38	101	51	441	211

Due to the significant costs identified in making a scheme open to all business rate payers within the city centre the scope of the scheme needs to be realistic and match the funds that can be made available. As the report suggests above, some sectors have been particularly badly affected over the last 24 months with others, whilst impacted by way of different working, have been able to maintain business levels.

In addition the need to improve the look of the town centre and by encouraging empty shops back into use means that targeting the retail, hospitality and leisure sector is a priority.

Tying eligibility to those that are deemed retail, leisure and hospitality businesses to the Welsh Government scheme also provides a framework to assess eligibility.

It is also recognised that existing businesses are also struggling to keep trading without the full Covid rate relief that was previously in place.

Therefore, in order to assist as many businesses as possible and encourage new occupiers to move into vacant properties, it is recommended that a combination of Option 1 and Option 3 above should be adopted, for properties within the city centre BID area with rateable values of £50,000 or lower, for a period of two years as long as they qualify for support throughout the period.

It is also intended that the scheme would be paid in conjunction with the existing city centre start up grants when an occupier moves into an empty retail unit. This should improve the overall attractiveness of the city to new businesses.

**Appendix 2** sets out the qualifying criteria that will be used to assess eligibility for the proposed Newport City Centre Local Rate Relief Scheme. The resolution for the adoption of this local scheme by Council is shown below

### **Resolution - Newport City Council Local City Centre Rate Relief Scheme 2022-23**

The Council will adopt the Newport City Centre Rate Relief Scheme as detailed in **Appendix 2**, effective from 1 April 2022

- (b) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay council tax set by the Council.

- (b) Relief is not available under this resolution in respect of any hereditament which is occupied by -
  - the Welsh Ministers, a Minister of the Crown or government department,
  - any public authority (including any local authority),
  - the holder of any public office, or
  - the Crown
  
- (d) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing 'The Scheme' shall apply to the hereditaments described, and that the Head of Finance use his delegated powers to apply the relief.

## Financial Summary

### PART A - Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme 2022-23

There are no direct financial implications to the Council in adopting the Welsh Government Retail Hospitality and Leisure rate relief scheme.

The full value of discretionary awards is reimbursed by the Welsh Government. Staff resources will be prioritised appropriately within the revenues team to meet the administration requirements of the scheme.

### PART B - Newport City Council's City Centre Local Rate Relief Scheme

Unlike other rate relief schemes any local discretionary scheme would sit outside the existing schemes that are either fully or partially funded by the Welsh Government via the NNDR pooling arrangements. The Localism Act provides the mechanism to allow local schemes to be devised but the financing of any scheme remains wholly with the Council.

Due to the fact that the scheme would be funded entirely by the Council there are some financial risks around setting an absolute budget for this, because of:

- More take up than anticipated
- Increases in rateable value
- New properties coming into the scheme

For the two year period, the cost is estimated to be in the range of £700k - £900k and will be afforded by the 2021/22 forecasted underspend which will be put into reserves and drawn down over the two year period.

## Risks

### PART A - Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme 2022-23

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?
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Failure to implement the scheme will result in Newport ratepayers being financially disadvantaged	H	L	Adoption of the scheme will allow relief awards to be awarded and rate bills reduced to zero. At no cost to the Council	Head of Finance
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**PART B - Newport City Council's City Centre Local Rate Relief Scheme**

<b>Risk</b>	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 scheme costs significantly more than initially estimated.	H	M	Modelling the proposed scheme using current rating data to establish the likely maximum costs.  Funding at the top end of the estimated range of cost	Head of Finance
Increases in rateable value.	M	M	Setting a limit on the RV's of qualifying business properties.  Funding at the top end of the estimated range of cost	Head of Finance
Support is not sufficiently targeted and creates a perverse incentive to sit on vacant units.	H	L	Terms and conditions will reflect strategic decisions and priorities and the relief will only benefit occupied properties  The scheme will set criteria that ensures that only 'occupied premises that are actively trading will benefit.	Head of Finance

Additional staff resources may be required in order to carry out assessment of additional Start-Up businesses who may qualify. This will create a pressure for the Economic Regeneration service.	M	H	Prioritisation of Economic Development Officer support  Consideration for the funding of a fixed term contract for additional economic development officer	Head of Regeneration
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**Links to Council Policies and Priorities**

The adoption of the schemes fits with the Council’s aims to improve the local economy, and the well-being of its citizens

**Options Available and considered**

**PART A - Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme 2022-23**

- Adopt the Wales Retail, Leisure and Hospitality Rate Relief Scheme 2022-23
- Decide not to adopt the Scheme

This is a WG national scheme and there are no particular choices other than to adopt and apply it, or not. This is a very valuable benefit to businesses and funded entirely by the WG. Therefore, the preferred option is to adopt the national scheme.

**PART B - Newport City Council’s City Centre Local Rate Relief Scheme**

- Adopt the Newport City Council City Centre scheme per the parameters and criteria outlined in the report and in Appendix Two
- Decide not to adopt a local scheme and/or change the criteria from that outlined as above

The report outlines the number of businesses who would benefit from different criteria and the cost of doing this, which, at its maximum, would be £3.6m for one year. As the report outlines

- the retail, leisure and hospitality sector this is targeted at has been the most affected by the Covid pandemic
- the scheme can be better understood by businesses and administered easier by the Council as the scheme replicates much of the WG national scheme in terms of eligibility
- focussing on the city centre allows all / the most residents to benefit from this investment
- it specifically is aimed at also reducing the current number of vacant premises via this specific scheme and also by doing in conjunction with other existing economic development grants

- by limiting to 25% and properties with Rateable Values at or under £50k, it enables a scheme to operate for two years, thus allowing sufficient time for recovery in the sector; balancing this with the cost of any scheme.

Therefore, the preferred option is to adopt the local scheme as outlined in this report and Appendix Two.

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

The financial impacts and issues are addressed in the report. The WG national scheme is fully funded and will provide the first 50% of rates relief for eligible businesses in 2022/23 only with the NCC Local Scheme adding a further 25% to that in 2022/23 and a 25% reduction in 2023/24 to ensure time for businesses to properly 'bed in' recovery as well as encourage new businesses into the city centre.

An absolute cost estimate for this is not possible but a range of £700k - £900k has been estimated based on current data. It is recommended that budget provision at the higher end of this is made available and this will therefore need to be provided from the current year's underspend and is a pre-commitment on that.

### **Comments of Monitoring Officer**

The proposed Retail, Leisure and Hospitality Rate Relief Scheme for 2022-23 is in accordance with the Council's statutory powers under the Local Government Finance Act 1988 to grant discretionary business rates relief. The Part A scheme is a national scheme, which fully funded by Welsh Government and enables the Council to grant rate relief for qualifying businesses in the retail, leisure or hospitality sector, to assist them in recovering from the impact of the Covid-19 pandemic. The proposed rate relief scheme is a continuation of the original scheme which was adopted and extended over the past two financial years, albeit that the scheme for 2022/23 will only provide for 50% rate relief, capped at £110k per business. The Part B scheme is an additional local rate relief scheme for Newport which will provide extra financial help for existing city centre businesses to recover from the economic impact of the pandemic and also to encourage new businesses to move into and trade from empty properties in the city centre. Full Council is required to make a formal determination under Section 47(1) (a) of the 1988 Act and a formal decision under Section 47(3) to adopt this schemes. The power to award discretionary rate relief in accordance with the scheme is then delegated to the Head of Finance under the officer scheme of delegation

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

There are no HR related issues arising directly from this report.

Continuing to adopt the rate relief scheme is in line with the Council's strategic recovery aims and its Well-being Objective to "Promote economic growth and regeneration whilst protecting the environment" and will support the "Newport Offer" intervention within Newport's Well-being Plan.

The Scheme is funded by Welsh Government and will enable businesses that are in the retail, hospitality or leisure sector to assist them in recovering from the impact of the Covid-19 pandemic. These sectors are of major importance to the local economy and labour market and taking up the available support would be in the Council's interests. Being able to assist businesses in this way could help prevent business decline and support the economy for the immediate and longer terms.

## Scrutiny Committees

n/a

### Fairness and Equality Impact Assessment:

#### **PART A - Welsh Government's Retail, Leisure and Hospitality Rate Relief Scheme 2022-23**

A FEIA has not been carried out due to fact that once adopted, the Council is obliged to comply with the Welsh Government's rules in applying the Scheme. These are detailed in **Appendix 1**.

#### **PART B - Newport City Council's City Centre Local Rate Relief Scheme**

The proposed local Scheme uses the same basic rules as the Welsh Government scheme and provides additional relief for the businesses that are currently trading and extends relief to those businesses that take up occupation of empty retail units.

An FEIA has been completed for this local scheme which is summarised below under our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

The introduction of Newport City Centre Rate Relief Scheme is a positive step and one which benefit the businesses in the city and the wider city as a whole.

Stakeholders – the main beneficiaries of the scheme will be the businesses in the city centre and due to the truncated time scale there has not been an opportunity to engage in formal stakeholder consultation.

This initiative has been proposed in response to communication over the years from stakeholders that highlights the bar that high city centre rates are to businesses operating in that area.

All city centre businesses that operate in the retail, hospitality and leisure sectors are expected to benefit if they meet the requirements of the scheme.

There are no impacts on the majority of protected categories protected in the Equality Act 2010 and it is anticipated that the scheme will be beneficial to the following group:

Aged – there will be benefits to the elderly in helping to sustain the city centre business as the city centre is more accessible to those reliant on public transport as opposed to out of town areas that can be difficult to reach.

Welsh Language – no impact anticipated.

### **Sustainable Development**

The proposed scheme is expected to deliver both short term and long term benefits:

Short Term – the rate relief is a short term form of financial assistance that will enable existing businesses to overcome the impact of the covid pandemic, and help to attract new businesses to use empty retail units.

Long Term – although a relatively short term package of financial assistance is proposed in the scheme it is anticipated that by assisting businesses to overcome the trading difficulties caused by the pandemic it will increase the chances of them remaining in the city long term.

In addition, the introduction of rate relief for new businesses moving into currently vacant premises will improve the look and feel of the city centre making it more attractive for residents to visit and the hoped for increase in footfall will further sustain the viability of the city centre.

### **Well-Being**

The Council is now in a position to be able to offer this scheme to city centre businesses which ties in with the goal of providing a more prosperous Wales.

### **Integration**

#### **Wales' Well-being Goals**

This proposal supports the following well-being goals:

- A prosperous Wales, a thriving city centre will improve employment opportunities and economic growth.
- A resilient Wales – a thriving and vibrant city centre will provide residents with the services they need.
- A Wales of more cohesive communities – local provision of goods and services removing the need for residents to travel elsewhere.
- A globally responsible Wales – there will be more activity in the city centre and less reliance on out town areas. The city centre is more accessible to residents as it is well served by existing public transport links, thus reducing the need to travel and distance and use cars.

#### **Newport City Council's Well-being Objectives**

This proposal supports the following Newport City Council well-being goals:

- To improve skills, educational outcomes and employment opportunities – by increasing the opportunities for employment.
- To promote economic growth and regeneration whilst protecting the environment – there will be more activity in the city centre and less reliance on out town areas. The city centre is more accessible to residents as it is well served by existing public transport links, thus reducing the need to travel and distance and use cars.

#### **The Equality Act (2010)**

This proposal does not adversely impact any protected categories, it does however raise the question of fairness when comparing a city centre business with one in another part of the city.

Targeting support where it is needed most allows a policy to have more impact than providing a lower level of support over a wider area.

In addition the retail, hospitality and leisure sectors have been disproportionately adversely affected by the covid pandemic and the restrictions placed on trading throughout the last two years.

It is accepted that not every business in the city will receive this support however the city centre requires additional help and this proposal is intended to address this.

## Socio-economic Duty

The Socio-economic Duty is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

The proposed scheme is a positive move and will be beneficial to the businesses within the city centre and the residents of the city as whole in particular:

- **Low Income/income poverty** – it is beneficial to have goods and services readily available in the city centre, as those on low incomes are less likely to have cars to be able to reach the out of town areas or travel to other cities.

**Employment Opportunities** – a thriving city centre will enhance the employment opportunities available to residents of the city.

- **Material Deprivation** – it is beneficial for residents to be able to access goods and services within the city centre.
- **Area Deprivation** – the city centre is accessible from all areas of the city and is particularly so for those that live rurally as they are able to access the city centre by existing public transport links.

## Consultation

n/a

## Background Papers

The Welsh Government's Guidance on the Retail, Leisure and Hospitality Rate Relief Scheme 2022-23 is available here:



Retail Leisure &  
Hospitality Relief Gu

Dated: 1 March 2022

## **APPENDIX 1**

### **Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief in Wales 2022-23**

Guidance

#### **About this guidance**

This guidance is intended to support county and county borough councils ('local authorities') in administering the Retail, Leisure and Hospitality Rates Relief scheme ('the relief'). On 3 March 2021, the Minister for Finance and Trefnydd announced the extension of the relief on a temporary basis for 2022-23. This guidance applies to Wales only.

This guidance sets out the criteria which the Welsh Government will use to determine the funding for local authorities for relief provided to retail, leisure and hospitality properties. The guidance does not replace any existing non-domestic rates legislation or any other relief.

Enquiries about the scheme should be sent to: [localtaxationpolicy@gov.wales](mailto:localtaxationpolicy@gov.wales)

The relief is being offered from 1 April 2021 and will be available until 31 March 2022.

#### **Introduction**

This relief is aimed at businesses and other ratepayers in Wales in the retail, leisure and hospitality sectors, for example shops, pubs and restaurants, gyms, performance venues and hotels.

The Welsh Government will provide grant funding to all 22 local authorities in Wales to provide the Retail, Leisure and Hospitality Rates Relief scheme to eligible businesses for 2022-23. The scheme aims to provide support for eligible occupied properties by offering a discount of 50% on non-domestic rates bills for such properties.

The scheme will apply to all eligible businesses, however the relief will be subject to a cap in the amount each business can claim across Wales. The total amount of relief available is £110,000 across all properties occupied by the same business. All businesses are required to make a declaration that the amount of relief they are seeking across Wales does not exceed this cap, when applying to individual local authorities.

The Welsh Government will provide grant funding to the 22 local authorities in Wales to provide the Retail, Leisure and Hospitality Rates Relief scheme to eligible ratepayers for 2022-23. The scheme aims to provide support for eligible occupied properties by offering a discount of 100% on the non-domestic rates bill for a property, to all eligible premises. The scheme will apply to all eligible ratepayers with a rateable value of £500,000 or less.

This document provides guidance on the operation and delivery of the scheme.

#### **Retail, Leisure and Hospitality Rates Relief**

##### **How will the relief be provided?**

As this is a temporary measure, we are providing the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47. The Welsh Government will reimburse local authorities for the relief that is provided.

in line with this guidance via a grant under section 31 of the Local Government Act 2003 and section 58A of the Government of Wales Act 2006.

## **How will the scheme be administered?**

It will be for local authorities to determine how they wish to administer the scheme to maximise take-up and minimise the administrative burden for ratepayers and for local authority staff.

Local authorities are responsible for providing ratepayers with clear and accessible information on the details and administration of the scheme. If, for any reason, an authority is unable to provide this relief to eligible ratepayers from 1 April 2022, consideration should be given to notifying eligible ratepayers that they qualify for the relief and that their bills will be recalculated.

## **Which properties will benefit from relief?**

Properties that will benefit from this relief will be occupied retail, leisure and hospitality properties – such as shops, pubs and restaurants, gyms, performance venues and hotels across Wales. More detailed eligibility criteria and exceptions to the relief are set out below.

Relief should be granted to each eligible business as a reduction to its rates bill based on occupation between 1 April 2021 and 31 March 2022. It is recognised that there may be some instances where a local authority is retrospectively notified of a change of occupier. In such cases, if it is clear that the ratepayer was in occupation on or after the 1 April 2022, the local authority may use its discretion in awarding relief.

It is intended that, for the purposes of this scheme, retail properties such as, 'shops, restaurants, cafes and drinking establishments' will mean the following (subject to the other criteria in this guidance).

### **Hereditaments that are being used for the sale of goods to visiting members of the public**

- Shops (such as florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off-licences, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Pharmacies
- Post offices
- Furnishing shops or display rooms (such as carpet shops, double-glazing, garage doors)
- Car or caravan showrooms
- Second hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale or hire)

**Hereditaments that are being used for the provision of the following services to visiting members of the public**

- Hair and beauty services
- Shoe repairs or key cutting
- Travel agents
- Ticket offices, eg. for theatre
- Dry cleaners
- Launderettes
- PC, TV or domestic appliance repair
- Funeral directors
- Photo processing
- DVD or video rentals
- Tool hire
- Car hire
- Estate and letting agents

**Hereditaments that are being used for the sale of food and / or drink to visiting members of the public**

- Restaurants
- Drive-through or drive-in restaurants
- Takeaways
- Sandwich shops
- Cafés
- Coffee shops
- Pubs
- Bars or Wine Bars

We consider assembly and leisure to mean the following.

**Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities) and for the assembly of visiting members of the public**

- Sports grounds and clubs
- Sport and leisure facilities
- Gyms
- Tourist attractions
- Museums and art galleries
- Stately homes and historic houses
- Theatres
- Live Music Venues
- Cinemas
- Nightclubs

**Hereditaments that are being used for the assembly of visiting members of the public**

- Public halls

- Clubhouses, clubs and institutions

We consider hotels, guest & boarding premises and self-catering accommodation to mean the following.

**Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business**

- Hotels, Guest and Boarding Houses,
- Holiday homes,
- Caravan parks and sites

**Other considerations**

To qualify for the relief, the hereditament should be wholly or mainly used for the qualifying purposes. In a similar way to other reliefs, this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief. For the avoidance of doubt, hereditaments which closed temporarily due to the government’s advice on Covid-19 should be treated as occupied for the purposes of this relief.

The above list is not intended to be exhaustive as it would be impossible to list all the many and varied retail, leisure and hospitality uses that exist. There will also be mixed uses. However, it is intended to be a guide for local authorities as to the types of uses that the Welsh Government considers for this purpose to be eligible for relief. Local authorities should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

As the grant of the relief is discretionary, local authorities may choose not to grant the relief if they consider that appropriate, for example where granting the relief would go against the local authority’s wider objectives for the local area.

Businesses may view that they have been able to continue trading at a substantial level during Coronavirus restrictions and as such may be inclined to not apply for the relief.

**Types of hereditaments that are not considered to be eligible for Retail, Leisure and Hospitality Rates Relief**

The following list sets out the types of uses that the Welsh Government does not consider to be retail, leisure or hospitality use for the purpose of this relief and which would not be deemed eligible for the relief. However, it will be for local authorities to determine if hereditaments are similar in nature to those listed and if they would not be eligible for relief under the scheme.

**Hereditaments that are being used wholly or mainly for the provision of the following services to visiting members of the public**

- Financial services (eg. banks, building societies, cash points, ATMs, bureaux de change, payday lenders, betting shops, pawnbrokers)
- Medical services (eg. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (eg. solicitors, accountants, insurance agents, financial advisers, tutors)
- Post Office sorting offices
- Day nurseries
- Kennels and catteries
- Casinos and gambling clubs
- Show homes and marketing suites
- Employment agencies

### **Hereditaments that are not reasonably accessible to visiting members of the public**

If a hereditament is not usually reasonably accessible to visiting members of the public, it will be ineligible for relief under the scheme even if there is ancillary use of the hereditament that might be considered to fall within the descriptions listed under *Which properties will benefit from relief?*

### **Hereditaments that are not occupied**

Properties that are not occupied on 1 April 2022 should be excluded from this relief. However, under the mandatory Empty Property Rates Relief, empty properties will receive a 100% reduction in rates for the first three months (and in certain cases, six months) of being empty.

### **Hereditaments that are owned, rented or managed by a local authority**

Hereditaments owned, rented or managed by a local authority, such as visitor centres, tourist information shops and council-run coffee shops or gift shops attached to historic buildings, are exempt from this scheme.

### **How much relief will be available?**

The total amount of government funded relief available for each property under this scheme for 2022-23 is 50% of the relevant bill. This is subject to a cap of £110,000 per business across all their properties in Wales. The relief should be applied to the net bill remaining after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied (excluding those where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants).

Businesses who occupy more than one property will be entitled to Retail, Leisure and Hospitality Rates Relief for each of their eligible properties, within the cap of £110,000 per business across Wales.

A business with a single property with a remaining liability (after reliefs) greater than £220,000 can use the entire allocation of relief. No other properties owned by that business will be eligible for the scheme.

Retail, leisure and hospitality properties which are excluded from Small Business Rates Relief due to the multiple occupation rule are eligible for this relief scheme, subject to the cap being applied

### **Changes to existing hereditaments, including change in occupier**

Empty properties becoming occupied after 1 April 2022 will qualify for this relief from the time of occupation.

If there is a change in occupier part way through the financial year, after relief has already been provided to the hereditament, the new occupier will qualify for the relief if they operate in the retail, leisure or hospitality sectors, on a pro-rata basis. This will be calculated based on the remaining days of occupation using the formula used in the section titled *How much relief will be available?*

The discount should be applied on a day-to-day basis using the formula set out above. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, should be considered afresh for the discount on that day

### **State Aid / Subsidy Control Regime**

Following the end of the transition period for the United Kingdom leaving the European Union on 31 December 2020, EU State Aid regulations only apply in limited circumstances. As the relief is not funded by EU residual funds, EU State Aid regulations no longer apply for this scheme. As of 1 January 2021, the UK Subsidy Regime came into force. The scheme is considered by the Welsh Government to be outside the scope of any international trade agreements as measures are focused locally within Wales.

## Appendix 2

### **Proposed Scheme Criteria – Newport City Centre Rate Relief Scheme**

- Rate relief of 25% of the full rates payable will be awarded for one year up to 31 March 2023, and continue for a second year until 31 March 2024 provided the eligibility criteria continues to be met in full.
- For new occupiers joining the scheme after 1 April 2022 rate relief of 25% of the full rates payable will be awarded from the date the business starts to trade up until 31 March 2023, and continue for a second year until 31 March 2024 provided the eligibility criteria continues to be met in full.
- For businesses that start to trade after the 1 April 2023 rate relief of 25% of the full rates payable will be awarded from the date the business starts to trade up until 31 March 2024

The following criteria will be used to assess eligibility for the Newport City Centre Rate Relief Scheme.

#### **For Existing Businesses:**

- The ratepayer must be occupying a property shown in the non-domestic rating list.
- The property must be located within the Newport city centre BID area.
- The business must be actively trading.
- The property must have a rateable value of £50,000 or less
- The ratepayer must have the necessary permissions to carry out the business.
- The property must not be occupied by a charity or similar organisation that receives or is entitled to receive either mandatory or discretionary rate relief.
- The business being run must be in the retail, leisure and hospitality sectors as defined by the Retail, Hospital and Leisure rate relief scheme 2022-23.
- The business must not have received more than £300k in state aid since January 2021 and is eligible to claim this relief under the Small Amounts of Financial Assistance rules.
- The property must not be used for storage or other non-trading activities.
- At least 75% of the available retail space must be being used.

#### **For Businesses occupying previously empty premises:**

All the conditions as above plus:

- The ratepayer must own or have signed a commercial lease with a minimum of 12 months to run with no break clause in that period.
- There must be evidence that the business is trading, and rent is being paid.
- The premises must have been unoccupied at the start of the lease.
- No relief will be awarded until the property is occupied and trading.
- Rate relief will not be paid in respect of empty property rates.
- In the case of a business moving from one premises to another within the city centre, relief will be paid on the new premises only if the property is larger and more staff are being employed.
- In the case of a new business, a detailed business plan must be supplied.
- The property being used must not be excessively large for the business that is being carried out.

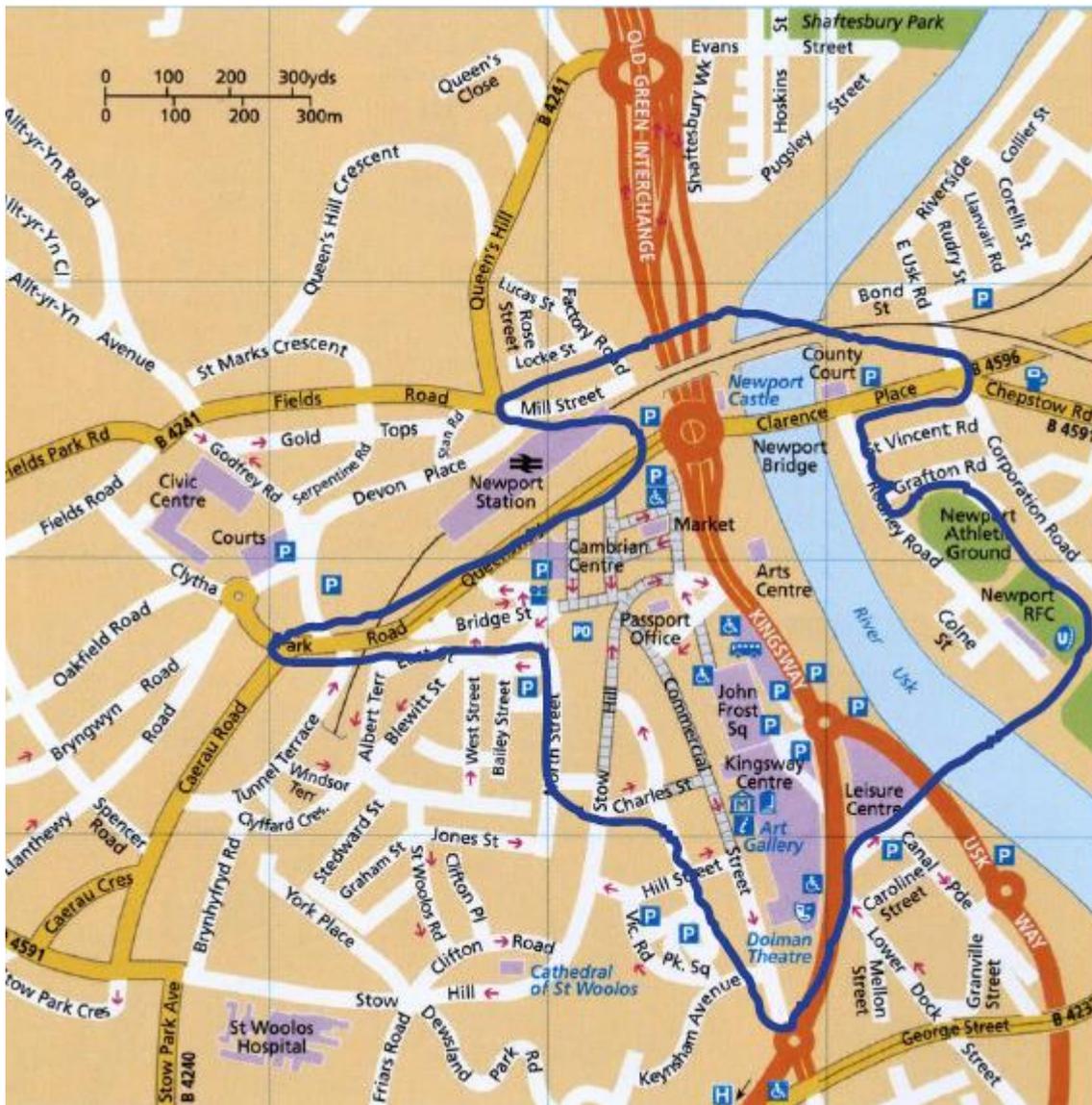
In all cases the Council will reserve the right to decline to pay any applications that it considers have been created to take advantage of scheme.

In the rate relief will end when one of the following occurs:

- The business ceases to trade.
- The property becomes unoccupied.
- Action is taken by a statutory body that prevents the business from operating.

## Appendix 3

### Map of City Centre BID Area





# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** Discretionary Rate Relief for Charities and Similar Organisations

**Purpose** This reports sets out changes to the existing Discretionary rate relief policy.

**Author** Head of Finance

**Ward** All

**Summary** The current discretionary rate relief policy requires updating to take account of changes to business rates for small properties and broaden the scope of the rate relief awarded so that more eligible organisations can benefit from full rate relief. In essence, the existing policy does not allow consideration of ‘top-up’ discretionary rate relief and this has unintended consequences. The new proposed policy, in allowing ‘top-up’ rates relief, as well as widening the scope of the organisations that can apply and be considered, will remove some anomalies and allow local charities and organisations connected to children & young people and those that directly support the work of the Council to benefit from valuable business rates reductions.

**Proposal** It is proposed the Council agrees to adopt the updated policy in Appendix One applicable from 1 April 2022.:

**By making the appropriate determination and decision, as required by Sections 47(1)(a) and 47(3) respectively of the Local Government Finance Act 1988**

**Action by** Head of Finance

**Timetable** Effective from 1 April 2022

This report was prepared after consultation with:

- Head of Law & Regulation
- Head of People & Business Change
- Head of Regeneration, investment & Housing

**Signed**

## Background

The Local Government Finance Acts of 1988 and 1992 include provisions for the Council to make discretionary awards of business rate and council tax relief.

This document sets out the proposals for changing the existing policy and covers:

- i. Mandatory Rate Relief
- ii. Discretionary Rate Relief
- iii. Hardship Rate Relief
- iv. Section 13a Council tax Discretionary Discounts

It is advised that the Council does not have a blanket approach to applications for discretionary relief but instead looks at each case on its merits, any new policy should provide a 'framework only' for making decisions that ensures that all relevant factors are taken into account.

The current mandatory and discretionary rate relief schemes are valuable financial assistance to 213 local charities as the table below shows

Relief Type	Number of Organisations	Amount Awarded 2021-22	Cost to the Council
Mandatory	166	2,599,953	nil
Discretionary	47	188,542	18,854
Discretionary Top-Up	nil	nil	nil

### Mandatory Rate Relief

The full cost of the 80% rate relief is wholly met by the non-domestic rate pool. The remaining 20% of rates due is payable by the charity or can, if the Council chooses to do so, be covered in full or part by top-up discretionary rate relief.

No changes proposed to the award of mandatory rate relief as the entitlement to this relief is a statutory requirement.

### Discretionary Rate Reliefs

Section 47 of the Local Government Finance Act 1988 provides the Council with the means to make additional awards of discretionary rate relief.

The discretionary element falls into two categories:

- discretionary top-up to charities to cover the 20% not covered by mandatory rate relief.
- purely discretionary relief of up to 100% to other organisations that are broadly charitable.

The different categories of discretionary rate relief have different cost implications for the Council, with the balance of costs being borne by the Welsh 'Business Rates pool' in the case of business rates relief:

<b>Relief Type</b>	<b>Amount of Award</b>	<b>Cost to the Council</b>
Top-up Relief	Maximum of 20% of the rates payable	75% of the amount awarded
Discretionary Rate Relief (not for profit organisations)	Any amount up to 100%	10% of the amount awarded

The Council's existing policy, in existence since 2016, does not allow for the consideration and making of 'top-up' relief and has created anomalies in the way that some organisations are treated and the policy of not awarding top-up relief has created unforeseen issues namely:

- Charities are liable for 20% rates when a 'normal' ratepayer in the same building would pay no rates due to small business rate relief and a 'top-up' relief can't be considered under the current policy. The small business rate relief scheme has created this anomaly.
- Organisations that directly assist the Council in pursuing its objectives could be treated more favourably but the current policy does not allow for this.
- Some charitable ratepayers that are not commercial in nature, for example Scouts / Guides having to find considerable sums to pay the 20% rate bill that is currently payable because top-up relief can't be considered under the current policy.

### **Proposed Changes**

There are two broad changes proposed and included in the draft updated policy

- (1) allowing the Council to consider 'top-up' relief
- (2) allowing the Council to consider 'top-up' relief for particular groups which carry out certain activities

and to include:

- Local Newport based charities that provide services that complement the work of the Council. This could include charities that provide mental health services, environmental improvements etc.
- Charities concerned with children and youth that provide facilities in Newport City Council area.
- Charities provide a service that directly benefits the residents of the city and relieves the Council of the need to do so.

It would be reasonable for the Council to look more favourably on organisations especially local charities that directly assist with the aims of the Corporate plan and provide services or facilities that are beneficial to the community within the Newport City area. This would be done on a case by case basis with the applicant providing information on the services they provide in the area.

It is important to link any award of top-up relief directly to provision of local services to prevent national charities with premises in the area benefitting from what is intended to be a localised benefit.

Whilst reasonable to consider and award 'top-up' rates relief for these organisations, it is proposed the following framework will apply in the Council's consideration, and is included within the policy:

- The charity occupies a property that is entitled to Small Business Rate Relief and
  - a) Is providing facilities for children or young people in the city or
  - b) Provides a service that directly benefits the residents of the city and relieves the Council of the need to do so.

No top up rate relief would be considered in any circumstances where:

- Premises used as charity shops.
- Empty properties.
- Properties occupied by national charities other than those where it is evidenced that they are providing facilities for children or young people in the city or operates in a sector or provides a service that directly benefits the residents of the city.
- Where the occupied property is excessively large.

The changes above will impact positively on a relatively small but important number of organisations and /or groups who have a positive impact on local communities across the city, for example:

- there are currently 8 scout groups that occupy huts that are liable for business rates and if they were all awarded full top-up relief the cost for would be around £1,252 in 2021-22. There are other similar groups such as 'sea-scouts' and local youth groups to name but two
- there are 58 properties in total with rateable values of less than £6000, occupied by charitable organisations and if they were all awarded full top up relief the cost to Newport City Council would be £9,873 in 2021-22.

Charities will need to demonstrate that the service they provide directly benefits the city's residents and it is proposed that the revised scheme will also have the following exclusions:

- Properties occupied by national charities
- Empty properties
- Charity shops
- Charities occupying excessively large premises

The revised rate relief policy is attached in **appendix 1** to this report.

### **Financial Summary (Capital and Revenue)**

The cost of the additional top-up' relief can be met from the existing discretionary rate relief budget

## Risks

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Financial impact of providing additional rate relief to charities as proposed in the updated policy.	L	L	Any increase will be partially met by the NNDR pool, and the current financial provision for discretionary rate relief will meet the anticipated increase in the Council's contribution.	Head of Finance

\*

### Options Available and considered

The Council is required to confirm and agree to the new policy if satisfied with the extension of this valuable financial assistance to charitable organisations

The Council could decide to not agree to these changes and/or ask officers to consider other changes

### Preferred Option and Why

It is recommended that Council confirm and agree the changes outlined. The policy is a 'framework document' and as such there is leeway and flexibility to use provisions within it for many / most situations/organisations. The policy changes are noted above in the main body of the report but the policy itself, in other parts, provide for a very wide range of reliefs to be considered for both Business Rates and Council Tax which satisfy most, if not all circumstances. The changes here are the only current anomalies identified by officers and therefore in need of change.

Therefore, the preferred option is to agree to the policy changes outlined in this report and the revised policy in Appendix One

If agreed by Council the following resolution will be adopted:

### Resolution

- (a) The Council will adopt the revised Discretionary Rate Relief Policy as shown in **Appendix 1**, effective from 1 April 2022
- (b) The Council determines that, unless hereditaments are excepted under (b) below, Section 47(1)(a) (discretionary relief) of the Local Government Finance Act 1988 will apply as regards the hereditaments described in 'The Scheme' in accordance with the rules described in relation to those hereditaments.

It is reasonable for the Council to make this decision having regard to the interests of persons liable to pay council tax set by the Council.

- (b) Relief is not available under this resolution in respect of any hereditament which is occupied by -
  - the Welsh Ministers, a Minister of the Crown or government department,
  - any public authority (including any local authority),
  - the holder of any public office, or
  - the Crown

- (c) The Council decides, under Section 47(3) of the Local Government Finance Act 1988, that during the billing 'The Scheme' shall apply to the hereditaments described, and that the Head of Finance use his delegated powers to apply the relief.

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

The financial details of the change proposed are included in the main body of the report and are afforded within current budgets. They would deal with current anomalies in the current policy when being applied. The policy itself is a wide ranging document and this update would apply to a relatively small part of it and would provide for assistance to charities in particular circumstances as well as those who carry out certain defined activities.

### **Comments of Monitoring Officer**

The proposed scheme is in accordance with the Council's statutory powers to grant mandatory and discretionary rate relief under sections 43, and 47 of the Local Government Finance Act 1988 ("the 1988 Act"). Rate relief under section 43 of the 1988 Act is mandatory and charitable and non-profit making organisations are automatically eligible for 80% rate reduction, which is fully reimbursed by Welsh Government. However, the Council is able to award additional discretionary rate relief under sections 47 of the 1988 Act and this power was extended by Section 69 of the Localism Act 2011 permit local authorities to grant discretionary relief in any circumstances, if it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area. The current discretionary relief scheme adopted by the Council does not enable any discretionary top-up rate relief for those charitable and non-profit making bodies who qualify for the 80% mandatory relief. This has resulted in certain anomalies and unfairness where those charities are not eligible for small business rate relief and have difficulty in paying their 20% rate bill. Therefore, the proposed amendments to the discretionary rate relief scheme would allow for the award of top-up discretionary rate relief to charities occupying small premises which provide facilities for children and young persons or otherwise provide valuable community services for the benefit of the council tax payers of Newport. Although each case will need to be considered on its merits and there cannot be a blanket policy, the proposed criteria should provide a transparent framework to ensure fairness and consistency in decision-making. In order to amend the discretionary rate relief scheme, full Council is required to make a formal determination under Section 47(1) (a) of the 1988 Act and formal decision under Section 47(3). The power to award discretionary rate relief in accordance with the revised scheme is then delegated to the Head of Finance under the officer scheme of delegation.

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

As outlined the proposed amendments to the discretionary rate relief scheme would allow for the award of top-up discretionary rate relief to charities occupying small premises which provide facilities for children and young persons or otherwise provide valuable community services for the benefit of the council tax payers of Newport. Adopting this scheme is therefore in line with the Council's strategic recovery aims and its well-being objectives.

### **Scrutiny Committees**

n/a

### **Fairness and Equalities Impact Assessment (FEIA)**

This impact assessment considers our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

The amendments to the discretionary rate relief policy for charities and similar organisations is positive and beneficial to the city as a whole.

Stakeholders the main beneficiaries of the scheme will be the charities and other similar organisations that operate in the city.

This change in policy has been proposed in response to anomalies coming to light and the inflexibility of the current scheme especially with regard to top-up rate relief.

Charities that operate in city and meet the requirements of the scheme are expected to benefit if they meet the requirements of the scheme.

There are no impacts on the majority of protected categories protected in the Equality Act 2010 and it is anticipated that the scheme will be beneficial to the following group:

Age – there will be benefits to children and young persons with facilities such as scout huts being able to receive additional rate relief.

Disability – charities that provide facilities for the disabled within Newport would be able to benefit from the proposal.

Welsh Language – no impact anticipated.

### **Sustainable Development**

The proposed scheme is expected to deliver long term benefits:

Long Term – charities and similar organisations will have financial stability provided by rate relief being proposed.

### **Well-Being**

The Council in reviewing the discretionary rate relief policy considers that the following areas will be positively impacted:

### **Wales' Well-being Goals**

This proposal supports the following well-being goals:

- A prosperous Wales, the third sector provides employment opportunities as well as training opportunities for individuals.
- A healthier Wales – organisations that are concerned with children and young people as well as those that provide facilities to Newport residents will be better served by the revised policy.
- A more equal Wales – in broadening the scope of charities that can be assisted financially they will have more opportunity to provide opportunities that otherwise might not be available to those in low income or disadvantaged groups.
- A Wales of more cohesive communities – charities and similar organisations play a vital part in the fabric of the local community.

### **Newport City Council's Well-being Objectives**

This proposal supports the following Newport City Council well-being goals:

- To improve skills, educational outcomes and employment opportunities – by supporting charities especially those connected with children and young people by providing opportunities that would otherwise not be available.
- To enable people to be healthy, independent and resilient – by supporting charities and organisations that provide facilities and services to city residents.
- To build cohesive and sustainable communities – by supporting charities and groups that provide community activities and directly benefit the residents of the city.

## **The Equality Act (2010)**

This proposal is positive and does not adversely impact any protected categories under the act.

## **Socio-economic Duty**

The Socio-economic Duty is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

The proposed revised policy is a positive move and will be beneficial to the charities and similar organisations and the residents of the city as whole in particular:

- Low Income/income poverty – a number of locally based charities assist the those in the city on low incomes, including children from low-income families.
- Low and/or no Wealth – there are local Newport based charities that assist families and individuals eg. Food banks.
- Material Deprivation – some charities provide local residents on low incomes with repurposed furniture.

## **Consultation**

The proposed amendments to the discretionary rate relief policy for charities and similar organisations has not been formally consulted on.

## **Background Papers**

Existing rate relief



Existing Rate Relief  
Policy.docx

## **Appendix 1**

### **LOCAL TAXATION: POLICY FOR MANDATORY & DISCRETIONARY RELIEFS EFFECTIVE FROM 1 APRIL 2022**

#### **Introduction**

1.1 This document sets out the Council's policy on the awards of various reliefs for Non Domestic Rates and Council Tax. Although each application will be considered on its own merits, the document provides a framework within which the Head of Finance may exercise delegated authority to deal with taxpayers consistently and fairly.

1.2 The legislation governing the award of reliefs is contained in the Local Government Finance Acts 1988 and 1992, as amended, and supporting regulations. (The Welsh Government periodically introduces relief schemes for particular categories of ratepayer, for example the Small Business Rate Relief Scheme, and the Wales Retail Relief Scheme 2014/15. This policy is not intended to cover such schemes since the qualification criteria are set by the Welsh Government).

#### **Summary of Legislation**

2.1 The law relating to reliefs is contained in the following sections of the above Acts: Local Government Finance Act 1988 Section 43 relates to occupied property and requires Mandatory Rate Relief where the ratepayer is a charity or trustee for a charity and the property is used wholly or mainly for charitable purposes. This section also includes provisions for Community Amateur Sports Clubs.

Sections 47 and 48 permit Discretionary Rate Relief for charities and other organisations of prescribed type. The relief may be given for occupied or unoccupied property. Section 47 also includes provisions for Community Amateur Sports Clubs.

Section 69 of the Localism Act 2011 amended Section 47 to permit local authorities to grant discretionary relief in any circumstances, if it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area.

Section 49 permits hardship relief for occupied and unoccupied properties where the ratepayer would sustain hardship if the authority did not grant Rate Relief and it is reasonable for the authority to do so, having regard to the interests of council tax payers in its area.

Section 64(10) relates to charity shops and provides that a shop is to be treated as wholly or mainly used for charitable purposes if it is wholly or mainly used for the sale of goods (less expenses) if the goods are donated and the proceeds are to be used for the purposes of that charity.

Section 44A permits the authority to request a certificate from the Valuation Office Agency in respect of a temporary reduction in the rateable value of premises that are partly unoccupied for a short period of time.

#### **The Local Government Finance Act 1992**

Section 13(A)(1)(c) permits the authority to reduce a person's council tax as it thinks fit, including a reduction to nil. This power may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced.

## **Mandatory Rate Relief**

In order to qualify for Mandatory Rate Relief an organisation must not be conducted for profit and the property they occupy must be wholly or mainly used for charitable purposes, or those of a Community Amateur Sports Club. If the property is empty it must appear that when next in use the property will be wholly or mainly used for charitable purposes.

Organisations typically qualifying for Mandatory Rate Relief are: charities registered under Section 3 of the Charities Act 1983; those excepted from such registration: for example, Scout and Guide Associations, and Voluntary Schools within the meaning of the Education Acts 1944-1980; charity shops, provided that they are wholly or mainly used for the sale of goods donated to the charity and proceeds from sale are used for the charity only; registered Community Amateur Sports Clubs (CASC).

Entitlement to Mandatory Rate Relief is at the level of 80% of rates payable. (The rates income foregone is wholly funded by the Welsh Government).

## **Discretionary Rate Relief for Charities (Top-Up Rate Relief)**

In cases where ratepayers are entitled to Mandatory Relief is awarded at 80%, the Council will consider a 20% top up where:

- The charity occupies a property that is entitled to Small Business Rate Relief or
- Is providing facilities for children or young people in the city or
- Provides a service that directly benefits the residents of the city and relieves the Council of the need to do so.

The 20% top up will not be applicable to:

- Premises used as charity shops.
- Empty properties
- Properties occupied by national charities other than those where it is evidenced that they are providing facilities for children or young people in the city or operates in a sector or provides a service that directly benefits the residents of the city.
- Where the occupied property is excessively large.

Where ratepayers do not qualify for Mandatory Relief, an award of Discretionary Relief attracts funding of 90% from the Welsh Government, with the Council bearing the remaining 10%.

## **Discretionary Rate Relief for Other Organisations (Non For Profit Rate Relief)**

In order to qualify for Discretionary Rate Relief, the ratepayer must be a non-profit making body and the premises used for charitable, philanthropic or religious purposes, or concerned with education, social welfare, science, literature or the fine arts, or used wholly or mainly for recreation by a not-for-profit club or society.

Discretionary Relief will not be awarded where:

- a) The property is empty
- b) the financial reserves of the organisation are considered excessive

- c) there is a bar, shop, restaurant or similar operation and the income from these is greater than 50% of total income;
- d) the organisation charges fees which are set at such a high level as to exclude the general community.
- e) The premises occupied are excessively large.

The Council will award 100% Discretionary Rate Relief to organisations that do not qualify for Mandatory Rate Relief, and which, provided they are not excluded by points (a)-(e) above, and meet relevant criteria from the following list:

- (a) it can be demonstrated that the service that is being provided is predominantly for the benefit of residents of Newport;
- (b) where goods are sold, the goods sold must be predominantly donated (regardless of the organisation's objectives);
- (c) membership of clubs must be open to all sections of the community; clubs or organisations should not be considered if the membership fees are set at such a high level as to exclude the general community;
- (d) where organisations actively encourage membership from particular groups in the Community e.g. ethnic groups, young people, other age groups, disabled persons;
- (e) where membership is drawn from people mainly resident within the Newport area;
- (f) where the organisation encourages membership or provides support for particular groups considered to be worthy of support; and/or promote social and economic schemes e.g. job clubs, back to work schemes, training or retraining schemes;
- (g) where the facilities of the organisation made available to people other than its members, e.g. schools, casual public sessions;
- (h) where the organisation provides training or education for its members, or there are schemes for particular groups to develop skills, e.g. young people, disabled people;
- (i) where the organisation's facilities have been provided by self-help or grant aid;
- (j) where the organisation providing the facilities indirectly relieve the Council from providing that facility;
- (k) where the organisation is affiliated to local or national representative bodies.

In the case of organisations that do not qualify for Mandatory Rate Relief and run a licensed bar, the Council will award 60% Discretionary Rate Relief, provided they are not excluded by points (a)-(c) in 4.2 above, and meet the relevant criteria in 4.3 (a)-(k).

In the case of Discretionary Relief 'in any circumstances', the individual merits of each application will be considered within the general context of whether it is reasonable to grant relief, having regard to the interests of council tax payers. Regard will be paid to any guidance issued by the Welsh Ministers. This form of relief is wholly funded by the Council.

### **Applications for Mandatory and/or Discretionary Relief**

Applications for reliefs should be made in writing using the forms available on the Council's website. Applications for Discretionary Relief should also provide the following information:

1. latest set of Audited Accounts;
2. a copy of the organisation's constitution
3. evidence of registration as a Community Amateur Sports Club (if relevant).
4. for organisations that are exempt from registering as a charity – evidence of the

5. exemption is required in the form of a letter from the Inland Revenue stating that they
6. are exempt from tax under S505 of the Income and Corporation Tax Act 1988.
7. Details of facilities and services provided directly to the residents of the city.

Applications will be considered by the Head of Finance, in accordance with delegated authority.

Entitlements to relief will usually commence from the beginning of a ratepayer's liability in the billing year in which the application is made.

Reviews of entitlements to Mandatory and Discretionary Reliefs will be carried out periodically to ensure that the applicant continues to qualify.

Hardship Relief: Non-Domestic Rates

### **Hardship Rate Relief**

Hardship relief of up to 100% of rates payable may be awarded. Each case is determined on its own merits. Relief may be awarded only for a period where there is clear evidence of hardship.

The Local Government Finance Act 1988, Section 49, provides that the Council may reduce or remit the payment of Rates where it is satisfied that:

- (a) the ratepayer would sustain hardship if it did not do so; and
- (b) it is reasonable for it to do so having regard to the interests of its council tax payers.

Reductions or remissions on the grounds of hardship will be the exception rather than the rule.

The Welsh Government funds 75% of the cost of hardship relief, with the Council meeting the remaining 25%.

The test of hardship need not be confined to financial hardship: all relevant factors affecting the ability of a business to meet its rates liability will be taken into account.

The interests of council tax payers will also not be confined to financial considerations. Other factors, such as employment prospects in the Council's area, may also be relevant. A consideration will be to what degree taxpayers or the local community will benefit from the relief.

Applications should be in writing and provide sufficient information to enable a decision to be made, including the ratepayer's most recent set of audited accounts and other relevant financial information.

6.8 Entitlements to relief will usually commence from the beginning of a ratepayer's liability in the billing year in which the application is made. Relief will be granted for a maximum of one billing year, and applicants will be required to reapply annually.

### **Part Occupied Relief (Section 44a Relief): Non-Domestic Rates**

The Council has discretion to grant relief where it appears that part of a property is unoccupied and will remain so for a short time only. Relief is at the rate of 100% for the vacant area, provided the Valuation Office Agency issues a certificate of apportionment.

The cost of funding partly occupied property relief is met by the Welsh Government.

In considering applications, the Council will consider the period of part occupation; the size and use of the overall premises; the reason for the part occupation.

The section 44a relief will run for the shorter period of the following:

- 3 months if retail premise/offices or 6 months if industrial/manufacturing
- A change in the extent of partial occupation
- The ending of the rate period to which the apportionment relates
- The beginning of a new operative period under a new certificate
- The hereditament becoming completely unoccupied

Applications should be made in writing and will be considered by the Head of Finance, in accordance with delegated authority.

### **State Aid: Non-Domestic Discretionary Rates Relief**

In coming to decisions in relation to Non-Domestic Rates discretionary reliefs, regard will be paid to the State Aid rules applicable at the time.

### **Discretionary Relief: Council Tax**

The Council has the discretion to reduce a person's council tax as it thinks fit, including a reduction to nil, either in particular cases or by determining classes of cases. The Council bears all the costs of Council Tax Discretionary Relief.

No classes of cases have yet been considered, but could include instances such as where flooding or other incidents have taken place in a locality.

The Council's exercise of discretion 'as it thinks fit' carries with it the requirement to make a decision about awarding relief because of a particular situation or event that has affected the taxpayer(s) adversely, rather than because of circumstances that are routine.

In respect of an individual person's council tax liability, financial hardship may be considered as a reason for granting relief, although other causes will be considered. Each case will be assessed on its merits in relation to events, individual circumstances and/or financial ability to make payment. It is for the taxpayer(s) to demonstrate why relief should be awarded, when under other circumstances it would not be available.

9.5 In the case of financial circumstances, the taxpayer will be required to prove that they are experiencing hardship, in particular that they cannot meet their immediate basic and essential needs. Basic and essential needs are having sufficient resources to pay for adequate:

- Heating
- Food
- Hygiene

Other factors, such as the taxpayer's age, health and family circumstances will be taken into account. Unless special reasons exist, outgoings for subscription TV; internet services; unreasonably high mobile or landline phone services; credit cards; store cards; loans; and other catalogue debts will not be considered to be essential needs. There should be a priority obligation to pay council tax, over and above non-essential expenditure, including

that related to life-style choices.

Applicants for financial hardship relief must have an outstanding balance on their council tax liability, and will also be expected to have been properly assessed for other means of assistance, such as Council Tax Reduction, Housing Benefit, and Discretionary Housing Payments, where appropriate.

Hardship awards will not be considered for Court Costs or bailiff fees and charges, or for council tax on vacant dwellings.

Applications for Council Tax Discretionary Relief should be made in writing, supported by appropriate evidence, and will be considered by the Head of Finance, in accordance with delegated authority. Any awards of discretionary relief will be made as a credit to the applicant's council tax account.

### **Communication with Applicants**

The Council will notify in writing all applicants for reliefs of its decision.

10.2 Where relief is granted, the notification will include:

- the amount of relief granted and the effective date of the award;
- the period of the award, if it is limited;
- the new chargeable amount;
- the details of any planned reviews, and the notice that will be given in advance of any
- changes to the level of relief;
- a requirement that the applicant should notify the Council of any relevant change in circumstances.

Where applications are unsuccessful, or limited to a lower amount of relief, the Council will provide an explanation within the context of its statutory duty.

#### **Rights of Appeal**

In cases where an application for Discretionary Relief or Hardship Relief has been refused or limited, applicants may appeal by writing to the Head of Finance detailing the grounds of their appeal. Unsuccessful applicants will be informed of this right.

Applications that are subject to appeals will be reconsidered by the Head of Law & Standards. The decision of the reconsideration will be notified to the applicant in writing, and include the reasons for the decision.

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# Report

## Council

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### Part 1

**Date:** 1 March 2022

**Subject** **2022/23 Capital Strategy and Treasury Management Strategy**

**Purpose** The purpose of this report is to present to Council the 2022/23 Capital and Treasury Management Strategies for approval. Both strategies are appended to this report, with the report itself summarising the key aspects of both strategies, as well as highlighting the main implications and risks arising from them. Also appended to the report is the Capital Programme, which Cabinet approved at its meeting on 18<sup>th</sup> February 2022.

**Author** Assistant Head of Finance / Head of Finance

**Ward** General

**Summary** As set out within the Corporate Plan, the Council has ambitious plans for the city, with the Capital Programme a key enabler in delivering this ambition. The current programme is entering its last year, with a number of key programmes and projects having been completed to date and a number of others nearing completion.

This report includes both the Capital and Treasury Management Strategies which, at their core, (i) confirm the Capital Programme, as part of the Capital Strategy and (ii) the various borrowing limits and other indicators which govern the management of the Council's borrowing and investing activities, as part of the Treasury Management Strategy.

The Capital Strategy also sets out the long-term context (10 years) in which capital decisions are made. It demonstrates that the Council's approach to taking capital and investment decisions is in line with service objectives, whilst giving consideration to risk, reward and impact. It also demonstrates that these decisions are taken whilst having proper regard to stewardship of public funds, value for money, prudence, sustainability and affordability.

The capital plans of the authority are inherently linked with the treasury management activities it undertakes and, therefore, the Treasury Management Strategy is included alongside the Capital Strategy.

The main recommendations arising from the two strategies are summarised in this report below and are also appended.

**Proposal** Council is asked:

- To approve the Capital Strategy (Appendix 2), which incorporates the current approved capital programme, and the borrowing requirements/limits needed to deliver the current capital programme.
- To approve the Treasury Management Strategy and Treasury Management Indicators, the Investment Strategy and the Minimum Revenue Provision (MRP) for 2022/23. (Appendix 3)

- As part of the above:
  - To note the increased debt and corresponding revenue cost of this, in delivering the current Capital Programme, and the implications of this over both the short and medium-long term with regard to affordability, prudence and sustainability.
  - To note the Head of Finance recommendation to Council that borrowing needs to be limited to that included in the current Capital Programme, and the recommended prudential indicators on borrowing limits to achieve this.
  - To note the requirement to limit and manage debt funded expenditure beyond the existing programme period, for sustainability purposes, with particular regard to the development of the new Capital Programme.
  - To note the changes to the Prudential Code and Treasury Management Code, and the impact of those changes on the Council's approach to capital investment and treasury management.
  - Note comments made by Audit Committee on 27<sup>th</sup> January 2022 (paragraph 6).

**Action by** Head of Finance

**Timetable** Immediate

This report was prepared after consultation with:

- Leader of the Council and Cabinet Member for Economic Growth and Investment
- Chief Executive
- Strategic Directors
- All Heads of Service
- Newport Norse
- The Council's Treasury Advisors
- Accountancy staff

**Signed**

## Background

### Governance and requirement of councils

1. The Council's Corporate Plan sets out how the Council will take forward its mission of 'Improving Peoples' Lives' and includes a set of key promises. Delivery of these will, in some instances, involve capital funded projects.
2. Whilst Cabinet makes decisions regarding the capital projects to be included in the programme, it is full Council that approves the borrowing limits that the overall programme must remain within. Many projects are funded from capital grants, capital receipts and specific reserves, which do not impact on borrowing levels, but, where borrowing is required, it is important that those limits are not exceeded.
3. This is an important area of overall financial management governance in that debt funded capital expenditure, and the external borrowing that results, lock in the Council into a long-term liability for the associated revenue costs. These costs, known as 'Capital Financing Costs' are comprised of the external loan interest costs and the provision for financing the debt funded capital expenditure, known as Minimum Revenue Provision (MRP).
4. The key governance documents that underpin this area of local authority finances are:

#### Capital Strategy

This, at its core:

- i) Sets out the long-term context (10 years) in which capital decisions are made and includes the medium term Capital Programme;
- ii) Demonstrates that the local authority takes capital / investments decisions in line with service objectives, giving consideration to risk, reward and impact;
- iii) Shows how the Council takes account of stewardship of public funds, value for money and affordability, sustainability and prudence in its decisions and plans.

#### Treasury Management Strategy

This, at its core:

- (i) Sets out the Council's longer term borrowing requirement and approach, which is driven mainly by the Capital Programme requirements and, in Newport specifically, the reducing 'internal borrowing' capacity;
- (ii) Outlines how the Council will manage and invest its surplus cash;
- (iii) Includes additional guidance, namely the Welsh Government Investment Guidance and the MRP Policy.

Both these strategies are a requirement of CIPFA's Prudential Code (which has recently been updated), which ensures, within the frameworks which these documents set, and a suite of prudential indicators, that capital expenditure plans are:

- **Affordable** – total capital expenditure is to be within **sustainable** limits. Councils are required to consider their current and estimated future resources available, together with the totality of their capital expenditure and income forecasts in assessing affordability.

- **Prudent** – councils must ensure that its capital and investment plans are prudent and **sustainable**. Consideration as to overall financial **sustainability** is a key aspect to this. The operational borrowing limit should provide for the most likely level of borrowing, not the worse case, with the authorised limit providing sufficient headroom to enable day to day cash management. There should be alignment with the treasury management policy statement and practices and investing activities should strike an appropriate balance between security, liquidity and yield, in that order.
  - **Sustainable** – sustainability is a key theme when considering both affordability and prudence and is something that should be assessed in terms of the long term financial picture.
5. The Capital Strategy and Treasury Management Strategy are inherently linked and the main recommendations and observations arising from these are summarised in the following sections. In light of the requirement for full Council to ultimately provide approval of these strategies, the Governance & Audit Committee was asked to review and provide comments on both strategies, and the limits and prudential indicators contained within them, as necessary, to enable Cabinet, and then Council, to appropriately consider and then approve each strategy as required.
6. The report was considered by Governance & Audit Committee on 27<sup>th</sup> January 2022. The comments and observations are outlined below and, where relevant, the response has been reflected in the report.
- The committee noted the existing challenges regarding delivery of the Capital Programme, partly caused by capacity issues, resulting in large amounts of slippage in the programme. The Chair suggested that capacity challenges should be highlighted in the outturn report, where levels of slippage would be reported.
  - The Chair observed that the approach towards determining borrowing limits tended to be reactive, rather than proactive, with the value of the Capital Programme itself being the driver of the borrowing limits. This is as opposed to determining the overall level of affordability in terms of borrowing, which then dictates the maximum value of the Capital Programme.
  - The Chair noted the paragraph which outlined the suggested new prudential indicator relating to the borrowing headroom. It was felt as though further clarity was required in terms of the purpose of this indicator.
7. In response to the above comments:
- The current Capital Programme is determined by an overall level of affordability and sustainability, as reflected by the inclusion of a level of borrowing headroom. This means that whilst there is scope for the value of schemes to be increased or new schemes to be added to the programme, there is an overall limit placed upon the amount of borrowing that can be undertaken in support of the current programme.
  - It is recognised that in developing the new programme, there will be a need to provide clarity regarding the overall level of unfunded capital expenditure that is deemed affordable. This has been provisionally modelled, as shown by the two scenarios outlined in the Long Term section of the Capital Strategy, however this will need to be developed further, and set out clearly, in next year's strategies and reports.
  - In addition, the existing capacity challenges will be a consideration as part of developing the new programme, ensuring that schemes are only included where there is clear capacity for delivery. As well as this, strengthened governance structures will be introduced as part of this.
  - The paragraph relating to the new prudential indicator has been rewritten to provide clarity.
  - Also, the liability benchmark modelling scenarios have been updated since the committee meeting.

### **Capital Strategy 2022/23 to 2032/33**

### **Capital Programme to 2024/25**

8. The Council's capital programme is scheduled to run until to 2024/25, which reflects the original capital 5-year programme to 2022/23, plus two additional years to incorporate only those projects whose completion spans beyond the current programme. It is a significant capital programme and includes the provision of the new leisure facility, the 21<sup>st</sup> Century Schools Band B Programme, and the Council's share of the accelerated investments being made by the Cardiff Capital Region City Deal. In addition, the programme includes an amount of uncommitted borrowing headroom, which now stands at £2.391m, compared to the original £4.5m that was allowed for. The total value of the programme, which is summarised in the table below, stands at £288.4m. This total includes a significant level of projected expenditure in the 2022/23 financial year, where in excess of £100m is forecast to be spent, which, given the level of spending in previous years, would seem overly optimistic and could result in a similar level of slippage to that experienced in recent years.

*Table 1: Prudential Indicator: Estimates of Capital Expenditure and Capital Financing in £ millions*

	ORIGINAL 5-YEAR CAPITAL PROGRAMME					ADDITIONAL 2 YRS		Total current programme £m
	2018/19 Actual £m	2019/20 Actual £m	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	
Approved Schemes	29.5	31.4	26.2	57.6	99.2	24.7	0.1	<b>268.7</b>
City Deal - cost of carry					1.8	10.0	5.5	<b>17.3</b>
Uncommitted borrowing*					2.4			<b>2.4</b>
<b>TOTAL EXPENDITURE</b>	<b>29.5</b>	<b>31.4</b>	<b>26.2</b>	<b>57.6</b>	<b>103.4</b>	<b>34.7</b>	<b>5.6</b>	<b>288.4</b>

9. The capital programme is financed through a variety of different funding streams, including external grants, use of reserves and external borrowing.
10. Capital Expenditure funded by debt increases the need to undertake external borrowing, unless it is possible to bridge this need via 'internal borrowing', which is the use of existing cash resources which are underpinned by the overall level of earmarked reserves. As the capacity to internally borrow reduces, as reserves are utilised, the need for external borrowing increases. This is particularly the case for this Council, which has had a high level of internal borrowing, which is now reducing over the medium-long term. Because of this, coupled with an increased level of unfunded capital expenditure, the Council is committed to be a net borrower for the long term. To ensure this borrowing is affordable and sustainable, Council is required to set an affordable borrowing limit.

#### **Affordable borrowing limit**

11. The Council is legally required to approve an affordable borrowing limit (also termed the 'Authorised Limit' for external debt) each year. The Authorised Limit is the absolute maximum amount of borrowing that can be undertaken, in order to manage the overall, day to day, cash requirements of the Council. It also allows for a level of borrowing in advance of need to be undertaken, where appropriate and affordable. In addition, the Council needs to set an 'Operational Boundary', which is the expected level of borrowing required to finance the current Capital Programme. Any increase required to the Operational Boundary needs to be approved by full Council.

*Table 2: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	2021/22 limit	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – borrowing	255	271	278	274
Authorised limit – PFI and leases	42	41	39	36
<b>Authorised limit – total external debt</b>	<b>297</b>	<b>312</b>	<b>317</b>	<b>310</b>
Operational boundary – borrowing	187	192	203	201
Operational boundary – PFI and leases	42	41	39	36
<b>Operational boundary – total external debt</b>	<b>229</b>	<b>233</b>	<b>242</b>	<b>237</b>

12. For the remaining three years of the current capital programme until 2024/25, the level of borrowing to facilitate the current capital programme is anticipated to be substantial with external borrowing increasing from an estimated £149m at the end of this financial year to £201m in 2024/25. It should be noted, however, that this is a reduced figure from that forecasted in the previous Capital Strategy, due to the short-term increase in the availability of internal borrowing.
13. It can be seen that there is a significant difference between the Authorised Limit and the Operational Boundary. This is because of the level of internal borrowing available, underpinned by the level of cash backed reserves, which increased significantly during the 2020/21 financial year. The level of reserves will reduce over the medium-long term, in particular the PFI reserves, and, therefore, it will become necessary to undertake external borrowing in lieu of this reducing capacity. This will have a revenue impact because of the interest costs that will be incurred as a result of the external borrowing, compared to the minimal cost of internal borrowing, which, in essence, is represented by interest income foregone.
14. It should be noted that the two limits described above only place a theoretical limit on borrowing that can be undertaken to fund new capital expenditure. This is particularly relevant where there is evidence of slippage occurring across the programme. As a consequence, in theory, additional borrowing could be undertaken over and above that budgeted in the existing Capital Programme, because the slippage means that the operational boundary, for example, would not be reached. This would present a risk that, ultimately, the cumulative level of borrowing could exceed that which is deemed affordable. Therefore, to ensure a measure of control on borrowing undertaken to fund new capital expenditure, a local indicator has been included, which is directly linked to the level of borrowing headroom within the Capital Programme. The limit amounts to £2.4m in 2022/23 and will only apply for the remainder of this programme, with a new limit to be decided for the new programme.
15. The commitment to increase external borrowing leads to increasing capital financing costs which are reflected in the Council's Medium Term Financial Plan and outlined in Table 3 below. Costs will continue to increase into the medium to long term as the need to borrow increases. Compared to similar authorities, especially when comparing with councils with similar demographics, the percentage of the capital financing costs as a proportion of the Council's total net revenue is high. This highlights the need to maintain a sustainable level of spending on capital expenditure funded by debt to ensure that these costs remain affordable. It should be noted that the reason for the decreasing percentages shown below is because of the positive revenue settlement the Council is set to receive for 2022/23 and indicatively beyond that year. There remains, however, uncertainty beyond 2024/25 in terms of revenue funding. Therefore, the need to manage the overall levels of capital expenditure funded via borrowing will remain, to ensure that there is no significant adverse impact on the medium to long term revenue budget position.

*Table 3: Capital Financing Budgets*

	<b>2021/22 budget</b>	<b>2022/23 budget</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>
Provision for repayment of debt (MRP)*	10.3	10.3	10.7	10.9
Net interest cost	6.9	6.9	7.0	7.0
<b>Total capital financing (exc PFI)</b>	<b>17.2</b>	<b>17.2</b>	<b>17.7</b>	<b>17.9</b>
PFI	5.6	5.6	5.7	5.5
<b>Total Financing costs* (£m)</b>	<b>22.8</b>	<b>22.8</b>	<b>23.4</b>	<b>23.4</b>
Proportion of net revenue stream	7.2%	6.6%	6.6%	6.4%

\*includes charges direct to service areas

### **Beyond the current capital programme (2023/24 onwards)**

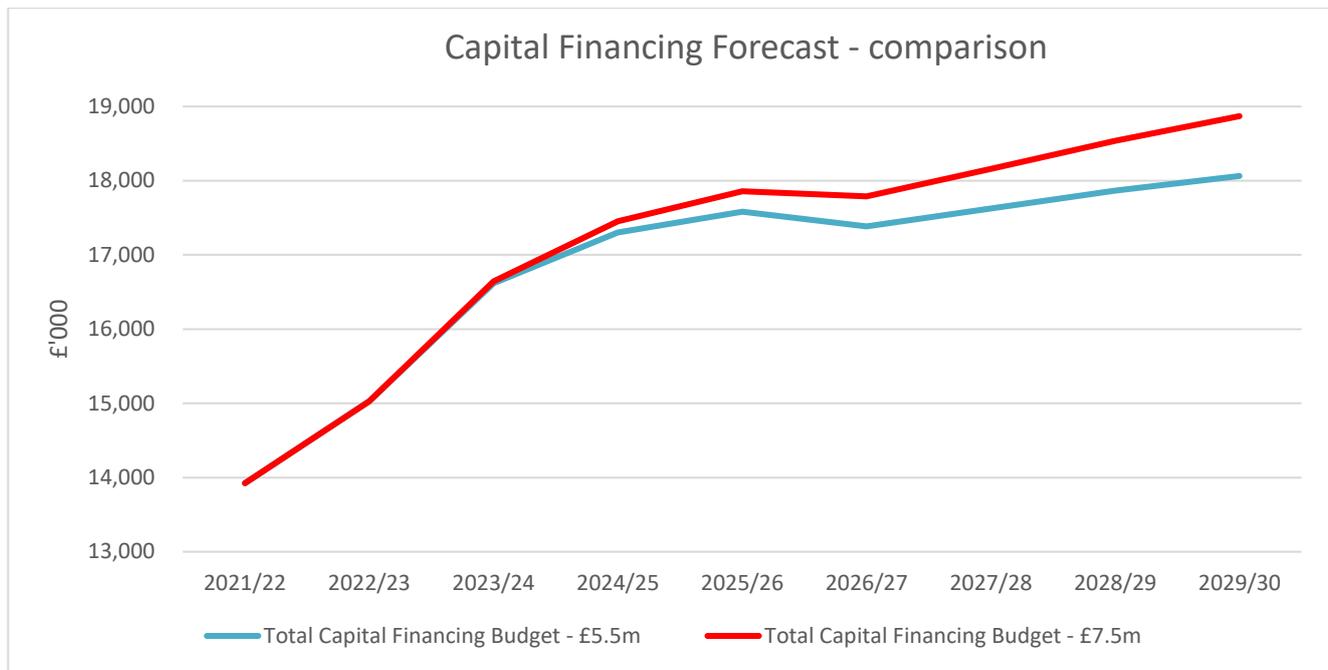
16. As well as considering the medium-term outlook, which coincides with the completion of the existing Capital Programme, and the additional two years added for specific projects, there is a need to look beyond this timeframe. This is particularly relevant when considering the need to develop the next programme, covering the period 2023/24 to 2027/28. When developing the new programme, the overriding objective will be to ensure that capital expenditure plans are affordable, prudent and sustainable, requiring a limit to be placed upon debt funded capital expenditure over that period. When looking beyond the current programme, the following points will need to be considered:

- the high level of forecast borrowing and corresponding higher level of capital financing cost at the end of the current Capital Programme
- the anticipated reduction in reserves and consequent capacity to be internally borrowed, requiring a continuing increase in external borrowing to replace it
- the Council's methodology for charging MRP, which realised a budget saving when changed 3-4 years ago but which increases the charge each year from that point and will continue to do so going forward

17. As a consequence of the points above, the development of the new programme will be set against an increasing need to borrow, before considering any new schemes that will add to that need to borrow, as well as the need to complete the existing programme. In addition, the wider funding context will also be a major factor in determining an appropriate borrowing limit. For example, whilst WG have provided an indicative settlement figure for the next three years, there is uncertainty beyond that period, particularly with the impact of recovering from the pandemic to contend with. This will influence the UK Government's provision of funding to WG which, in turn, will impact on the funding levels provided to local authorities. As well as this, the Council's Council Tax levels and the ability to set balanced budgets will play a significant role in determining sustainable borrowing limits.

18. To exemplify potential approaches to setting a sustainable borrowing limit, and the consequent impact upon capital financing budgets, Chart 1, below, shows two modelled scenarios from 2023/24, - (i) £5.5m debt funded expenditure per annum and (ii) £7.5m debt funded expenditure per annum. Both scenarios are based on debt funded capital expenditure in addition to schemes already approved.

*Chart 1: Capital Financing Cost Forecast, excluding PFI*



19. The above graph demonstrates the impact that the existing programme, with the significant borrowing requirement attached to it, has on the capital financing requirements, denoted by the sharp increase in costs over the short term. Beyond that, there is a slight levelling off before a more gradual increase in capital financing costs over the longer term. This increase is despite the fact that both modelled scenarios actually succeed in restricting the growth in the underlying need to borrow. However, as mentioned previously, the Council's chosen MRP methodology and the reduction in capacity for internal borrowing are responsible for driving up the cost of capital financing in those later years.
20. Whilst the costs of the current Capital Programme are already provided for within the revenue budget, the increasing capital financing costs from 2026/27, in particular, would place additional pressure upon the revenue budget. This would mean that the desire, or need, to undertake debt funded capital investment would have to be prioritised as part of the budget setting process and considered alongside other priorities for revenue funding.

### **Other Capital Strategy areas**

21. The Capital Strategy includes a number of other areas to be considered, which are included in full in Appendix 2. The one area that has significantly changed, in light of the updated Prudential Code, is the Council's approach to commercialisation. As part of the 2019/20 Capital Strategy, the creation of a £50m investment fund was agreed. Examples of how this fund would be used included commercial property investment and investing in new services, such as energy provision. The intention would be to generate income to support the overall revenue budget. However, following the Public Works Loans Board's decision to stop lending to local authorities in situations where investment solely for the purpose of yield was intended, the new Code has implemented similar restrictions, with immediate effect. Therefore, it would no longer be appropriate for the Council to pursue its Commercialisation Strategy, as currently designed, and invest in the activities outlined above. It should be noted that the current programme does not reflect any such commercial activity, with the £50m having not been accessed, and there is no immediate impact upon the Council. On that basis, the element of the strategy has been withdrawn and will no longer feature going forward.

## **Treasury Management Strategy**

22. The Council's detailed Treasury Management strategies for 2022/23 and beyond are included as Appendix 3, as are the various treasury management indicators. Key points of interest are summarised below.

## **Borrowing Strategy**

23. As outlined in earlier sections of this report, the Council is committed to being a net borrower over the life of the existing Capital Programme and beyond. In particular, a significant increase in the need to borrow is being projected for the 2022/23 financial year. However, the Council's preferred strategy is to maximise the level of internal borrowing, aided by the recent increase in earmarked reserve levels. Therefore, whilst the overall Capital Financing Requirement is set to increase, the need to undertake new borrowing will be deferred for as long as possible.
24. However, the capacity to internally borrow is expected to reduce over the medium to long term. In addition, some existing loans are due to mature over the next few years. These two factors, will mean that some new borrowing will be required, before considering any overall increase in the CFR. As well as this, in light of the Council's position as a committed long term borrower, the decision could be taken to undertake borrowing in advance of need. This would only be done in consultation with the Council's treasury advisors and where it was felt to be appropriate, and affordable, in order to mitigate against future interest rate rises.
25. When the need to undertake borrowing arises, the Council will need to give consideration as to the time period over which to borrow. The guiding principle will be to achieve a low, but certain cost of finance. This will generally mean long term borrowing, as this can provide certainty for periods for more than 50 years, if desired. However, with long term borrowing interest rates currently much higher than short term borrowing interest rates, the Council could decide to undertake a degree of short term borrowing. This would achieve a more balanced borrowing portfolio, but also assist with mitigating the risk of locking into higher long-term borrowing rates. Again, individual borrowing decisions would only be taken in consultation with the Council's treasury advisors, but also whilst considering the maturity profile of the current borrowing portfolio, as well as overall affordability.

## **Investment Strategy**

26. Both the CIPFA Code and the WG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
27. As outlined in the 2021/22 Capital Strategy, the Council intends to diversify its investment portfolio, given the increasing risk and very low returns from short-term unsecured bank investments. The uncertainty regarding the current economic climate has led to this change being put on hold, however it is intended to explore this further during 2022/23. The outcome is likely to be the Council investing all, or part, of the £10m that is available for long-term investment in higher yielding asset classes, such as pooled property funds. This would represent a move away from investing in low yielding bank deposits or with other local authorities. The detail regarding the approved counterparty list and limits is shown in Table 4 of Appendix 3.

## Head of Finance Summary

28. The Council's Capital Strategy, and in particular the Capital Programme itself, are, from a financial perspective, decisions with long term implications and where decisions today 'lock-in' the impact on budgets once projects have progressed and borrowing taken out. As explained in the first part of this report, the core requirement for councils is to make decisions whilst taking into account:

- (i) affordability – what are the increasing costs of debt that may be required and whether they can be funded from within the overall revenue budget, taking account of other spending pressures, forecast future income and the impact of this expenditure compared with expenditure in other areas.
- (ii) prudence – appropriate limits and targets are set to manage and monitor affordable and sustainable borrowing and investments are made with a view to balancing security, liquidity and yield.
- (iii) sustainability – the impact of the debt and financing costs on the Council's budget long term and being able to withstand the impact of that on a recurring basis.

29. In terms of the Council's current Capital Programme to 2024/25:

### Affordability

- There is a significant increase in the Council's projected level of external borrowing and the associated capital financing costs over the next three years. Due to the better than anticipated settlement the Council received for 2021/22, it was possible to fully fund the revenue costs of the entire current Capital Programme, to its conclusion. The current capital programme is therefore affordable, in totality, as a result of this. This is an important position to be in for the following reasons:
  - Whilst the Council currently has a broadly balanced MTFP over the next three years, following the positive draft settlement for 2022/23, there is a risk that unforeseen spending pressures will emerge or known pressures will increase in value, thus resulting in an unbalanced budget position emerging.
  - The revenue capital financing cost increase is very significant over a short period of time (as demonstrated in Chart 1).
  - Funding availability is uncertain, particularly beyond the medium term, and there remain significant cost pressures on the budget in relation to areas such as social care.

### Prudence

- Prudent operational limits on the level of capital expenditure funded by borrowing have been recommended, which align with the current programme requirement and, therefore, the Council's priorities. These operational limits increase significantly over the course of the programme and will result in the Council taking on significantly more debt. Therefore, the Capital Programme needs to be strictly managed within those limits to ensure that the need to externally borrow does not increase and expose the Council to any further risk or interest costs.

### Sustainability

- As outlined above, the revenue costs arising from the existing Capital Programme have been fully funded within the overall revenue budget. In addition, WG have provided indicative funding settlements for the next three financial years, which provides some assurance regarding future funding levels. Providing that the Council is able to balance its budget over the medium term, then the costs of borrowing are sustainable.

- However, there is a more significant challenge when considering the longer term sustainability of meeting the costs of debt funded capital expenditure. The Capital Strategy provides two scenarios, which exemplify the costs of limiting the annual level of debt funded capital expenditure to either £5.5m or £7.5m. Both of these scenarios would be successful in restricting the growth in the CFR longer term, however, due to the reducing capacity for internal borrowing and the MRP policy, the cost of capital financing still increases. Therefore, when developing the next Capital Programme, from a sustainability perspective, it will be important for the Council not to overcommit itself to additional borrowing, particularly with the uncertainty regarding future funding levels.

30. The development of the next Capital Programme will be challenging, as it will incorporate the tail end of the existing programme, there may be an amount of slippage to contend with and there will be a need to limit the overall increase in the need to externally borrow. It will be important that the Council has a clear framework for building up the next programme, ensuring that it is affordable, prudent and sustainable. A clear and accountable governance structure to oversee the development of the programme will be critical, as there will most likely be competing demands for new capital investment, coupled with a need to ensure sufficient funding for addressing the asset maintenance backlog. It will be vital that schemes are only added to the programme when there is confidence regarding cost estimates, ability to deliver them on time and clarity regarding funding source (i.e. a large proportion of the Council's capital expenditure tends to be funded via grant). This will go some way towards minimising the level of slippage and the risk of committing to borrow when not absolutely necessary.

31. Council are required to approve the Capital and Treasury Management Strategies, including the prudential indicators and limits contained within.

## Risks

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Increased need to borrow beyond currently assumed levels.	High*	Medium	Regular monitoring and reporting of available headroom should identify any issues at an early stage and keep Cabinet / Council updated. Potential for slippage in overall programme to negate need for additional borrowing.	Members, Senior Leadership Team, Heads of Service and Head of Finance.
Undertaking borrowing that is not ultimately required.	High	Low	Regular monitoring of schemes means that potential for slippage should be identified at an early level. Regular contact with WG regarding potential grant funding, which could negate the need to undertake borrowing.	Senior Leadership Team, Heads of Service and Head of Finance.
Investment counterparty not repaying investments.	High*	Low	The Council only invests with institutions with very high credit scores. It employs advisors to monitor money market movements and	Members, Head of Finance, Treasury staff, based

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
			changes to credit scores and acts immediately should things change adversely. The lower levels of funds/duration available for relatively higher risk investment as measured by 'credit ratings' will also alleviate the risk.	on advice from treasury advisors.
Interest Rates moving adversely against expectations.	Medium*	Medium	There is the potential that interest rates could increase as the economic recovery from the COVID-19 pandemic continues. The Treasury Strategy provides for a balance between short and long term borrowing as a means of managing this particular risk.	Head of Finance, Treasury staff, based on advice from treasury advisors.

\* Impact is ultimately determined by the values involved, with the impact reducing as the values decrease.

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

The Capital Strategy sets out the Capital Programme over a long term context and demonstrates that the Capital Programme supports a number of the Council's aims and objectives.

It is the Council's policy to ensure that the security of the capital sums invested is fully recognised and has absolute priority. The Council follows the advice of the Welsh Government that any investment decisions take account of security, liquidity and yield in that order.

### **Options Available and considered**

To approve both the Capital Strategy and the Treasury Management Strategy for 2022/23, including the prudential indicators contained with both documents.

### **Preferred Option and Why**

The Prudential Code places a requirement upon local authorities to determine a long term Capital Strategy. The Prudential Code and statute also require that, before the end of the financial year, reports on Treasury Management matters are presented to Council for approval. Therefore, Council are required to approve both the Capital Strategy and the Treasury Management Strategy.

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

This report, and the Capital and Treasury Management Strategies appended, both highlight the revenue implications from capital expenditure, and for the need for the capital plans of the authority to be affordable, prudent and sustainable.

The Capital Strategy highlights the anticipated significant increase in borrowing and the revenue costs resulting from the current Capital Programme. Continuation of increasing borrowing at this level into the next programme is potentially unsustainable. Whilst the current Capital Programme is affordable, and the

necessary capital financing budgets were frontloaded as part of the 2021/22 revenue budget, it is important that expenditure is kept within the financing limits within the programme. If further borrowing is required, this will need to be approved by Council.

Over the longer-term, beyond the current Capital Programme, a slow-down of debt funded capital expenditure would be required and, even by limiting borrowing as exemplified in the Capital Strategy, the capital financing costs continue to increase, therefore showing the importance of agreeing a prudent limit for the future programme.

This will be a key aspect of the development of the new programme, which will commence during this financial year, as will the need to address the significant level of slippage being reported against the current programme. This issue with slippage is evidenced in the forecasted level of expenditure in the 2022/23 financial year, which exceeds £100m. This is a level of expenditure far in excess of anything spent in previous financial years and suggests that achieving this level of spend, with the current level of project management capacity, will be a significant challenge.

Should similar levels of slippage continue to be reported, beyond 2022/23, this has the potential to significantly impact upon the capacity to deliver new schemes during the first two years of the new programme. Therefore, the Council will need to be very clear in its priorities for the new programme and balancing them against available funding sources, scope for new borrowing and project management capacity to deliver those schemes.

The Treasury Management Strategy highlights that whilst the capacity for internal borrowing did not decrease as much as was anticipated in the previous strategy, longer term that capacity is forecasted to diminish. Therefore, the need for the Council to undertake external borrowing remains and a view will need to be taken on whether this can be done early to mitigate the risks of interest rate rises and remain within current set budgets.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the report. The Capital Strategy will provide a framework for future capital and investment decisions, having regard to principles of affordability, prudence, sustainability and risk/reward. The Treasury Management Strategy sets out the financial management principles that will underpin the Capital Strategy. As such, both strategies will form part of the Council's overall budget framework and are required to be formally approved and adopted by full Council. Governance & Audit Committee were asked to comment on the draft Capital Strategy and Treasury Management Strategy as part of its responsibility for reviewing and monitoring the effectiveness of the Council's system of internal controls and the proper administration of its financial affairs and their comments have been included in the report. Governance & Audit Committee were only concerned with the effectiveness of the strategies in terms of how capital and investment decisions are made, rather than the detail, as individual capital and investments decisions within the Capital Programme are matters for Cabinet.

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

There are no human resources implications arising from the report. As identified in the Fairness and Equality Impact Assessment that has been undertaken, an effective Capital Strategy will enable the Council to support long term planning in line with the sustainable development principle of the Wellbeing of Future Generations Act.

### **Scrutiny Committees**

N/A

**Fairness and Equality Impact Assessment:**

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The Council has a number of legislative responsibilities to assess the impact of any strategic decision, proposal or policy on people that may experience disadvantage or inequality. In relation to this strategy document, a Fairness and Equality Impact Assessment has been undertaken. The FEIA has been undertaken in light of this strategy being an overarching financial strategy, rather than a policy decision relating to one specific initiative or service. Therefore, there are elements to the assessment that don't lend themselves to this particular strategy. It should also be noted that there is a clear link between this strategy and the Council's revenue budget setting process, with the ultimate impact of capital expenditure being felt within the revenue budget. Therefore, any consultation required will have been undertaken as part of the revenue budget setting process. Also, specific schemes within the Capital Programme will have been subject to an FEIA, where relevant.

The main conclusions to be drawn from the FEIA undertaken is that there is a clear link between the long term nature of the Capital Strategy and the sustainable development principle of the Wellbeing of Future Generations Act. This is evidenced through the focus on ensuring affordability, prudence and, most relevantly, sustainability. Therefore, there is potentially a positive impact from the perspective of the younger age groups. In the case of the other protected characteristics, it is not felt that there is a specific impact, however this may not necessarily be the case for the individual schemes within the programme, which should have been subject to separate FEIAs. However, there are a variety of schemes within the programme that will, collectively, have had a positive impact upon groups with protected characteristics such as disability, language preference and socio-economic background.

**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**

N/A

**Background Papers**

Report on Treasury Management for the period to 30 September 2021  
Capital Monitoring and Additions Report – January 2022

Dated:

## Appendix 1 – Detailed breakdown of the current Capital Programme (£000)

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
<u>Education:</u>								
21st Century Schools - Band A	8,046	1,220	30	-	-	-	-	9,296
21st Century Schools - Band B	675	1,711	3,421	10,275	45,702	13,424	165	75,373
Welsh Medium Primary School	-	150	44	1,228	2,078	2,300	-	5,800
Jubilee Park - Fixtures, Furniture & Equipment	13	-	-	-	-	-	-	13
Blaen-y-Pant Bungalow (Educational Use)	52	-	14	-	-	-	-	66
St Mary's Toilet Refurbishment.	-	42	-	-	-	-	-	42
Somerton Primary - ICT Equipment	11	-	-	-	-	-	-	11
Feminine hygiene hardware & toilet facilities.	34	-	-	-	-	-	-	34
Gaer Annexe Education Use	-	416	95	-	-	-	-	511
Lliswerry High (S106 Funds)	110	80	1	7	-	-	-	198
Lliswerry IT Replacements	53	-	-	-	-	-	-	53
Maesglas Reducing classroom size	-	64	109	398	-	-	-	571
Llismartin Primary ICT	10	-	-	-	-	-	-	10
Mapas Park Primary	11	-	-	-	-	-	-	11
Reducing Classroom size bids	-	61	647	(0)	-	-	-	708
Bassaleg Demountables	-	116	102	-	-	-	-	218
ICT Equipment Lease (Clytha Primary)	-	20	-	-	-	-	-	20
ICT Equipment Lease (St Mary's)	-	11	-	-	-	-	-	11
Bassaleg ICT	-	69	-	-	-	-	-	69
Ringland Perimeter Fence	-	-	85	-	-	-	-	85
St Patricks ICT	-	12	-	-	-	-	-	12
Bassaleg Demountables - year 7	-	-	765	14	-	-	-	779
EdTech Grant	-	-	202	160	-	-	-	362
Charles Williams Renovations	-	-	104	56	1,460	-	-	1,620
Lliswerry Safeguarding	-	-	51	-	-	-	-	51
Maindee Toilets	-	-	177	-	-	-	-	177
ICT Equip Lease Ysgol Gymraeg Ifor Hael	-	10	-	-	-	-	-	10
Pentrepoeth - site accessibility	-	-	-	144	550	-	-	694
St Andrews	-	-	-	635	365	-	-	1,000
St Mary's Urgent Capital repairs grant	-	-	-	-	2,640	-	-	2,640

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Education Maintenance Grant 2018/19	-	1,470	574	49	-	-	-	2,093
Education Maintenance Grant 2019/20	-	-	732	947	76	-	-	1,755
Education Maintenance Grant 2020/21	-	-	-	351	2,185	-	-	2,537
Education Maintenance Grant 2021/22	-	-	-	817	1,861	-	-	2,678
Education Accessibility Studies	-	-	2	97	198	-	-	298
Education Asset Improvements - balance to be drawn down	1,055	200	1	-	-	-	-	1,256
Education Accessibility Studies - Phase 2	-	-	-	-	632	-	-	632
Milton IT replacement	-	-	25	-	-	-	-	25
St Michaels IT	-	-	16	-	-	-	-	16
Prior Year Scheme - Various	(38)	(39)	(3)	-	-	-	-	(80)
<b>Education Total</b>	<b>10,032</b>	<b>5,614</b>	<b>7,194</b>	<b>15,180</b>	<b>57,748</b>	<b>15,725</b>	<b>166</b>	<b>111,657</b>
<u>Regeneration, Investment &amp; Housing:</u>								
Asset Management Programme	1,066	1,245	1,801	1,973	1,864	-	-	7,949
Gypsy/Traveller Site Development	2,993	78	10	55	-	-	-	3,136
Indoor Newport Market	-	-	1,086	4,414	-	-	-	5,500
HLF Market Arcade Townscape Heritage Scheme	39	266	1,043	1,429	-	-	-	2,777
Indoor Market Facilities Improvements	(2)	-	-	-	-	-	-	(2)
Civic Centre / Info Station Service Relocations	116	121	-	29	-	-	-	266
Info Station NSA enabling	536	-	-	-	-	-	-	536
123-129 Commercial Street (Pobl Regen)	623	623	-	-	-	-	-	1,246
Cardiff City Region Deal	1,208	-	196	-	7,998	-	-	9,402
Cardiff City Region Deal - Cost of Carry	-	-	-	-	1,850	9,987	5,482	17,319
Mill Street Development Loan	-	2,341	1,184	475	-	-	-	4,000
Neighbourhood Hubs	915	1,344	-	-	-	-	-	2,259
Arva Investment Loan	385	333	-	32	-	-	-	750
Disabled Facilities	898	1,092	784	1,046	1,122	-	-	4,942
Disabled Facilities ICF Funding	-	-	-	76	-	-	-	76
Safety at Home	364	375	243	398	378	-	-	1,758
ENABLE Adaptations Grant	197	197	197	197	-	-	-	788
Homelessness Prevention Grant	98	-	-	-	-	-	-	98

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
FS Maintenance 1819 / 1920	31	38	-	-	-	-	-	69
FS Shaftsbury Community Centre	183	-	-	-	-	-	-	183
Childcare - Flying Start	-	546	256	1,101	195	-	-	2,098
FS City Wide Maintenance & Repair of Premises	-	-	59	74	-	-	-	133
Castle Kids Refurbishment Works	-	-	17	-	-	-	-	17
Improvements to Flying Start Facilities	-	-	116	-	-	-	-	116
Flying Start Capital Grant	-	-	-	300	-	-	-	300
FS Settings City Wide Equipment Replacement	-	-	-	110	-	-	-	110
FS East Hub ROSPA Inspection	-	-	-	25	-	-	-	25
FS Hubs City Wide Redecoration & Repair	-	-	-	90	-	-	-	90
Childcare Offer IT	-	-	-	60	-	-	-	60
Childcare Offer Capital COVID	-	-	-	100	-	-	-	100
All Wales Play Opportunities	-	-	144	266	-	-	-	410
Central Library - Structural Works	72	17	30	18	526	-	-	663
Transporter Bridge	72	913	80	400	7,000	3,716	-	12,180
Chartist Tower	-	1,344	(1)	256	-	-	-	1,599
COB Empty Properties Phase One	-	-	-	15	-	-	-	15
PAC System	-	57	-	-	-	-	-	57
Medieval Ship	-	-	-	8	4	-	-	12
Information Station	-	-	141	385	1,224	-	-	1,750
Renewable Energy Investment	-	2	-	150	1,577	-	-	1,729
TRI Thematic Funding	-	-	49	758	272	-	-	1,078
Refit	-	-	-	90	1,310	600	-	2,000
Placemaking capital projects	-	-	-	-	1,650	-	-	1,650
Clarence House	-	-	-	750	-	-	-	750
Prior Year Scheme - Various	(7)	(18)	(9)	-	-	-	-	(34)
<b>Regeneration, Investment and Housing Total</b>	<b>9,787</b>	<b>10,914</b>	<b>7,424</b>	<b>15,080</b>	<b>26,969</b>	<b>14,302</b>	<b>5,482</b>	<b>89,960</b>
<u>People &amp; Business Change:</u>								
IT Replacement Schemes	94	9	-	500	315	-	-	918
Corporate EDMS Rollout	-	13	-	-	-	-	-	13
CRM	250	276	246	200	-	-	-	971
I Trent Development	-	91	164	-	-	-	-	255

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Print 2010- Managed Printer Service	131	-	50	199	-	-	-	380
<b>People and Business Change Total</b>	<b>475</b>	<b>389</b>	<b>460</b>	<b>899</b>	<b>315</b>	<b>-</b>	<b>-</b>	<b>2,537</b>
<u>Adult &amp; Community Services:</u>								
Telecare Service Equipment	97	12	35	30	30	-	-	204
Equipment for Disabled Grant (GWICES)	165	165	165	165	165	-	-	825
Home Care System	32	-	-	-	-	-	-	32
Centrica Lodge	(6)	(3)	-	-	-	-	-	(9)
SMAPF	320	305	296	512	-	-	-	1,433
Adult Call up System	-	-	76	-	-	-	-	76
<b>Adults and Community Services Total</b>	<b>608</b>	<b>479</b>	<b>572</b>	<b>707</b>	<b>195</b>	<b>-</b>	<b>-</b>	<b>2,561</b>
<u>Children's &amp; Families Services:</u>								
3 New Homes	701	792	588	-	-	-	-	2,081
Oaklands Respite Home	505	102	-	-	-	-	-	607
Windmill Feasibility Study	41	110	25	1,355	10	-	-	1,541
Rose Cottage Sewerage Tank	-	-	0	23	-	-	-	23
Rosedale Annexes	-	-	-	500	-	-	-	500
Disbursed accommodation and Covid-19 equipment	-	-	331	346	-	-	-	677
<b>Children's and Families Services Total</b>	<b>1,247</b>	<b>1,004</b>	<b>945</b>	<b>2,224</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>5,430</b>
<u>City Services:</u>								
Fleet Replacement Programme	797	1,912	2,039	2,200	1,249	-	-	8,197
Bus station - Friars Walk Development	29	93	-	-	-	-	-	122
Flood Risk Regulation Grant	24	34	27	-	-	-	-	85
Cemetery Infrastructure Improvements	16	30	30	46	-	-	-	122
Peterstone Sewage Scheme	1	28	(13)	444	152	-	-	612
Road Safety Capital 2018/19	-	1,379	-	-	-	-	-	1,379

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Composting	567	-	-	-	-	-	-	567
Docksway Cell 4 Development	1,555	1,046	-	-	-	-	-	2,601
CCTV	-	37	8	-	-	-	-	45
Smaller Bins - MTRP BC	70	1,177	-	-	-	-	-	1,247
Newport Station Footbridge - LTF	77	314	655	8,878	-	-	-	9,924
Decriminalised Parking	232	874	21	-	-	-	-	1,127
Update Facilities in Parks	18	47	-	-	-	-	-	65
Decommissioning of Cemetery Office & Toilets	11	-	-	-	-	-	-	11
Building Improvements to Lodges	14	94	-	-	-	-	-	108
Small Scale Works Grant	34	-	-	-	-	-	-	34
Road Refurbishment Grant Scheme	931	198	711	716	-	-	-	2,556
Street Lighting LEDs	564	2,202	152	-	-	-	-	2,918
Park Square Lights	-	-	71	-	-	-	-	71
Velodrome Lights	-	173	128	36	-	-	-	337
Local Transport Fund - Active Travel Northern 2018/19	290	196	102	-	-	-	-	588
Tregear Park Car Park	-	-	12	-	-	-	-	12
Tregear Park – Cycle improvements	-	3	62	55	35	-	-	155
Llhwerry Road (81)	-	9	-	-	-	-	-	9
28-30 Stow Hill (11/0269)	-	7	-	-	-	-	-	7
Fisher Road (15/0720)	-	9	-	-	-	-	-	9
Festive lighting	-	109	-	-	-	-	-	109
Local Transport Fund - Active Travel Design 2018/19	240	-	-	-	-	-	-	240
Bus Stop Enhancements	-	24	375	-	-	-	-	399
Core AFT Allocation	-	340	-	-	-	-	-	340
Inner City Links	-	684	249	-	-	-	-	933
LTNF - ECO Stars	42	41	-	-	-	-	-	83
Safe Routes - St Davids RC Primary	84	145	37	20	-	-	-	286
Gwastad Mawr Flood Attenuation Improvement Works	2	-	25	31	-	-	-	58
18-19 Collection Collaborative Change Programme	1,175	-	-	-	-	-	-	1,175
LTF Monkey Island Bridge Llhwerry Pill	29	121	587	225	-	-	-	962
LTF Sustainable Transport	25	309	-	-	-	-	-	334
Riverside Park	20	-	-	-	-	-	-	20
Pye Corner Railway Station Development Works	21	-	-	-	-	-	-	21

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Nappy Grant	-	202	-	-	-	-	-	202
Improving Flats Recycling Towards 70%	-	344	-	-	-	-	-	344
Increased Recycling at Docks Way	-	86	-	-	-	-	-	86
Plastic Waste Prevention Project	-	30	-	-	-	-	-	30
Green Infrastructure	-	-	35	169	-	-	-	204
Highways Annual Sums	455	322	125	705	463	-	-	2,070
Liswerry Recreation Ground Changing Rooms	4	339	-	-	-	-	-	343
Safe Routes - St Davids RC Primary Year 2	-	-	21	-	-	-	-	21
Sustainable Transport Improvements Year 2	-	-	208	86	-	-	-	294
Upgrading and Replacement of Bus Stops	-	-	128	-	-	-	-	128
Road Safety Capital A48 Llandevaud	-	-	74	-	-	-	-	74
Resilient Roads	-	-	65	-	-	-	-	65
Carnegie Court Emergency River Works	-	-	1,096	-	167	-	-	1,263
Western Corridor-Inner City Links	-	-	536	1,144	-	-	-	1,680
Core Allocation Yr 2	-	-	69	21	-	-	-	90
Parry Drive Play Area Improvements	-	-	19	-	-	-	-	19
Bacon Road Play Area Improvements	-	-	3	-	-	-	-	3
Improvements to Throwing Facilities at Newport Athletics Stadium	-	-	156	-	-	-	-	156
Small Drive Repairs	-	-	26	-	-	-	-	26
Improvements to Marshfield Village Sports Pitches	-	-	14	13	-	-	-	27
Local sustainable transport measures in response to Covid	-	-	499	14	-	-	-	514
Ultra Low Emission Grants	-	-	205	615	-	-	-	820
Kingsway car park operation	-	-	343	-	-	-	-	343
Increased Recycling - Bag Sorting at Household Waste Recycling Centre	-	-	-	25	-	-	-	25
Creation of a Reuse+Repair Hub	-	-	456	57	-	-	-	513
Repair & Reuse Newport Makerspace	-	-	69	-	-	-	-	69
Green Recovery (Ash Die Back)	-	-	190	-	-	-	-	190
Leisure centre New build	-	-	-	1,468	13,580	4,673	-	19,721
Bus Stop Enhancements - Yr 2	-	-	-	760	-	-	-	760
A467 Improvements Resilient roads	-	-	-	600	-	-	-	600
EV Development and Infrastructure	-	-	-	690	-	-	-	690
Bettws and Maplas Canal Link	-	-	-	1,207	-	-	-	1,207

	Outturn 2018/19	Outturn 2019/20	Outturn 2020/21	Forecast 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total
Core Allocation Yr 3	-	-	-	751	-	-	-	751
Upgrade of Facilities NISV	-	-	-	234	-	-	-	234
Eastern Links	-	-	-	61	-	-	-	61
Road Safety Traffic Enforcement Cameras	-	-	-	140	-	-	-	140
Newport Fflesci Demand Responsive Bus Pilot Scheme	-	-	-	968	-	-	-	968
SRIC & Road Safety Grant	-	-	-	203	-	-	-	203
Somerton Park	-	-	-	8	-	-	-	8
Underwood Play Area	-	-	-	12	-	-	-	12
Local Places for Nature Grant	-	-	-	109	-	-	-	109
Allotment Grant	-	-	-	35	-	-	-	35
Depot Infrastructure Charging	-	-	-	300	-	-	-	300
Pentonville Development (Sorrell Hill, Barack Hill and Allt-yr-yn)	-	-	-	24	26	-	-	50
Nature Networks - Monkey Island	-	-	-	67	21	-	-	88
Nature Networks - Shaftsbury Allotments	-	-	-	27	27	-	-	53
Nature Networks - Old Tredegar Golf Course	-	-	-	6	67	-	-	73
Jubilee Gardens grant	-	-	-	8	-	-	-	8
Active Travel grant - City centre	-	-	-	211	-	-	-	211
Active Travel grant - Community Cycle Hub	-	-	-	52	-	-	-	52
Proton Year Scheme - Various	(11)	-	-	-	-	-	-	(11)
<b>City Services Total</b>	<b>7,316</b>	<b>12,958</b>	<b>9,614</b>	<b>23,439</b>	<b>15,786</b>	<b>4,673</b>	<b>-</b>	<b>73,787</b>
<b>Total Capital Programme</b>	<b>29,466</b>	<b>31,358</b>	<b>26,210</b>	<b>57,530</b>	<b>101,022</b>	<b>34,699</b>	<b>5,647</b>	<b>285,932</b>

	Outturn 18/19	Outturn 19/20	Outturn 20/21	Forecast 21/22	Budget 22/23	Budget 23/24	Budget 24/25	Total
<b>Financed By:</b>								
General Capital Grant	4,754	3,858	4,107	4,083	4,060	1,173	37	22,072
Supported Borrowing	4,058	4,077	4,097		4,000	-	-	

				4,072				20,304
Unsupported Borrowing	2,126	5,787	1,771	8,913	32,475	17,038	5,519	73,629
Prudential Borrowing	84	123	-	-	-	-	-	207
External Grants	12,911	13,053	15,174	34,986	49,255	15,061	91	140,531
S106	868	523	410	1,293	3,051	1,412	-	7,557
Other Conts	242	268	75	46	639	15	-	1,285
Capital Receipts	3,136	820	25	1,584	2,754	-	-	8,319
Revenue Conts	75	68	38	522	755	-	-	1,458
Reserve	1,081	2,777	464	1,832	4,034	-	-	10,189
Finance Lease	131	-	50	199	-	-	-	380
<b>Total Capital Programme Financing</b>	<b>29,466</b>	<b>31,358</b>	<b>26,210</b>	<b>57,530</b>	<b>101,022</b>	<b>34,699</b>	<b>5,647</b>	<b>285,932</b>

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NEWPORT CITY COUNCIL  
CAPITAL STRATEGY  
2022/23 TO 2032/33



## **EXECUTIVE SUMMARY**

This Capital Strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The report highlights that expenditure on capital needs to remain within affordable, prudent and sustainable limits. Demand for capital resources remains high and therefore, inevitably, prioritisation of projects, leveraging in other sources of funding and working with partners are required to address this.

The strategy highlights the key risks and recommendations:

- The Council's current capital programme has a substantial amount of borrowing to 2024/25, and whilst this is affordable, due to the revenue budget requirement being forward funded in the 2021/22 budget, it would be unsustainable to continue increasing borrowing thereafter, at the current rate.
- The Council's Medium Term Financial Plan includes the revenue costs for the financing of the current capital programme to 2024/25, which includes a level of uncommitted borrowing headroom limited at £4.5m but excludes any borrowing for schemes which are self-financing.
- As per the agreed framework (detailed in the report), the current programme needs to be maintained within the agreed limits and not result in an increase in the Capital Financing Requirement or the level of new capital expenditure to be funded via borrowing, therefore not putting additional pressure on the capital financing budgets contained within the overall revenue budget. Any required increase in the level of capital expenditure to be specifically funded by borrowing would need approval by full Council.
- Within the context of significant demands for capital resources and limited availability, there is the need to develop the various strategic plans across the organisation which are driving the need for capital expenditure. This will include clearer visibility and assessment of demand for maintenance of assets such as schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years+). With the MRP budget increasing over the long-term, the Council will need to make some difficult decisions going into the next programme to ensure the capital plans remain affordable and sustainable. A clear governance structure around the development of the new programme will also be required.
- The Head of Finance recommends Council agree a limit to debt funded capital expenditure in the future programme. The impact of a limit of £5.5m and £7.5m per annum is exemplified within this strategy, with the actual limit to be determined as part of developing the new programme.
- The prudential indicators, including borrowing limits, are in line with the MTFP approved by Cabinet.

The strategy will be reviewed and updated on an annual basis alongside the Treasury Management Strategy.

## **OVERVIEW OF THE STRATEGY**

### **1.1. INTRODUCTION**

Capital expenditure can be defined as expenditure on assets, such as property or vehicles, that will be used for more than one year. In local government, this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to acquire assets. It is the Council's policy not to treat any expenditure under £10,000 as capital, and therefore anything under this value will be charged as revenue in the year of expenditure.

The Prudential Code for Capital Finance in Local Authorities (2017) placed a requirement on local authorities to determine a Capital Strategy in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives, and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance readers' understanding of these, sometimes, technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and a local policy framework, summarised in this report.

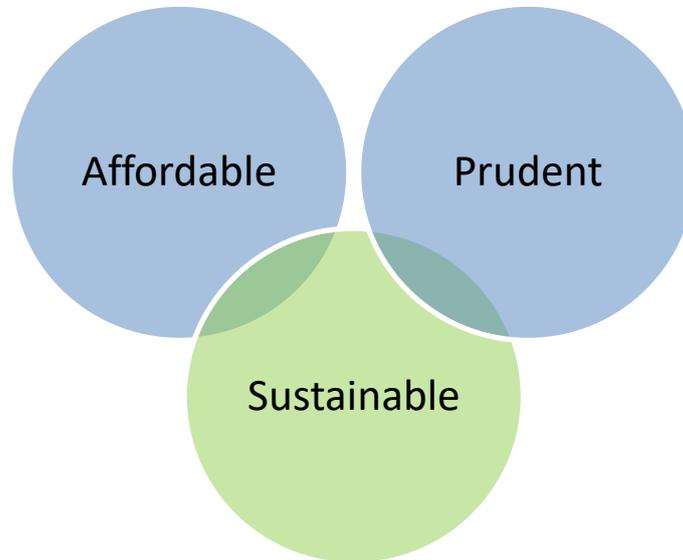
The report sets out:

- The key objectives outlined in the Prudential Code and the governance arrangements for the Capital Strategy and programme (Section 2)
- The current approved capital programme to 2022/23 (+ 2 additional years for schemes that extend beyond the final year of the existing programme) and its financing, and the revenue implications arising from demands on capital expenditure (Section 3)
- The long-term (10 year) projection for the capital financing costs of the Council and where future demands arise from the various strategic plans across the Council for further capital resources. (Section 4)
- Links between the Capital Strategy and Treasury Management strategy, and treasury decision making. (Section 5)
- A look at the commercial activity of the Council and the strategy going forward. (Section 5)
- Overview of other long-term liabilities the Council has, which members need to be aware of when looking at the Capital Strategy. (Section 6)
- Summary of the skills and knowledge the Council holds in order for it to carry out its duties for capital and treasury matters. (Section 7)

## **2. PRUDENTIAL CODE & GOVERNANCE**

### **2.1. PRUDENTIAL CODE – KEY OBJECTIVES**

The objective of the Prudential Code is to ensure, within a clear framework, that the Council's capital expenditure are affordable and prudent. In terms of both affordability and prudence, it is important that sustainability is considered and can be demonstrated;



#### **AFFORDABLE**

It is important that the Council's capital investment remains within **sustainable** limits. The Code requires authorities to consider the resources currently available to them and those estimated to be available in the future, together with the totality of the capital plans and income and expenditure forecasts. As well as capital expenditure plans, authorities should consider the cost of past borrowing, maintenance requirements, planned asset disposals and the MRP policy, which all impact upon affordability.

#### **PRUDENT**

The Council must ensure that its capital and investment plans are prudent and **sustainable**. As required by the Code, consideration should be given to the arrangements for the repayment of debt and the risk and impact on overall financial **sustainability**. The operational boundary for external debt should align with capital expenditure plans and provide for the most likely, not worse case, scenario. The authorised limit should provide sufficient borrowing headroom to enable day to day cash management. It is important that there is alignment with the treasury management policy statement and practices, and that risk management and analysis is taken into account. Borrowing in advance of need should only be undertaken where appropriate and affordable, and treasury management activities should find a balance between security, liquidity and yield reflecting the Council's risk appetite, but not prioritising yield over security and liquidity.

#### **SUSTAINABLE**

As highlighted above, the Council has to ensure sustainability when considering both affordability and prudence. In line with the long-term impact of decisions made in relation to capital investment plans, sustainability is considered over a minimum 10-year period.

In addition, the Council ensures that treasury management decisions are taken in accordance with good professional practice and with the full understanding of the risks involved and how these risks will be managed to levels that are acceptable to the organisation.

CIPFA consulted upon various amendments to the Prudential Code and Treasury Management Code during the autumn of 2021. Following the consultation, the proposed amendments were agreed and will form part of an update to both codes. In the case of the Prudential Code, these include the following (with the changes to the Treasury Management Code being outlined later in this report):

- Local authorities being precluded from borrowing for investment where the primary aim is to generate a commercial return.
- Sale of commercial investments as an alternative to new borrowing for service purposes.
- Risk associated with commercial investment to be proportionate to the financial capacity to bear losses.
- Investments to be split into treasury, service and commercial categories.
- Prudential indicators to be monitored and reported at least quarterly.
- Introduction of a new prudential indicator regarding the income from commercial and service investments to net revenue stream.
- Removal of investment income from the financing costs indicator.

Of the changes outlined above, the first change, which is the most significant of the changes, is not anticipated to present any issues. This is because the Council does not have any such investments and is not planning any such investments. However, as outlined in the Commercialisation section of this report, the Council's Commercial Strategy contains provision to engage in such activity. Therefore, it will be necessary for this element of the Commercial Strategy to be withdrawn. In the case of the changes to prudential indicators and subsequent reporting of those indicators, the Council will ensure compliance as part of its budgeting and reporting processes. It should be noted that, whilst the new Code takes immediate effect, CIPFA have stated that authorities can defer the implementation until 2023/24, with the exception of the change relating to investment primarily for yield, which takes effect immediately.

## **2.2. GOVERNANCE FOR APPROVAL AND MONITORING OF CAPITAL EXPENDITURE**

Member responsibility for assets rests with the Cabinet Member for Economic Growth and Investment, currently the Leader of the Council. The main governance and approval process for capital expenditure is summarised as follows:

- Council approves the overall revenue and capital budgets following recommendations from the Cabinet. They also approve the external borrowing limits, which place a cap on the level of borrowing the Council can undertake during the year. These limits are driven by the level of unfunded capital expenditure, including uncommitted expenditure, within the capital programme. The limits will not include expenditure on any schemes where borrowing is required, but which finance themselves through the savings generated. These limits are a key performance indicator for treasury management and ensure that capital expenditure is limited and borrowing remains affordable. Any changes required to the borrowing limits must be approved by full Council.
- Council approves the Treasury Management and Investment strategies, which are intrinsically linked to capital expenditure and the Capital Strategy. Further details of these are provided in sections 5.1 and 5.3.
- The detailed capital programme, contained within the overall budget, is approved by Cabinet following individual project appraisals by officers, which include the views of the Head of Finance.
- Items of capital nature are discussed at the Capital Strategy Asset Management Group (CSAMG), which is made up of senior officers from all service areas and the Council's property advisors, Newport Norse. Discussions centre on the asset management agenda and include asset disposals and prioritisation of capital expenditure requirements. Other boards with capital considerations, such as the People Services Capital Board, will feed into CSAMG.
- Operational decisions on capital expenditure will be made by the Executive Board, following a review of the project appraisal and advice from CSAMG.
- Cabinet approves any new capital expenditure to be added to the capital programme.
- Monitoring of Capital Expenditure is reported to Cabinet, including updates on capital receipts and the impact on the revenue budget of decisions made.

Affordability and sustainability are key considerations when approving capital expenditure, and therefore the agreed framework detailed in section 3.1 is used. Included within Appendix 2a is the process map used for the approval of capital expenditure.

Decisions on the approval of capital expenditure will be made in liaison with the Capital Accountancy Team and an understanding of the long-term revenue implications of the expenditure is assessed before it is added to the programme. Cabinet approves additions to and deletions from the Capital Programme, as well as slippage, when approving the regular monitoring reports.

### **3. CAPITAL EXPENDITURE AND FINANCING**

#### **3.1. CURRENT CAPITAL PROGRAMME**

The current capital programme originally covered the five-year period between 2018/19 and 2022/23. However, as approved by Cabinet in January 2020, an additional two years were added to the programme to incorporate those schemes, such as the 21<sup>st</sup> Century Schools Band B Programme, where completion was projected to extend beyond the original five-year timeframe. Given the current financial constraints facing the Council, Cabinet and Council established a framework for managing the existing programme, aimed at maximising capital expenditure but keeping new borrowing at a level that could be afforded within a sustainable revenue budget. This framework is as follows:

- a. Funding from sources other than borrowing needs to be maximised, by securing grant funding whenever possible and maximising capital receipts;
- b. Any change and efficiency schemes requiring capital expenditure, and generating savings as a consequence, would be funded by offsetting the capital financing costs against the savings achieved;
- c. Schemes and projects which generate new sources of income would need to fund any capital expenditure associated with those schemes.

This framework ensures that the capital programme can be maximised but those schemes which cannot fund any resulting borrowing costs can be afforded and maximised within the headroom available. This available headroom is made up of identified uncommitted capital reserves and capital receipts, an estimated level of borrowing which can be afforded from within the Minimum Revenue Provision (MRP) budget and a prudent estimate of future capital receipts.

The latest capital programme is summarised in the table below. For 2022/23, the programme contains approved capital schemes of £103.4m, and the overall programme to 2024/25, including uncommitted borrowing, is £288.4m. This total figure includes £17.3m for the cost of carry of undertaking borrowing for Cardiff Capital Region City Deal schemes, prior to the funding from HM Treasury being received, and £2.4m of uncommitted borrowing headroom.

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

	ORIGINAL 5-YEAR CAPITAL PROGRAMME					ADDITIONAL 2 YRS		Total current programme £m
	2018/19 Actual £m	2019/20 Actual £m	2020/21 Actual £m	2021/22 Foreca st £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m	
Approved Schemes	29.5	31.4	26.2	57.6	99.2	24.7	0.1	<b>268.7</b>

City Deal - cost of carry					1.8	10.0	5.5	17.3
Uncommitted borrowing*					2.4			2.4
<b>TOTAL EXPENDITURE</b>	<b>29.5</b>	<b>31.4</b>	<b>26.2</b>	<b>57.6</b>	<b>103.4</b>	<b>34.7</b>	<b>5.6</b>	<b>288.4</b>

\* Uncommitted borrowing headroom to be invested in Council assets or regeneration.

The current approved capital programme is substantial and leads to a considerable increase in the Capital Financing Requirement (CFR) over the medium term. Table 1 provides an overview of the total programme, comprising existing schemes, the Cardiff Capital Region City Deal cost of carry and the residual level of uncommitted borrowing for potential additional capital schemes. It should be noted that a limit of £4.5m was placed on any additional borrowing, referred to as capital headroom, to fund new capital expenditure for the period between 2020/21 and 2022/23. As outlined in the table above, a total of £2.109m has been committed against that original amount of borrowing headroom to date, with a balance of £2.391m remaining available for the remainder of the existing programme.

Over the course of the current capital programme, there is a significant increase in borrowing to fund the projects contained within it and a consequential increase in capital financing costs. As part of the overall 2021/22 Council budget, a £2.1m investment in the capital financing budget was made in order to provide for the revenue costs arising from the full capital programme. By committing these resources in advance, it means that no additional investment is required in the revenue budget for 2022/23. Due to the level of slippage projected into 2023/24, it means that there is likely to be an in-year underspend against this budget during 2022/23, which could be utilised on a one-off basis for other priorities.

Section 3.2 illustrates the revenue impact of the capital programme. The framework outlines that, over the current term, the **capital programme would be set at a level that minimises revenue pressure on the Medium Term Financial Plan (MTFP)**. Therefore, it is vitally important to maintain capital expenditure at a level that is affordable over the medium term. The limit of uncommitted borrowing that is available allows for additional capital expenditure without increasing the pressure on the revenue budget.

The WG General Fund Capital Grant in 2022/23 has reduced significantly when compared to 2021/22. The award in 2022/23 is £2.827m, compared with £4.083m in 2021/22. Beyond 2022/23, the indicative settlement figures suggest that the grant will return to previous levels. Therefore, the position for 2022/23 would appear to be a one-off and, as a consequence, an amount of £4m has been assumed for 2023/24 and beyond. This grant funding is used to cover annual sums. To maintain the same level of annual expenditure, it has been assumed that earmarked reserves will be used to bridge the gap and this is reflected in the figures contained within this report.

The overall programme, which is now entering its final year, contains a number of key capital schemes, some of which will continue beyond the 2022/23 financial year. These include:

- 21<sup>st</sup> Century Schools Programme
- The HLF grant funded Transport Bridge scheme
- Cardiff Capital Region City Deal (CCRCDD)
- New Leisure Centre

There may be other requirements for capital funding for schemes that are not yet contained within the overall programme. Any new schemes that arise during the year will either need to be funded via specific sources or will represent a call upon the residual headroom available. It is important that capital expenditure remains at an affordable level within the framework agreed and, therefore, prioritisation of capital expenditure is essential and needs to be affordable and sustainable in the long-term.

### 3.2. MEDIUM-TERM REVENUE IMPLICATIONS OF CAPITAL (CAPITAL FINANCING)

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). All debt has to be repaid and this includes both the actual debt principal plus interest costs on the debt. The planned financing of the expenditure shown in Table 1 is as follows:

Table 2: Capital financing in £ millions

	7-YEAR CAPITAL PROGRAMME					ADDITIONAL 2 YRS		Total current programme £m
	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Forecast	2022/23 Budget	2023/24 Budget	2024/25 Budget	
	£m	£m	£m	£m	£m	£m	£m	
<b>TOTAL EXPENDITURE</b>	29.5	31.4	26.2	57.6	103.4	34.7	5.6	<b>288.4</b>
<b>Financed by:</b>								
Committed Grants and contributions	19.2	17.7	19.8	40.7	55.7	17.7	0.1	<b>170.9</b>
Committed Reserves, capital receipts, revenue	4.3	3.7	0.5	4.4	9.3	0.5		<b>22.7</b>
Committed new borrowing	6.0	10	5.9	12.5	34.2	6.5		<b>75.1</b>
Committed new borrowing for City Deal Cost of Carry					1.8	10.0	5.5	<b>17.3</b>
<b>TOTAL COMMITTED (Appendix 1)</b>	<b>29.5</b>	<b>31.4</b>	<b>26.2</b>	<b>57.6</b>	<b>101.0</b>	<b>34.7</b>	<b>5.6</b>	<b>286.0</b>
Uncommitted borrowing					2.4			<b>2.4</b>
<b>TOTAL UNCOMMITTED</b>					<b>2.4</b>			<b>2.4</b>

<b>TOTAL FINANCING</b>	<b>29.5</b>	<b>31.4</b>	<b>26.2</b>	<b>57.6</b>	<b>103.4</b>	<b>34.7</b>	<b>5.6</b>	<b>288.4</b>
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Due to the better WG settlement the Council received in 2021/22, Cabinet front loaded the required medium term capital financing requirement into 2021/22, to then be carried forward into future years. This means that the current capital programme and a level of borrowing headroom, limited to £4.5m, was funded within the MTFP. Any underspends available within the short term, as evidenced as part of the revenue budget monitoring position in 2021/22, will be able to be used for voluntary revenue payments (VRP), one-off expenditure or moved to reserves.

The forecast borrowing for 2021/22 to 2024/25 is £60.4m. Should there be any need to increase this total, it would need approval by Council.

When capital expenditure is initially financed by debt/borrowing, the Council is essentially locked into a long-term revenue commitment to finance that expenditure over time. This financing is done via a mechanism known as the Minimum Revenue Provision (MRP). Budgeted MRP payments over the medium term (excluding PFI and leases) are as follows:

*Table 3: Replacement of debt finance (MRP) in £ millions*

	<b>2018/19 actual</b>	<b>2019/20 actual</b>	<b>2020/21 actual</b>	<b>2021/22 budget</b>	<b>2022/23 budget</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>
MRP budget	7.8	7.9	8.7	10.3	10.3	10.7	10.9

The table above shows the budgeted amount of MRP that is included within the MTFP, that the amount significantly increased in 2021/22 and will gradually increase over the longer term. This increasing pressure on the MTFP should be seen in the context of continuing funding constraints, which emphasises the importance of maintaining capital expenditure within the headroom available in order to minimise the additional pressure on the revenue budget.

- The Council's full Minimum Revenue Provision statement and policy is available within the Treasury Strategy, which will be approved alongside this Capital Strategy.

Although capital expenditure is not charged directly to the revenue budget, as discussed above, interest payable on loans and MRP are charged to revenue - the net annual charge is known as 'financing costs'. The table below shows the financing costs as a percentage of the Council's net budget, which is one of the required prudential indicators.

*Table 4: Prudential Indicator: Proportion of financing costs to net revenue stream*

	<b>2021/22 budget</b>	<b>2022/23 budget</b>	<b>2023/24 budget</b>	<b>2024/25 budget</b>
Financing costs* (£m)	22.8	22.8	23.4	23.4
Proportion of net revenue stream	7.2%	6.6%	6.6%	6.4%

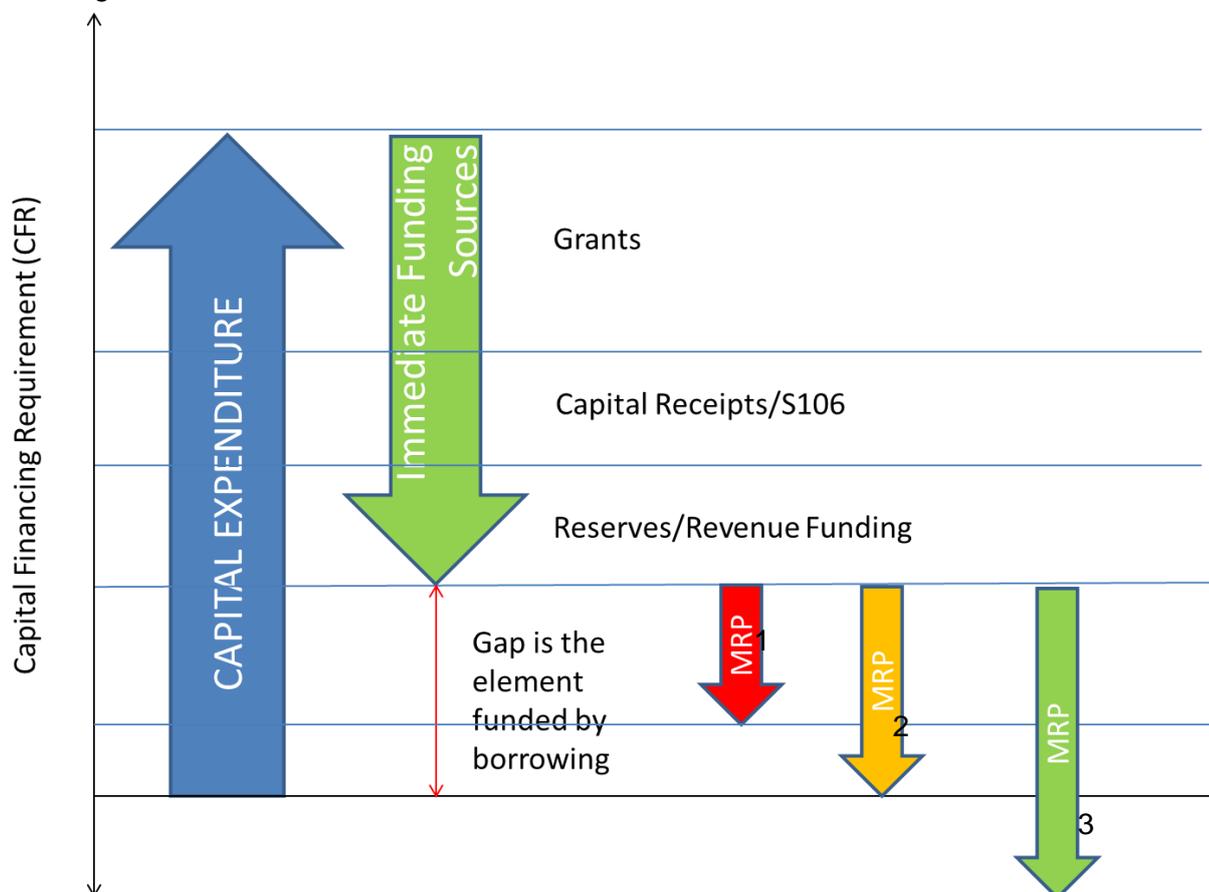
\*includes capital financing costs of PFIs

From the table above it is evident that the proportion of the budget set aside to finance capital expenditure is set to decrease over the medium-term, with a more significant decrease in 2022/23, before easing off over the remainder of the period. This reduction is a reflection of the fact that the capital financing budget was frontloaded in 2021/22, coupled with the significant increase in core funding in 2022/23. The levels shown throughout the medium term are still significant and highlight the pressure that capital expenditure initially funded from debt can place upon the revenue budget.

- Information on the revenue implications of capital expenditure is also included in the 2022/23 revenue budget report.

### **Capital Financing Requirement (the underlying need to borrow)**

The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The diagram below shows the impact of capital expenditure, financing and the MRP on the CFR:



The diagram above shows the following:

- CFR **increases** when capital expenditure is incurred.
- CFR **decreases** when capital expenditure is immediately financed - i.e., through grants, capital receipts, revenue funding, reserves, S106 income.
- If the MRP charge is **less than** the capital expenditure funded by borrowing in any given year (Red [1]) the net CFR increases
- If the MRP charge is **equal to** the capital expenditure funded by borrowing in any given year (Amber [2]) the net CFR stays the same
- If the MRP charge is **more than** the capital expenditure funded by borrowing in any given year (Green [3]) the net CFR decreases

This is an important concept, as it demonstrates how decisions on the level of capital expenditure and MRP budget impact upon the Council's long-term borrowing requirements and consequent capital financing implications. However, it is important to note that the CFR is only an indicator as to the need to undertake borrowing, with the actual need to borrow ultimately being driven by the overall short and long term cashflow requirements of the organisation.

The table below provides the medium-term outlook for the Council's CFR, inclusive of the impact of PFI arrangements. This is based on the existing programme only and does not reflect the potential for additional borrowing beyond 2022/23. As can be seen, the CFR is expected to increase by £28.2m during 2022/23, which is a significant increase on the estimated CFR as at 31<sup>st</sup> March 2022. This increase represents a stepped change in position, when compared with previous years, where the figure has generally stayed at around £280m.

This significant increase in capital expenditure, including that funded via other sources, will be a challenge to achieve, evidenced by the significant levels of slippage incurred during the 2021/22 financial year. Therefore, it is important to recognise the likelihood that the actual CFR may turn out lower by the

end of the 2022/23 financial year, in turn reducing the actual need to undertake external borrowing. This is a significant challenge for the Council, as it is important that ambitions for capital expenditure are not unrealistic, as this can result in unnecessarily increasing the capital financing budget, which may result in other budget priorities not being able to be pursued.

*Table 5: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions*

	<b>31/03/19 actual</b>	<b>31/03/20 actual</b>	<b>31/03/21 actual</b>	<b>31/03/22 forecast</b>	<b>31/03/23 estimate</b>	<b>31/03/24 estimate</b>	<b>31/03/25 estimate</b>
<b>TOTAL CFR</b>	<b>278.8</b>	<b>280.2</b>	<b>276.3</b>	<b>280.9</b>	<b>309.1</b>	<b>314.4</b>	<b>307.9</b>

With the upcoming introduction of the accounting requirements of IFRS 16 Leases, the CFR and debt identified as relating to leases is likely to increase, due to the change in the way that finance leases for lessees are treated. CIPFA/LASAAC took the decision to defer the implementation of IFRS 16 Leases until the 2022/23 financial year in response to pressures on Council finance teams, as a result of the COVID-19 pandemic. Work is ongoing to gather the relevant information and fully understand the impact upon the Council. The output of this work will be finalised during this calendar year and will form part of the 2023/24 Capital Strategy.

The greater the CFR, the larger the impact will be on the revenue budget, with that impact being exacerbated by an ongoing reduction in the availability of internal borrowing (defined as using available cash, underpinned by the overall level of earmarked reserves, in lieu of external borrowing). Therefore, in the long-term, there will be a need to keep annual capital expenditure funded by borrowing at a level below the annual MRP budget in order to maintain the capital financing revenue budget at a broadly sustainable level.

#### **4. LONG-TERM VIEW OF CAPITAL EXPENDITURE**

Expenditure on capital assets/projects are often for assets which have a long-term life i.e. buildings may have an asset life in excess of 40 years. The financing of these assets could also be over a long-term period. Therefore, it is important to take a long-term view of capital expenditure plans and the impact that may have on the affordability and sustainability of capital expenditure. Once a decision has been made to initially fund capital expenditure from borrowing, the Council is locked into the revenue implications arising from that decision (i.e. the annual cost of MRP) for a long-term period.

Due to the financial constraints that the Council continues to face, it is anticipated that revenue to fund capital financing will remain restricted over the long term. The capacity to use internal borrowing is also reducing, which means that the authority will face a challenge in developing its next capital programme, due to take effect from 2023/24, particularly if there is a need or desire to incur a certain level of capital expenditure funded via borrowing. Therefore, it is important that the Council stabilises the increasing level of its CFR, and actual need to externally borrow, to minimise the increase in associated capital financing costs and ensure that they remain affordable and sustainable. This is particularly relevant when considering the position outlined in the Medium Term Financial Plan and the competing financial pressures facing the Council.

Ideally, capital expenditure funded by borrowing should be less than the annual MRP budget, as this will reduce the overall level of the CFR on a year-to-year basis. However, it is recognised that this may be difficult to achieve and that a degree of capital expenditure funded by borrowing will be required as part of the next capital programme and thereafter.

To assist with exemplifying the potential impact over the medium to long term, two scenarios have been modelled. The first scenario assumes additional (i.e. in addition to already approved schemes) unfunded capital expenditure of £5.5m per annum, beyond the current capital programme window, with the second scenario assuming £7.5m per annum. Chart 1, below, demonstrates the impact that these scenarios could potentially have upon the overall level of the CFR and the actual requirement to undertake external borrowing.

Chart 1 – Liability Benchmark

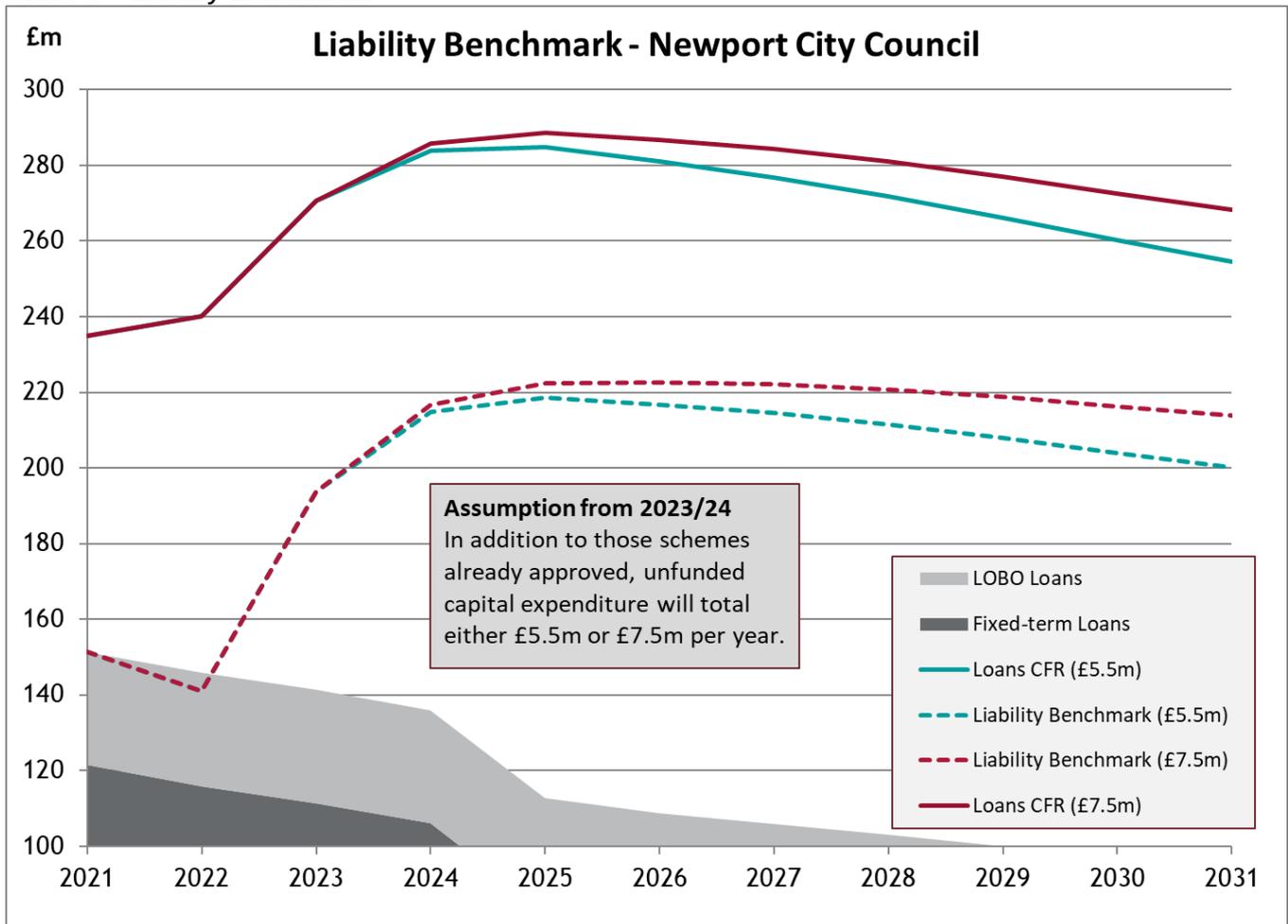


Chart 1, known as the Liability Benchmark, demonstrates the following, in terms of the impact of the current capital programme and the two modelled scenarios:

- The impact the current capital programme has in terms of the increasing CFR and consequent need for external borrowing, denoted by the steepness of the solid and dashed red curves over the first few years.
- A longer-term stabilisation, and then reduction, in the overall level of CFR, as shown by the trajectory of the solid red and blue lines.
- A longer-term stabilisation of the need to undertake actual external borrowing, followed by a gradual reduction, as shown by the trajectory of the dashed red and blue lines.
- The impact of the reducing capacity for internal borrowing, demonstrated by the convergence of the two set of lines over the first few years and thereafter.
- The fact that a level of existing borrowing is scheduled for repayment (denoted by the shaded grey area) over the medium to long term, although the underlying need to borrow actually grows during that time, meaning that the repaid borrowing will need to be replenished.

The two modelled scenarios demonstrate that it would be possible to stabilise, and slightly reduce, both the CFR and actual need to borrow over the medium to long term. This is critical if the increase in consequent capital financing costs is to be minimised and remain at a level which is prudent, affordable and sustainable over the medium term. However, as the following paragraphs and Chart 2 demonstrate, there are other factors which also impact upon the overall level of capital financing costs incurred.

Chart 2 – Capital Financing Cost Forecast

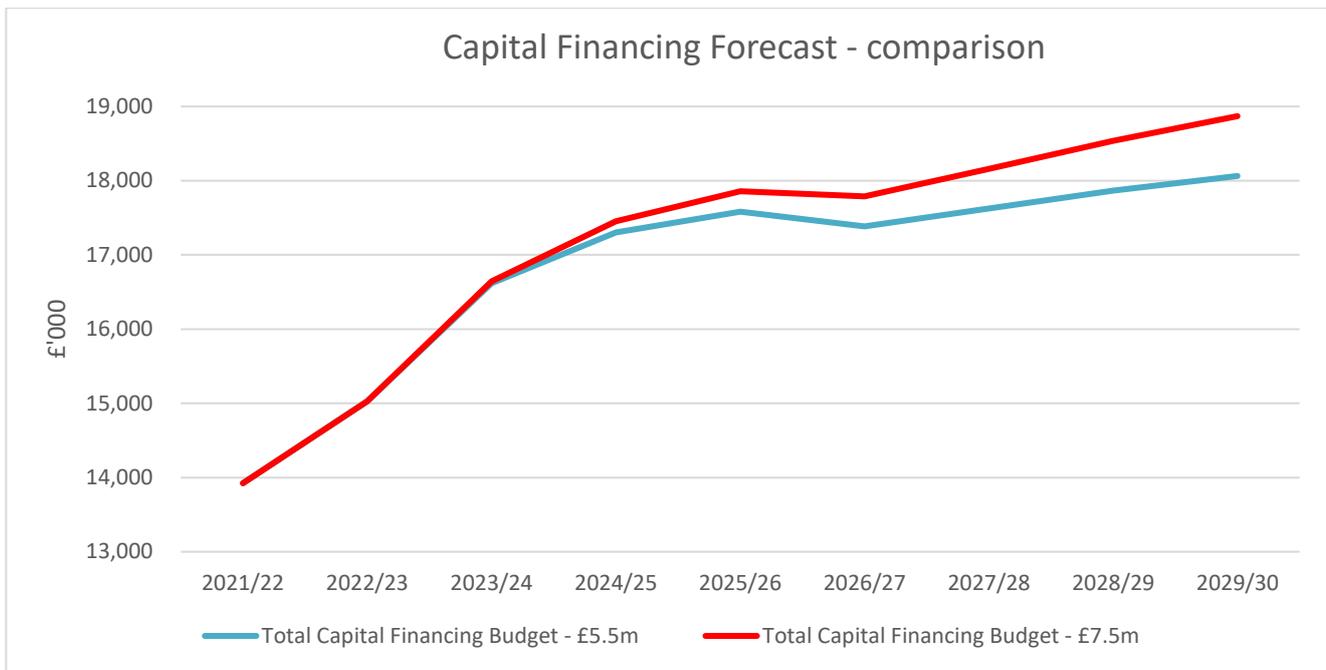


Chart 2 shows the increasing capital financing costs over the next 10 years with a limit of £5.5m or £7.5m of unfunded capital expenditure per annum after the current programme. This is initially driven by the ambitious capital programme that is currently in place, resulting in a significant spike in capital financing costs to 2023/24, but continues beyond that year. This is despite the modelled reductions in the CFR, as outlined in Chart 1. Although the revenue costs arising from the current capital programme have been fully funded, this chart highlights the fact that there will be a continued capital financing budget pressure during the new programme window as well. Due to slippage experienced in delivering the new programme, it should be noted that the actual costs of capital financing are lagging behind the existing budget provision, resulting in an underspend against the revenue budget.

The reason for the continued increase in capital financing costs, despite the levelling off of borrowing requirements, is primarily because of the change in MRP methodology, but also, in the earlier years, due to the reduced capacity for internal borrowing. What this means, in effect, is that additional external borrowing will need to be undertaken to replace the internal borrowing, just to maintain the status quo. The impact of this is that additional interest costs will be incurred and these will be borne by the capital financing budget. In the case of MRP, the change to the annuity methodology for unsupported borrowing means that MRP charges are lower in earlier years and increase as assets move through their useful life. Therefore, there will be an annual increase in MRP charges, and consequent impact upon the revenue budget, even if no additional unfunded capital expenditure is undertaken.

It should be noted that the scenarios above are for modelling purposes only, with assumptions included on the deliverability of the programme. In saying that, it is a good representation of the financial impact on Council finances given the two levels of capital spend funded from borrowing.

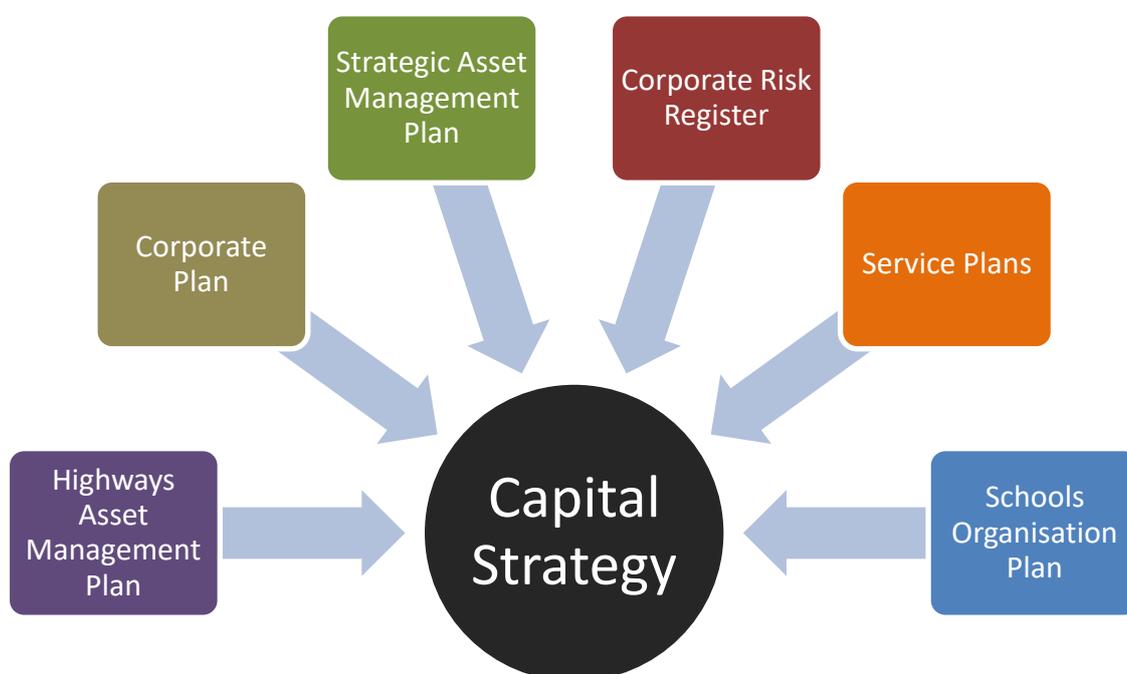
The actual position will of course be impacted by a number of factors that will ultimately determine the level of borrowing and associated capital financing costs. These factors include:

- (i) availability of capital grant funding from Welsh Government and other bodies, (i.e. will there be the capacity or need to include those levels of capital expenditure funded by borrowing?)
- (ii) the delivery of capital receipts (i.e. as above)
- (iii) the utilisation and overall level of earmarked reserves (i.e. as above)
- (iv) the general level of slippage within the capital programme (i.e. will the Council spend at the rates modelled even if included in budgets and programmes)

## Sustainability and New Capital Programme Development

As already outlined, the long-term nature of the impacts arising from short to medium term capital expenditure and financing need to be understood in terms of its prudence, affordability and sustainability. The Head of Finance is satisfied that the current programme meets this key requirement, evidenced by the fact that the revenue implications are already fully funded. However, the key challenge facing the Council, in relation to capital, is the impending development of the new programme, which will run from 2023/24 to 2027/28. This challenge should be seen in the context of a Medium Term Financial Plan which, although broadly balanced at present, could worsen should new service pressures emerge. Therefore, any increase in capital financing costs would only add to that challenge. Therefore, should the new programme result in a further need to increase capital financing budgets, it will be necessary for those pressures to be prioritised by members and senior management against other competing pressures in order to ensure a balanced revenue budget.

In light of this challenge, it is important that the authority understands the key drivers and risks associated with delivering the new programme. These drivers are captured through various plans across the authority and are outlined in the diagram that follows. These plans will be subject to ongoing revision and it will be necessary for the authority to develop its understanding of the cost of key priorities arising from each plan, to inform what will potentially be a constrained programme in terms of the overall financial envelope.



There will be a range of priorities originating from these plans, particularly the Corporate Plan, which will be refreshed following the local elections taking place in May 2022 and will likely reflect a number of the new administration’s manifesto commitments. As well as the priorities contained within the Corporate Plan, there will a requirement to maintain the current asset base. This is something that has been severely impacted by constrained funding levels in previous years and has resulted in a maintenance backlog developing, which gives rise to the potential for major asset failures to occur where issues have developed over time. There is a particular risk surrounding highways and school buildings, although there are other asset bases that hold maintenance backlogs as well.

Therefore, whilst annual allocations are provided for asset maintenance, in building the new programme, it will be necessary to review the level of those allocations, as well as the approach to their use. The growing backlog would suggest that the annual sums are not sufficient, although there is also a need to ensure that the best value for money and outcomes are being achieved with their use. The annual sums should, however, ensure that the highest priority backlog issues are addressed, first and foremost. In addition to the annual sums, other approaches need to be pursued in order to reduce the maintenance backlog. This should include a review of the asset base more generally, and consideration to rationalising the number of assets. This rationalisation could be achieved in a number of ways, such as closure or disposal of assets, asset transfers or schemes to refurbish/redevelop existing assets (e.g. neighbourhood hubs, Chartist Tower and the Newport Market development). Furthermore, it will be

necessary to target external grant funding, such as 21<sup>st</sup> Century Schools funding, which will enable wholesale upgrade or replacement of existing assets, including those with significant maintenance backlogs.

Therefore, when developing the new programme, it will be necessary for decision-makers to ensure that the ongoing maintenance of existing assets is sufficiently addressed. However, there will be other priorities to be included within the programme, such as the need to address the climate emergency via a pursuit of carbon neutral assets, a response to the need for a new way of working, the next phase of WG's 21<sup>st</sup> Century Schools Programme and further regeneration schemes for the city. In addition, there will be an inevitable degree of slippage from the existing programme, which will effectively represent a first call on available resources. Should the level of slippage be significant, it may be appropriate to defer any new priorities until the middle and later years of the programme, to provide the bandwidth for existing schemes to be completed.

Although members will ultimately decide upon both the overall size of the new programme, and the schemes contained within it, it will be important that there is appropriate governance surrounding the development of the programme. This governance will be required to ensure that schemes are only added to the programme where sufficient planning, financial and non-financial, has been undertaken and that there is a clear corporate need or priority for including schemes within the programme. This may take the form of an internal Capital Board, led by the Senior Leadership Team, who will act as a gateway for schemes and ensure that members can take confidence in the recommendations being made to them. It should also ensure that there is enhanced oversight and management of the programme on an ongoing basis and reduce the likelihood of slippage or grant funding being foregone in future years. As an outcome, a more realistic, deliverable and achievable programme should result.

## **5. TREASURY MANAGEMENT**

The Treasury Management Strategy (detailed in Appendix 3) and Capital Strategy are inextricably linked, with both strategies being considered for approval by Council as part of the same meeting. The figures within the Treasury Management Strategy align with the level of borrowing resulting from this Capital Strategy. The Council will need to approve both the prudential indicators detailed below and the borrowing limits recommended.

### **5.1. TREASURY MANAGEMENT**

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, whilst managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council limits the need to take out actual borrowing by using positive cashflow, largely underpinned by earmarked reserve balances, to fund capital expenditure funded by borrowing, known as internal borrowing.

As a result of decisions taken in the past, the Council as at 31<sup>st</sup> December 2021, has £144m borrowing at a weighted average interest rate of 3.6% and £40m treasury investments at a weighted average rate of 0.19%.

As outlined earlier, CIPFA have recently consulted on changes to the Treasury Management Code and have recently confirmed the changes that will be implemented. CIPFA have not been prescriptive regarding an implementation date and, therefore, based on the advice of our treasury advisers, the changes will be reflected in the 2023/24 strategy document.

The main changes include the requirement to incorporate the liability benchmark as part of the Treasury Management Strategy, which the Council already does. Other changes will see a need for the introduction of investment management practices (IMPs) and detail around the Council's policy and practices relating to environmental, social and governance (ESG) investment considerations. There are now clearer definitions regarding categorisations of investments, which require local authorities to distinguish between treasury, service and commercial investments, with a number of additional requirements relating to the latter two categories. The final major change relates to knowledge and skills and the need for councils to disclose information regarding areas such as competencies, knowledge and skills schedules, monitoring and review.

### **5.2. BORROWING STRATEGY**

Whilst the current outlook is for the Council to have significant long-term borrowing requirements, the current strategy is to fund capital expenditure through reducing investments rather than undertaking new borrowing. To clarify, this means deferring new long-term borrowing and funding capital expenditure from

day-to-day positive cashflows for as long as possible. By using this strategy, the Council can also minimise cash holding at a time when counterparty risk remains high. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long-term borrowing and this remains a primary reason for the current 'internally borrowed' strategy.

Whilst investment counterparty risk is minimised through this strategy, the risk of interest rate exposure is increased, as the current low longer term borrowing rates may rise in the future. However, long-term borrowing interest rates are currently significantly higher than short-term borrowing interest rates.

Therefore, should there be a need to undertake borrowing at short notice, the current differential in interest rates mitigates the risk to some extent and also ensures cost avoidance in the short term. The market position is being constantly monitored in order to manage this risk.

The Council's overall main objective when borrowing is to achieve a low but certain cost of finance, whilst retaining flexibility should plans change in the future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between lower cost short-term loans (currently available at around 0.1% to 0.3%) and long-term fixed rate loans where the future cost is known but higher (currently around 1.5% to 2.0%). The current availability of positive cashflow has meant that the Council has not been required to undertake much in the way of short-term borrowing recently, although this can change at relatively short notice.

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leases) are shown below, compared with the CFR (which has been detailed in earlier sections). It should be noted that the estimated projected debt is broadly in line with the Operational Boundary, which acts as a borrowing limit for delivering the Capital Programme, as highlighted in the paragraphs that follow.

*Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

	<b>31.3.2021 actual</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 budget</b>	<b>31.3.2024 budget</b>	<b>31.3.2025 budget</b>
Debt (incl. PFI & leases)	178	190	231	240	235
Capital Financing Requirement	276	281	309	314	308

As outlined earlier, the forthcoming introduction of IFRS 16 Leases will likely result in the CFR and debt identified as relating to leases increasing in future years. Work continues to assess the relevant leases that exist across the Council and their potential impact upon both the CFR and overall debt levels.

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from Table 6, the Council expects to comply with this in the medium term.

**Operational Boundary:** The Council is obliged to approve an operational borrowing limit. This boundary has been set in line with the expected borrowing required to finance the current Capital Programme until 2024/25, taking account of likely levels of internal borrowing. A small additional allowance has also been made for the timing of PFI debt repayments. If any increase to the operational boundary is required, including to borrow for investment/income generation schemes or regeneration investment (loans) this will need to be brought to Council for approval.

**Authorised Limit:** The Council is legally obliged to approve an affordable borrowing limit for external debt each year. This is the absolute limit for external borrowing and is set in line with the CFR, again with a small allowance made for the timing of PFI debt repayments. The authorised limit is greater than the Operational Boundary and provides a buffer for managing day to day cash requirements and undertaking borrowing in advance of need, where appropriate and affordable.

*Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

	<b>2021/22 limit</b>	<b>2022/23 limit</b>	<b>2023/24 limit</b>	<b>2024/25 limit</b>
Authorised limit – borrowing	255	271	278	274
Authorised limit – PFI and leases	42	41	39	36
<b>Authorised limit – total external debt</b>	<b>297</b>	<b>312</b>	<b>317</b>	<b>310</b>
Operational boundary – borrowing	187	192	203	201

Operational boundary – PFI and leases	42	41	39	36
<b>Operational boundary – total external debt</b>	<b>229</b>	<b>233</b>	<b>242</b>	<b>237</b>

Whilst the above indicators place a theoretical limit upon the level of borrowing that a council can undertake, they do not, for example, make an allowance for any amount of slippage that may be incurred whilst delivering the Capital Programme. This is relevant in the case of the Council's Capital Programme where, in relation to 2022/23 in particular, there is a significant level of forecasted unfunded expenditure and a high probability of slippage occurring. Therefore, to ensure that the level of expenditure to be funded via borrowing is controlled, a local indicator has been introduced which restricts any unfunded expenditure being added to the existing Capital Programme over and above the headroom that is already in place. This indicator is in line with Table 1 of this report and, for 2022/23 only, limits additional borrowing for new capital expenditure to £2.4m. Should borrowing above this limit be required, it will need to be approved by full Council. A new indicator will be developed as part of producing the new Capital Programme over the next 12 months.

*Table 8: Local Prudential Indicator: New capital expenditure to be funded via borrowing (£m)*

	<b>2022/23 limit</b>	<b>2023/24 limit*</b>	<b>2024/25 limit*</b>
Borrowing headroom	2.4	0	0

\* The limit is currently £0m, in line with the existing Capital Programme, but the £2.4m effectively applies across the three years shown, and these years will form part of the new programme, at which point a new indicator will be introduced.

### 5.3. INVESTMENT STRATEGY

Treasury investments arise from receiving, and then holding, cash before there is a need to pay it out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy. In the case of certain funds, the Council may request its money back at short notice.

*Table 9: Treasury management investments in £millions*

	<b>31.3.2021 actual</b>	<b>31.3.2022 forecast</b>	<b>31.3.2023 budget</b>	<b>31.3.2024 budget</b>	<b>31.3.2025 budget</b>
Near-term investments	24.8	0	0	0	0
Longer-term investments	0	10	10	10	10
<b>TOTAL</b>	<b>24.8</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>

Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and relevant staff, who must act in line with the Treasury Management Strategy approved by Council. Half-year and end of year reports on treasury management activity are presented Council, although the frequency of these reports will change to quarterly from 2022/23, in line with the recent changes to the Treasury Management Code. The Governance & Audit Committee is responsible for scrutinising treasury management decisions.

#### **Loans to other organisations**

The Council can and does make investments to assist local public services, including making loans to businesses to promote economic growth. The Council will assess these opportunities and will only plan that such investments at least break even after all costs. Loans to such organisations will be approved following a due diligence process and formal governance arrangements.

The Council will also use other methods of assisting businesses to promote economic regeneration by providing grants or by allowing rent free periods where the Council is the owner of the freehold, such as the case with Chartist Tower.

Decisions on service investments are made by the relevant service manager in consultation with the Head of Finance and Monitoring Officer and must meet the criteria and limits laid down in the investment strategy.

## **6. COMMERCIALISATION**

The 2019/20 Capital Strategy contained details of the Council's Commercialisation Strategy, which was agreed by Council during 2019. A feature of this commercial approach was to explore three areas of activity, all aimed at increasing income generation and contributing towards addressing the medium-term budget gap faced by the Council. The three areas of activity were:

- 1) Current services that could be provided on a more commercial basis - e.g. trade waste
- 2) New services that could be provided - e.g. energy services
- 3) Property investment – commercial and residential

To enable the third area of activity to be pursued, it was agreed that a £50m investment fund would be created, via an increase in the borrowing limit of an equivalent amount. This would enable the Council, via an investment board, to react to opportunities to acquire property, both within and outside of the authority boundary. Whilst acquisitions within Newport would be prioritised, with a particular focus on social value, a key aim was to generate an income stream that could support the delivery of core services. In effect, this would represent investment primarily for the purpose of yield.

As outlined in last year's report, the Commercialisation Strategy has been paused. This decision was taken in light of the ongoing pressures, risks and challenges resulting from the COVID-19 pandemic. The concerns regarding the longer-term impact of the pandemic on the commercial property market remain, however, in addition, there have been two key changes which mean that this particular element of the commercial approach can no longer be pursued. The first of these changes is that the Public Works Loans Board will no longer lend to local authorities for activity such as this. Secondly, CIPFA have recently introduced changes to the Prudential Code, with one of those changes seeking to prevent investment funded by borrowing solely for the purpose of yield. Therefore, it would no longer be appropriate for the Council to pursue a strategy of investing in property acquisitions solely for the purpose of financial return and, therefore, this element of the strategy should be ceased going forward.

## **7. OTHER LONG-TERM LIABILITIES**

In addition to debt of £144m outlined above, the Council has a number of other long-term liabilities, which represent potential future calls on Council resources, as follows:

### **Private Finance Initiative (PFI)**

The Council has two PFI arrangements. These are for the provision of the Southern Distributor Road (22 years remaining) and for Glan Usk Primary School (12 years remaining). As at 31<sup>st</sup> March 2021, the combined value of the liabilities was £41.3m. The Council holds specific earmarked reserves to cover the future costs of the PFIs.

### **Pension Liability**

The Council is committed to making future payments to cover its pension fund deficit (valued at £475.1m) as at 31<sup>st</sup> March 2021.

### **Provisions**

The Council has set aside long-term provisions for risks in relation to landfill capping and aftercare, and guaranteed subsidies in relation to Friars Walk.

### **Contingent Liabilities**

The Council also has a number of contingent liabilities, which may or may not ultimately materialise as a call on Council resources. These liabilities are detailed in the annual Statement of Accounts and include potential insurance claims and risks attached to loans extended to external developers. As well as this, the Council has also entered into a number of financial guarantees to act as a guarantor, in particular for the safeguarding of former employee pension rights when their employment is transferred to third party organisations.

## **8. KNOWLEDGE AND SKILLS**

### **In-house expertise**

The overall Capital Programme, Capital Strategy and Treasury Management Strategy are overviewed by the Head of Finance and Assistant Head of Finance, who are both professionally qualified accountants with extensive Local Government finance experience between them. There is a Capital Accounting team consisting of experienced qualified and part-qualified accountants who maintain Continuous Professional Development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and obtain relevant skills. In addition, there is a Treasury Management team who manage the day-to-day cash-flow activities and banking arrangements of the authority. Members of this team, again, attend the necessary courses and training and have an extensive amount of experience.

### **External expertise**

All of the Council's main capital projects are overseen by project teams comprising the relevant professional disciplines from across the Council. When required, external professional advice is taken, primarily from the Council's property advisors, Newport Norse. The Council also engages with external treasury advisers for advice in relation to treasury management matters.

### **Members**

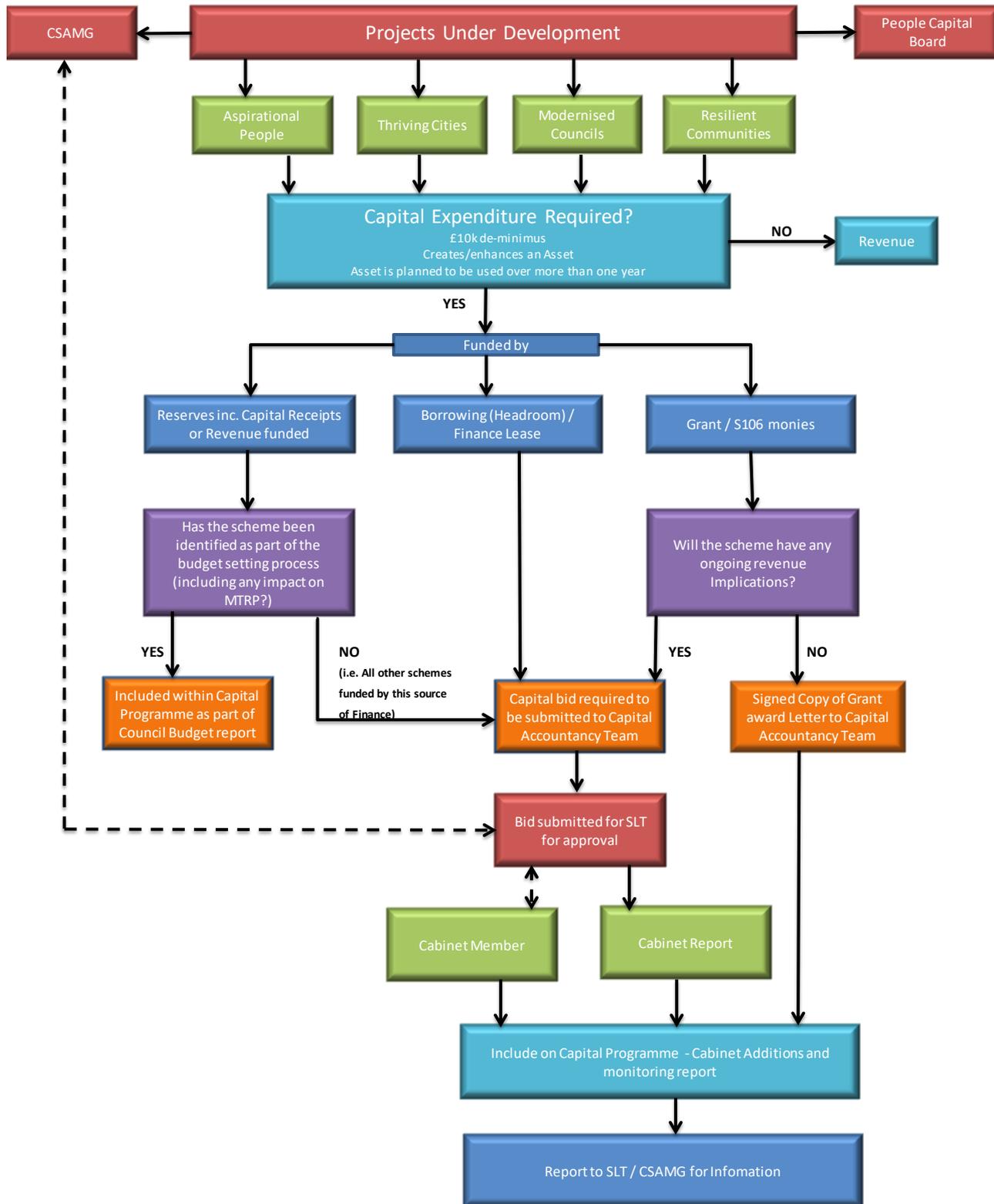
Training is offered to members to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance. The Council also involves members at a very early stage of a project's life cycle.

## **9. SUMMARY**

- Capital expenditure plans for the Council need to be affordable, prudent and sustainable.
- The MTFP includes the estimated revenue costs for the entire current capital programme, which includes a level of headroom for additional capital projects to be added without impacting further on the MRP budget, as per the agreed framework.
- There are a number of demands on the capital programme and there is the need to link the capital strategy with a number of strategic plans across the organisation. This is to ensure that the pressures on the capital programme are known and the risks are assessed and prioritised within an affordable framework. This will include clear visibility and assessment of demand for schools, highways and other operational assets.
- Decisions on funding capital expenditure through borrowing locks the Council into committing revenue funding over a very long period (as long as 40 years +). With the capital financing budget increasing over the long-term, as shown in Chart 2, the Council will need to make some difficult decisions when developing the next Capital Programme, which is now imminent, to ensure the capital plans remain affordable, prudent and sustainable.
- The Treasury Management Strategy, detailed in Appendix 3, highlights the Council's approach to managing its borrowing and investments. The proposed strategy for 2022/23 is in line with previous years and is based upon a low risk approach to both investments and borrowing. This means that investments held are generally low in value and the approach to borrowing is to look for security of costs, resulting in a generally high proportion of long term borrowing compared to short term borrowing.

# APPENDIX 2a – Capital Additions Process Map

NO CABINET MEMBER/CABINET REPORT SHOULD BE SUBMITTED UNTIL THIS PROCESS IS COMPLETE



## **Treasury Management Strategy Statement 2022/23**

### **Introduction**

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. In addition, the Welsh Government (WG) issued revised Guidance on Local Authority Investments in November 2019 that requires the Authority to approve an investment strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the WG Guidance.

**Revised strategy:** In accordance with the WG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, in the Authority's capital programme or in the level of its investment balance, or a material loss in the fair value of a non-financial investment identified as part of the year end accounts preparation and audit process.

### **External Context**

**Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6%

from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

**Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

**Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 3a.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 3%, and that new long-term loans will be borrowed at an average rate of 2.5%.

## Local Context

On 31<sup>st</sup> December 2021, the Authority held £143.8m of borrowing and £40m of treasury investments. This is set out in further detail at **Appendix 3b**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
General Fund CFR	276.3	280.9	309.1	314.4	307.9
Less: Other debt liabilities *	(41.3)	(40.7)	(38.4)	(36.1)	(33.9)
<b>Loans CFR</b>	<b>235.0</b>	<b>240.2</b>	<b>270.7</b>	<b>278.3</b>	<b>274.0</b>
Less: External borrowing **	(151.4)	(145.7)	(141.4)	(136.0)	(112.7)
Less: Usable reserves	(108.3)	(99.2)	(86.7)	(83.3)	(81.3)
Less: Working capital	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Preferred Investment position		10.0	10.0	10.0	10.0
<b>Treasury Investments or (New borrowing)</b>	<b>26.3</b>	<b>(3.7)</b>	<b>(51.0)</b>	<b>(67.4)</b>	<b>(88.4)</b>

\* leases, PFI liabilities and transferred debt that form part of the Authority's total debt

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

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

The Authority has a significantly increasing CFR due to the current capital programme, but minimal investments and will therefore be required to borrow up to £88.4m over the forecast period. This is broken down into £38.7m refinancing of maturing existing borrowing and £49.7m additional (£151.4m to £201.1m) external borrowing, while internal borrowing and investments are forecast to reduce by £29.0m and £8.2m respectively as shown in table 2 below.

Table 2: Year on year change in internal and external borrowing

	31.3.21 Actual £m	31.3.22 Estimate £m	31.3.23 Forecast £m	31.3.24 Forecast £m	31.3.25 Forecast £m
<b>Loans CFR (as per table 1)</b>	<b>235.0</b>	<b>240.2</b>	<b>270.7</b>	<b>278.3</b>	<b>274.0</b>
- Cumulative Internal Borrowing	109.9	100.8	88.3	84.9	82.9
- Investments	(26.3)	(10.0)	(10.0)	(10.0)	(10.0)
- Cumulative External Borrowing	151.4	149.4	192.4	203.4	201.1
<b>Increase in External Borrowing</b>		<b>(2.0)</b>	<b>43.0</b>	<b>11.0</b>	<b>(2.3)</b>
<i>Represented by:</i>					
Change in loan CFR (Cap Exp funded by debt less MRP)		5.2	30.5	7.6	(4.3)
Reduction in reserves					

		9.1	12.5	3.4	2.0
Reduction in investments		(16.3)	0	0	0
<b>Increase in External Borrowing</b>		<b>(2.0)</b>	<b>43</b>	<b>11.0</b>	<b>(2.3)</b>

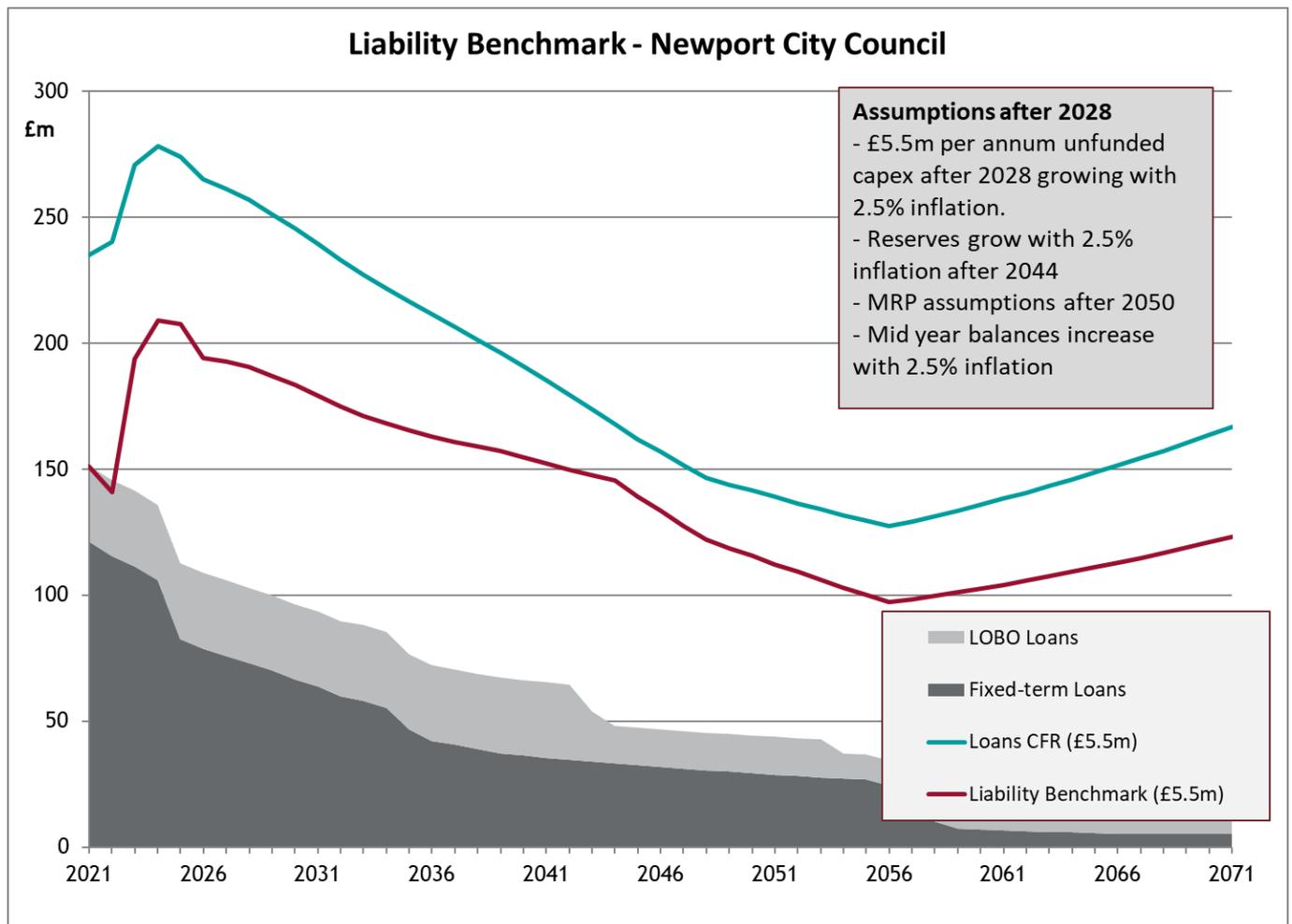
CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2021/22.

**Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 1 above, which are based on the existing Capital Programme, but that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 3: Liability benchmark

	<b>31.3.21 Actual £m</b>	<b>31.3.22 Estimate £m</b>	<b>31.3.23 Forecast £m</b>	<b>31.3.24 Forecast £m</b>	<b>31.3.25 Forecast £m</b>
Loans CFR	235.0	240.2	270.7	278.3	274.0
Less: Usable reserves	(108.3)	(107.7)	(85.3)	(77.5)	(74.7)
Less: Working capital	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Plus: Minimum investments	26.3	14.8	10.0	10.0	10.0
<b>Liability Benchmark</b>	<b>151.4</b>	<b>140.9</b>	<b>193.8</b>	<b>209.2</b>	<b>207.7</b>

From the table above and chart below it is evident to see the steep increase in the liability benchmark, flagging the need to slow down borrowing beyond the current programme. The long-term liability benchmark beyond the current programme shows a model based on a prudent level of capital expenditure to reduce the long-term liability benchmark. This is shown in the chart below (detail of alternative modelled scenarios for the period of the next 10 years are included in Section 4 of the Capital Strategy):



The chart above shows actual borrowing maturing over time (grey area reducing), however the need to borrow (the blue CFR line) is increasing significantly over the short term due to the extensive capital programme. Over the long-term, to ensure a sustainable position, the CFR needs to come down in order for the liability benchmark to stabilise and reduce to current levels (note, even with a steep reduction in CFR the liability benchmark doesn't reduce to current levels until circa 2047). Therefore, the chart is demonstrating the following important points/assumptions:

- To be sustainable, the CFR cannot continue increasing at the rate it is currently, and a prudent limit should be placed on the future capital programme to reduce the CFR over the long-term (set out further in the Capital Strategy)
- The ability to use further internal borrowing will diminish, with internal borrowing reducing over time as reserves are utilised.
- As existing borrowing matures (grey area reducing) there will be the need to refinance this debt over the long-term.
- The liability benchmark is increasing significantly in the short term, meaning that the Council will be required to undertake new borrowing over time, therefore putting pressure on the revenue budget through increased interest payments.
- The only way to reduce this need to borrow is to reduce the level of capital expenditure funded by borrowing.

### **Borrowing Strategy**

The authority currently holds £143.8 million of loans, a decrease of £5.4 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 1 shows that the authority expects to borrow up to £192.4 million in 2022/23. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £271 million.

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

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

By doing so, the authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The authority has previously raised the majority of its long-term borrowing from PWLB but will consider long-term loans from other sources including, banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the authority intends to avoid this activity in order to retain its access to PWLB loans.

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

In addition, the Authority may borrow further short-term loans to cover unplanned cash flow shortages.

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Greater Gwent Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency and other special purpose companies created to enable local authority bond issues

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

- leasing
- hire purchase
- Private Finance Initiative
- Sale and leaseback

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund

their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

**LOBOs:** The authority holds £30m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOs have options during 2022/23, and although the authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £30m.

**Short-term and variable rate loans:** These loans leave the authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Treasury Investment Strategy**

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the authority's treasury investment balance has ranged between £17.9 million and £62.2 million, with levels of c. £10 million to £20 million expected in the forthcoming year.

Loans to organisations providing local public services i.e. regeneration and purchases of investment property are not normally considered to be treasury investments, and these are therefore covered separately in Appendix C.

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

**Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the authority aims to diversify into more secure and/or higher yielding asset classes during 2022/23. This is especially the case for the estimated £10 million that is available for longer-term investment. The majority of the authority's surplus cash is currently invested in short-term unsecured bank deposits and local authorities, although an amount is also now invested in money market funds. This diversification will represent a continuation of the strategy that commenced during 2021/22.

**Business models:** Under the new IFRS 9 standard, the accounting for certain investments depends on the authority's "business model" for managing them. The authority aims to achieve value from its

internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

**Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 4 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 4: Approved investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£20m	Unlimited
Secured investments *	20 years	£10m	Unlimited
Banks (unsecured) *	13 months	£5m	Unlimited
Building societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£25m
Money market funds *	n/a	£10m	Unlimited
Strategic pooled funds	n/a	£10m	£25m
Real estate investment trusts	n/a	£10m	£25m
Other investments *	5 years	£5m	£5m

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 5 years	£10m 20 years	£10m 50 years	£5m 20 years	£5m 20 years
AA+	£5m 5 years	£10m 10 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£5m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£5m 3 years	£10m 4 years	£10m 10 years	£5m 4 years	£5m 10 years
A+	£5m 2 years	£10m 3 years	£5m 5 years	£5m 3 years	£5m 5 years
A	£5m 13 months	£10m 2 years	£5m 5 years	£5m 2 years	£5m 5 years
A-	£5m 6 months	£5m 13 months	£5m 5 years	£5m 13 months	£5m 5 years
None	£1m 6 months	n/a	£10m 25 years	Not Applicable	£5m 5 years
<b>Pooled funds and real estate investment trusts</b>	£10m per fund or trust				

This table must be read in conjunction with the notes below

**\*Minimum Credit rating:** Treasury investment limits in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £20m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share

price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £1 million per bank (in exceptional circumstances i.e. late receipt of significant sums this may be higher for a short-period of time). The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

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

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

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

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment levels to fall but will protect the principal sum invested.

**Investment limits:** The Authority's revenue reserves available to cover investment losses are forecast to be £107.7 million on 31<sup>st</sup> March 2022. In order that no more than 15% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £10 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Limits will also be placed on fund managers, investments in brokers' nominee accounts and foreign countries and as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Table 4: Additional Investment limits**

	<b>Cash limit</b>
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country

**Liquidity management:** The Authority uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least two providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

### **Treasury Management Prudential Indicators**

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper-limit on the one-year revenue impact of a 1% rise or fall of interest rates will be:

<b>Interest rate risk indicator</b>	<b>Limit</b>
Upper limit on one-year revenue impact of 1% <u>rise</u> in interest rates	£200,000
Upper limit on one-year revenue impact of 1% <u>fall</u> in interest rates	£100,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

**Maturity structure of borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

<b>Refinancing rate risk indicator</b>	<b>Upper</b>	<b>Lower</b>
Under 12 months	60%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	40%	0%
10 years and within 20 years	30%	0%
20 years and within 30 years	20%	0%

30 years and within 40 years	20%	0%
40 years and within 50 years	20%	0%
50 years and above	20%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£10m	£10m	£10m

### **Related Matters**

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

**Financial Derivatives:** In the absence of any explicit legal power to do so, the Authority will not use standalone financial derivatives (such as swaps, forwards, futures and options). Derivatives embedded into loans and investments, including pooled funds and forward starting transactions, may be used, and the risks that they present will be managed in line with the overall treasury risk management strategy.

**Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Head of Finance believes this to be the most appropriate status.

**Government Guidance:** Further matters required by the WG Guidance are included in Appendix 3c  
**Financial Implications**

The budget for investment income in 2022/23 is £0.3 million, based on an average investment portfolio of £10 million at an interest rate of 3%. The budget for debt interest paid in 2022/23 is £6.9 million, based on a debt portfolio with a weighted average interest rate of 3.6%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

### **Other Options Considered**

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

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at	Debt interest costs will rise;	Higher investment balance

long-term fixed interest rates	this is unlikely to be offset by higher investment income	leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

## Appendix 3a – Arlingclose Economic & Interest Rate Forecast – December 2021

- The global recovery from the pandemic has entered a more challenging phase. The resurgence in demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. The advent of the Omicron variant of coronavirus is affecting activity and is also a reminder of the potential downside risks.
- Despite relatively buoyant activity survey data, official GDP data indicates that growth was weakening into Q4 2021. Other data, however, suggested continued momentum, particularly for November. Retail sales volumes rose 1.4%, PMIs increased, and the labour market continued to strengthen. The end of furlough did not appear to have had a significant impact on unemployment. Wage growth is elevated.
- The CPI inflation rate rose to 5.1% for November and will rise higher in the near term. While the transitory factors affecting inflation are expected to unwind over time, policymakers' concern is persistent medium term price pressure.
- These factors prompted the MPC to raise Bank Rate to 0.25% at the December meeting. Short term interest rate expectations remain elevated.
- The outlook, however, appears weaker. Household spending faces pressures from a combination of higher prices and tax rises. In the immediate term, the Omicron variant has already affected growth – Q4 and Q1 activity could be weak at best.
- Longer-term government bond yields remain relatively low despite the more hawkish signals from the BoE and the Federal Reserve. Investors are concerned that significant policy tightening in the near term will slow growth and prompt the need for looser policy later. Geo-political and coronavirus risks are also driving safe haven buying. The result is a much flatter yield curve, as short-term yields rise even as long-term yields fall.
- The rise in Bank Rate despite the Omicron variant signals that the MPC will act to bring inflation down whatever the environment. It has also made clear its intentions to tighten policy further. While the economic outlook will be challenging, the signals from policymakers suggest their preference is to tighten policy unless data indicates a more severe slowdown.

### Forecast:

- The MPC will want to build on the strong message it delivered this month by tightening policy despite Omicron uncertainty.
- Arlingclose therefore expects Bank Rate to rise to 0.50% in Q1 2022, but then remain there. Risks to the forecast are initially weighted to the upside, but becoming more balanced over time. The Arlingclose central forecast remains below the market forward curve.
- Gilt yields will remain broadly flat from current levels. Yields have fallen sharply at the longer end of the yield curve, but expectations of a rise in Bank Rate have maintained short term gilt yields at higher levels.
- Easing expectations for Bank Rate over time could prompt the yield curve to steepen, as investors build in higher inflation expectations.
- The risks around the gilt yield forecasts vary. The risk for short and medium term yields is initially on the upside but shifts lower later. The risk for long-term yields is weighted to the upside.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
<b>Official Bank Rate</b>													
<b>Upside risk</b>	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Downside risk</b>	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
<b>3-month money market rate</b>													
<b>Upside risk</b>	0.05	0.05	0.25	0.35	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	0.25	0.55	0.55	0.60	0.60	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65
<b>Downside risk</b>	0.00	-0.25	-0.25	-0.30	-0.30	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35
<b>5yr gilt yield</b>													
<b>Upside risk</b>	0.00	0.35	0.45	0.55	0.55	0.55	0.55	0.55	0.55	0.50	0.50	0.45	0.45
<b>Arlingclose Central Case</b>	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.65	0.70	0.75	0.75
<b>Downside risk</b>	-0.10	-0.20	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.40
<b>10yr gilt yield</b>													
<b>Upside risk</b>	0.10	0.25	0.35	0.40	0.45	0.50	0.50	0.50	0.50	0.50	0.55	0.55	0.55
<b>Arlingclose Central Case</b>	0.80	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.90	0.90	0.95	0.95
<b>Downside risk</b>	-0.10	-0.25	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.40	-0.40	-0.40	-0.40
<b>20yr gilt yield</b>													
<b>Upside risk</b>	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	1.00	1.05	1.10	1.10	1.10	1.10	1.15	1.15	1.15	1.20	1.20	1.20	1.20
<b>Downside risk</b>	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45
<b>50yr gilt yield</b>													
<b>Upside risk</b>	0.25	0.30	0.40	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
<b>Arlingclose Central Case</b>	0.70	0.75	0.80	0.85	0.90	0.95	1.00	1.05	1.05	1.10	1.10	1.15	1.15
<b>Downside risk</b>	-0.15	-0.30	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

### Appendix 3b – Existing Investment & Debt Portfolio Position

	31/12/2021 Actual Portfolio £m	31/12/2021 Average Rate %
<b>External borrowing:</b>		
Public Works Loan Board	98.7	3.7
Local authorities	0.0	
LOBO loans from banks	30.0	3.7
Other loans	15.1	1.3
<b>Total external borrowing</b>	<b>143.8</b>	<b>3.6</b>
<b>Other long-term liabilities:</b>		
Private Finance Initiative	41.3	
Finance Leases	0.1	
<b>Total other long-term liabilities</b>	<b>41.4</b>	
<b>Total gross external debt</b>	<b>185.2</b>	
<b>Treasury investments:</b>		
Banks (unsecured)	10.0	0.13
Local authorities	20.0	0.23
Money Market Funds	10.0	0.15
<b>Total treasury investments</b>	<b>40.0</b>	<b>0.19</b>
<b>Net debt</b>	<b>145.2</b>	

### Appendix 3c – Additional requirements of Welsh Government Guidance

The Welsh Government (WG) published revised Investment Guidance in November 2019 which places additional reporting requirements upon local authorities that are not integral to this authority’s treasury management processes. The guidance also covers investments that are not part of treasury management, for example investment property and loans to local organisations.

**Contribution:** The Authority’s investments contribute to its service delivery objectives and/or to promote wellbeing as follows:

- treasury management investments support effective treasury management activities,
- loans to local organisations provide financial support to those organisations to enable them to deliver local public services that would otherwise be provided directly by the authority, and
- investment property provides a net financial surplus that is reinvested into local public services.

**Climate change:** The Authority’s investment decisions consider long-term climate risks to support a low carbon economy to the extent that the Council have invested in, as part of the overall capital programme, a number of energy efficiency related schemes, including LED projects and Solar PV, as well as ultra-low emission vehicles.

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

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

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

**Loans:** The WG Guidance defines a loan as a written or oral agreement where the authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who agrees a return according to the terms and conditions of receiving the loan, except where the third party is another local authority.

The Authority will provide loans where there has been appropriate due diligence undertaken and where possible ensure there is appropriate security i.e. charges on assets. In addition, the authority will fund the loan at the point of drawdown through an appropriate charge i.e. Minimum Revenue Provision charge or funded directly via earmarked reserves.

The Authority uses an allowed ‘expected credit loss’ model for loans and receivables as set out in *International Financial Reporting Standard 9 Financial Instruments* as adopted by proper practices to measure the credit risk of its loan portfolio. Appropriate consideration is given to state aid rules and competition law. The Authority has appropriate credit control arrangements to recover overdue repayments in place.

**Non-specified investments:** Any financial investment not meeting the definition of a specified investment or a loan is classed as non-specified. Given the wide definition of a loan, this category only applies to units in pooled funds and shares in companies. Limits on non-specified investments are shown in table C2; the Authority confirms that its current non-specified investments remain within these limits.

Table C2: Non-specified investment limits

	Cash limit
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Units in pooled funds without credit ratings or rated below [A-]	£10m
Shares in real estate investment trusts	£10m
Total non-specified investments	£10m

**Non-financial investments:** This category covers non-financial assets held primarily or partially to generate a return, primarily investment property. The Council holds investment properties to the fair value of £9.9m, not including the Council's share of investment properties held by the Cardiff Capital Region City Deal. During 2020/21, there was a net revenue cost of holding these properties of £66,000.

**Investment advisers:** The Authority has appointed Arlingclose Limited as treasury management advisers and Newport Norse as property investment advisers. The quality of these services is controlled by regular review of the services provided by both advisers and regular strategy meetings with them.

**Capacity and skills:** The authority ensures that members and statutory officers involved in investment decisions have the appropriate skills, capacity and information to take informed decisions, assess individual investments in the context of strategic objectives and risk profile, and how the quantum of decisions impact upon the overall risk exposure of the authority. Steps taken include relevant training for elected members and a minimum level of qualification for statutory officers, as well as ensuring continuing professional development, via attendance at relevant training courses.

### Appendix 3d – Minimum Revenue Provision Policy

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Welsh Government’s *Guidance on Minimum Revenue Provision* (the WG Guidance) most recently issued in 2018.

The broad aim of the WG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Welsh Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The WG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the guidance.

For supported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments. This is currently deemed to be an average of 40 years.

For unsupported capital expenditure incurred after 31<sup>st</sup> March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in on an annuity basis with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational.

For capital expenditure loans to third parties that are repaid over a short time period (less than 12 months) or frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. The only other scenario whereby MRP would not be charged is where there is unencumbered first charge security, held against separate assets, upon which the loan is secured. For all other capital expenditure loans to third parties, MRP will be charged in accordance with the MRP policy for the assets funded by the loan.

The MRP policy and charges in relation to the Cardiff City Capital Region ‘City Deal’ will reflect those within the Joint Working Agreement.

Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

Based on the authority’s latest estimate of its Capital Financing Requirement as at 31<sup>st</sup> March 2022, the budget for MRP has been set as follows:

	<b>31.03.2022 Estimated CFR £m</b>	<b>2022/2023 Estimated MRP £m</b>
Supported capital expenditure	161	4
Unsupported capital expenditure	77	4
Finance leases* and Private Finance Initiative	41	2
<b>Total General Fund</b>	<b>279</b>	<b>10</b>

\* Where former operating leases will be brought onto the balance sheet on 1<sup>st</sup> April 2022, due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

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# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** 2022/23 Budget and Medium Term Financial Plan

**Purpose** To review the council's council tax increase for 2022/23 and resulting total net revenue budget as recommended by Cabinet on 18 February 2022; agree a council tax increase and the resulting council tax resolution for 2022/23.

**Author** Head of Finance

**Ward** General

**Summary** Following recommendation by Cabinet, the Council needs to review and decide on the level of council tax and the resulting total net revenue budget for 2022/23.

Cabinet met on the 18 February 2022 and finalised detailed budget recommendations. This report sets out their recommended overall 2022/23 budget, resulting service cash limits, council tax increase and the council's general reserve and contingencies. An increase in council tax of 2.4% (to £1,272.01 per annum at Band D) for Newport City Council is recommended. A 2.4% increase on council tax is an increase of £1.93 per month, £2.21 per month and a £2.48 per month increases for Band B, C and D properties respectively.

The Cabinet have built on the medium term financial projections (MTFP) approved last March and, in a year unlike any other, approved a package of investments. The much better than anticipated settlement from Welsh Government meant that the budget could be balanced in 2022/23 without the requirement to find additional savings. The medium term projections are included within appendix 4.

The Council's business and financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the period under our mission of 'Improving Peoples lives'. The budget recommended includes the funding for the key outstanding priorities and promises set out in the plan, as needed. Considering the medium term financial sustainability challenge, further work is required to ensure the budget is balanced over the medium term whilst meeting our duties under the well-being and socio-economic objectives.

### Section:

- 1 Background
- 2 Setting the budget
- 3 Welsh Government funding
- 4 2022/23 budget requirement
- 5 Medium term financial plan (MTFP)
- 6 Budget consultation
- 7 Risk, reserves, financial resilience, and performance

**Appendix:**

Appendix 1	Service area budgets
Appendix 2	Precepts and council tax
Appendix 3	Council tax resolution
Appendix 4	Medium term financial plan (MTFP)
Appendix 5	Financial resilience snapshot
Appendix 5a	Projected earmarked reserves
Appendix 6	Reserves strategy and invest to save protocol

**Proposal** Council is asked:

**Revenue budget and council tax 22/23** (section 2-8)

- 1 To note that an extensive consultation exercise has been completed on the 2022/23 budget proposals. Cabinet have taken this into account in recommending final details of their budget
- 2 To note the Head of Finance's recommendations that minimum General Fund balances be maintained at a level of at least £6.5million, the confirmation of the robustness of the overall budget underlying the proposals, subject to the key issues highlighted in section 7. Also, to note the potential use the general reserves and the wider package of revenue budget provision and uncommitted reserves, as set out in section 7 to provide mitigation for the uncertainty surrounding the ongoing impact of the pandemic.
- 3 To consider and approve a council tax increase for Newport City Council of 2.4%, a Band D tax of £1,272.01; and resulting overall revenue budget shown in appendix 1
- 4 To approve the formal council tax resolution, included in appendix 3 which incorporates The Police and Crime Commissioner for Gwent and Community Council precepts

**Medium term financial plan** (section 5)

- 5 To note the MTFP and the uncertainty facing Local Government over the medium term around the progress of the pandemic, economic challenges, increasing demand within service areas and Brexit
- 6 To note Cabinet's approval of the implementation of the three-year plan, including all budget proposals, as summarised within the medium term financial plan (appendix 4). Considering point 5 above it should be noted that financial projections are subject to on-going review and updating.
- 7 To note and approve the councils reserves strategy and invest to save protocol. Estimated reserve balances as of 31 March can be found within appendix 5a.

**Action by** Head of Finance – 2022/23 council tax billing and detailed budgets to be prepared in line with recommendation.

**Timetable** Immediate

This report was prepared after consultation with:

- Leader of the Council
- Chief Executive
- Directors

**Signed**

## 1 Background

- 1.1 The draft budget proposals for 2022/23 have been subject to public consultation. The proposals have been consulted on through a range of stakeholder groups as set out in paragraph 6.1.
- 1.2 The draft settlement received on 21 December 2021 confirmed the funding position for 2022/23 and included a multi-year funding settlement, which brings a reasonable level of certainty over the medium term regarding the Council's revenue budget funding which will help financial planning. The announcement confirmed that funding would increase by 10.2% for 2022/23 (after transfers into the settlement), which is a welcomed uplift as it has enabled the Council to support a growing population, support major cost and demand pressures that the Council continues to face during a challenging economic period and assist in reducing the budget gap over the medium term. Subsequently, the identification of new savings was not required to balance the budget for 2022/23 at the draft budget stage.
- 1.3 The Council's final RSG settlement will be announced on 1 March 2022. Although no changes are anticipated in the final funding allocated to Newport, any change will need to be verbally updated at the Council meeting itself on 1 March.
- 1.4 Given the better than anticipated draft settlement, Cabinet were given some financial flexibility to meet spending priorities and respond to public consultation by allocating £3.9m 'cash in hand' balance at the February Cabinet meeting. It was at this stage that the overall net budget and resulting council tax was agreed for recommendation to Full Council. The overall package of investments for 2022/23 is set out in section 4.
- 1.5 The next section explains the link between the medium term outlook and how this translates into the requirement on the council to set a balanced budget.

## 2 Setting the budget

- 2.1 There are two main elements to the Council's financial planning;
  - strategic planning: medium term financial projections (MTFP)
  - within that, the annual Council budget.
- 2.2 The Council is required by law to set a balanced budget every year. At the same time, the MTFP is reviewed and updated to help plan savings and investments across the next three to four years. A key part of the review is to ensure that key priorities are included, incorporating outstanding priorities as set out within the Corporate Plan.
- 2.3 The budget has been developed over several months starting with a review of existing investments and savings previously agreed, delivery of savings and consideration given to the need for new investment and growth. The outstanding priorities of the Corporate Plan and other commitments featured in this review are contained in the MTFP. The budget proposals that have been incorporated into service area cash limits were reviewed in detail with Cabinet.
- 2.4 Whilst Cabinet are responsible for the detailed spending plans, the council tax level underpinning the overall budget is approved by Council. The proposed budget is included within appendix 1 and is based on detailed proposals approved by Cabinet on 18 February. Members have also had sight of the budget proposals previously via the Council's Scrutiny Committees in January. The detailed proposals can be found appended to the Cabinet agenda [Budget investments](#) (weblink) and previously agreed [Budget savings](#) (weblink).
- 2.5 Council should note that Cabinet continues to take a strategic and medium term view and has approved the implementation of the Council's three-year plan, including all budget investments and previously agreed savings as summarised within the MTFP.

- 2.6 A key part in considering and agreeing the annual budget and MTFP are the financial resilience issues and how the budget deals with key risks. These were considered in detail by Cabinet on 18 February and are outlined below in this report for Council.

### **3 Welsh Government funding**

- 3.1 As the result of the final settlement not being known at the time of writing, Cabinet have finalised the 2022/23 budget based on the funding position made up of the draft Aggregated External Finance (more commonly referred to as the “Revenue Support Grant – RSG”), the confirmed increase in the Council’s tax-base and a requirement for a 2.4% increase in the council tax rate, as recommended to Council.
- 3.2 Although councils have until 11 March each year to set council tax, in practical terms, to delay beyond this meeting date would cause delays to billing and collection of council tax. This would have a significant adverse impact on the collection of Council Tax and therefore the Council’s cash flow.

### **4 2022/23 budget requirement**

- 4.1 Funding levels for service areas, based on the final proposals, are shown in appendix 1 with the detailed budget investments / pressures and previously agreed savings shown in the [February Cabinet report](#) (weblink). It should be noted that the funding levels reflect the recently agreed senior management restructure and for this reason does not include any comparative data and are subject to minor change as the finer details of the functions and where they sit in the new structure are finalised over the coming few months.
- 4.2 As documented within the February Cabinet report, Newport received the fourth greatest increase of the overall 9.4% net funding increase for Local Government across Wales, and much higher than that included within planning assumptions. This resulted in a ‘a balance in hand’ being reported to Cabinet in January. This was subsequently allocated during the February Cabinet meeting and is included within the overall package of investment set out below.
- 4.3 Proposals for 2022/23 include over £28m of budget investments / pressures (including inflation). The most significant areas of additional expenditure are linked to:
- £8,003k investment in school budgets. As stated within the February update, provision for teachers and non-teaching staff pay awards within schools will be distributed to individual schools after confirmation of any pay award by the WG, with the intention of fully funding cost increases in the schools’ budget sector; up to the maximum funding available.
  - £6,502k investment in social care which includes funding to pay social care staff the Real living Wage from April 2022, additional provision to cover the risk of higher on-going costs in the sector and increased demand for both children’s and adult services;
  - £1,597k increase in employers’ national insurance contribution from 13.80% to 15.05%;
  - £500k to help manage the financial risks around the on-going impact of covid and no hardship fund from 2022/23;
  - £377k investment to create a positive impact both on the city centre and the businesses within it;
  - £255k investment for the maintenance of our parks play areas and equipment.
- 4.4 In addition to this base budget investment, significant specific grants are received from WG each year, and, at this time, we still await the finer details of funding levels for 2022/23. Specific grants are a key element of Council’s funding which often assists in supporting core service delivery. As noted within the February report, it is likely that a small number of grants will see decreases in funding during 2022/23 and it is proposed, in line with the Council’s current working policy, that

service areas deal with these matters with Cabinet Members in terms of identifying issues as they become aware of them and developing necessary solutions to resolve them. This may involve reducing/ stopping services that WG specific grants no longer fund. These grants will be included within service areas budgets once the value and conditions are known.

## **5 Medium term financial plan (MTFP)**

- 5.1 The Council's financial planning is underpinned by the Council's Corporate Plan 2017-22 that sets out a clear set of aspirations and plans for the future under our mission of 'Improving Peoples lives'. This provides a focus for decisions around spending and directs activity across the Council. The new Corporate Plan for the Council's new administration after the May 2022 local elections may also include specific areas of investment which have a financial impact. These, therefore, require careful management over this period as any new investments arising from the new Corporate Plan will need to be managed from within existing resources. The current medium term financial projections are included in appendix 4.
- 5.2 The MTFP is the articulation of the financial challenges the council face over the medium term and includes the investments proposed over the next three years. It also includes those savings, which have previously been approved over the life of this plan in February 2021 Cabinet. The Council is required to set a balanced budget each year, this is against the backdrop of sustaining over £30m of savings over the last five years. The HoF will continue to work with the Executive Board, Corporate Management Team and Cabinet to develop the budget strategy over the medium term to ensure the following issues and uncertainties are accounted for as appropriate:
- the progress of the pandemic, the ongoing impact on lives and on public services (magnified by the Omicron variant);
  - economic challenges, in the context of major cost and demand pressures and the extent to which the pandemic and the UK's exit from the European Union has done lasting damage to the economy.
  - The cost of living and the increase in National Living Wage has a significant impact on current levels of inflation;
  - increasing demand within service areas over and above provision already made within the MTFP;
  - increasing costs of funding the Council's levels of planned debt, linked to its substantial capital programme and the reduction in its 'internal borrowing' capacity;
  - financial issues in school budgets;
  - Brexit.

## **6 Budget consultation**

- 6.1 The budget proposals agreed by Cabinet in January have been consulted on through a range of stakeholder groups and formats, which are as follows:
- with Trade Unions via the Employee Partnership Forum on 10 February 2022;
  - with all Scrutiny Committees in their January 2022 meetings where Members discussed the detailed investments plus the MTFP;
  - with the Schools' Forum on 20 January 2022;
  - with the public from 14 January 2022 to 11 February 2022;
  - Newport Fairness Commission has reviewed the proposals in terms of their parameters of fairness;

The detailed results of the consultation were shared at the February Cabinet meeting. In summary, there was a general acknowledgement of the financial pressures facing the Council reflected in support for many of the proposals, however, a significant majority of the public were

not in support of the 3.7% council tax increase that was consulted upon and as a result the Cabinet are recommending a council tax increase of 2.4% to Council.

### **Fairness and Equality Impact Assessments (FEIAs)**

- 6.2 As there are no new savings proposals in the 2022/23 budget and over the medium term there are no individual fairness and equality impact assessments. However, an overarching assessment of the impact of the budget has been undertaken and was included within the February Cabinet report. Given that the administration has been able to avoid making cost savings, the overall impact of the budget is expected to be positive in terms of equalities and the socio-economic duty.

## **7 Risk, reserves, financial resilience, and performance**

### **Financial risks**

- 7.1 The proposed budget incorporates a number of assumptions in terms of levels of income and expenditure in future years. There are, therefore, inevitably a number of financial risks inherent in the proposed budget, which were described in detail to Cabinet when finalising budget proposals. Key risks include;

- following the end of the WG Hardship Fund, continuation of additional costs of responding to the pandemic and supporting the wider economic recovery, as well as ongoing income losses, over and above the provision that has been made within the budget;
- stability of social services providers;
- continuation of demand beyond the level of investment approved resulting in cost pressures in the future;
- budget challenge for schools;
- Brexit.

As the February update explains, current year underspends and one-off funding will provide funding to support potential mitigation for the above risks. Cabinet, in their February meeting agreed the following mitigation in terms of both base budget provision and the temporary reclassification of specific earmarked reserves. This highlights the total mitigation available for all risks but in particular the risk associated with ending of the WG hardship fund and the continued impact of the pandemic.

#### Revenue budget provision

- existing contingency budget for normal financial risks and covid/ hardship fund risks - £1,300k
- existing headroom in capital financing budget in 2022/23 temporarily re-classified for covid/ hardship fund risks - £2,000k
- existing headroom in city centre investment budget in 2022/23 temporarily re-classified for covid/ hardship fund risks - £980k
- £500k budget provision for 2022/23 for potentially more permanent budget adjustments into the future as well as providing risk mitigation with the above in 2022/23.

In addition, specific budget investments has been made in the social care budgets and housing / homelessness budget. In the latter service's case; this is at a level which meets the need of current increased demand levels on the service and staffing capacity to deal with that and in the former service's case, to deal with care provider's stability, in the main.

## Reserves

In addition to the above revenue budget provision, the following uncommitted reserves will be repurposed for covid/ hardship fund risks in 2022/23. These in total are c£2m and as above, can be re-prioritised if not needed when there is more certainty on the risks and actual impact. These are:

- £1,185k uncommitted funds within the 'MTFP reserve'
- £497k uncommitted funds within the 'investment reserve'
- £138k cumulative total of smaller residual reserve balances
- £64k uncommitted funds within the 'general investment risk reserve'

The emerging underspend in the current year will also be available for earmarking to other specific new priorities and any other issues, in due course.

## **Reserves**

- 7.2 In terms of contingencies and reserves, the Head of Finance has reviewed these in their totality in conjunction with the base budget and the financial risks associated with delivering the budget in 2022/23. This review incorporates a medium term view and considers key developments that may affect the need for and use of one-off resource.
- 7.3 Protection against budget risks is provided through earmarked reserves and contingencies. In addition, the Council has a number of earmarked reserves for known, but not always easily quantifiable, financial risks.
- 7.4 An analysis of projected earmarked reserves can be found in appendix 5.

## **Financial resilience**

- 7.5 A robust view is taken in managing budget risks and protecting the financial health of the Council. In that respect, the Council's financial resilience is a key consideration and appendix 5 shows the current 'snapshot' of the key data and information showing an overview of the health of the Council currently. Key headlines include:
- 7.6 Earmarked Reserves:
- The Council maintains a good level of earmarked reserves. By their very nature, the vast majority are earmarked for specific purposes and many committed/in drawdown and use. In that respect, and as regularly pointed out, they provide a good level of financial mitigation as a last resort but use of them means that the original purpose would be affected and/ or would result in a budget pressure to build those reserves up again.
- 7.7 Revenue Contingency budget – General Reserves:
- The contingency base budget and other specific risk reserves held by the Council are taken into consideration when assessing the level of the general reserve and help to mitigate the risk to the Council. There are a number of on-going risks currently which are uncertain, and the general reserve is increasingly becoming too low, as the Council's net budget increases substantially each year. However, the general reserve can be maintained at that level at this point due to the overall total level of reserves which, as a last resort, provide more than adequate financial mitigation for risks, albeit with resulting impacts as noted above.
- 7.8 School budgets- Reserves:

The position in schools has seen significant improvement over the last 2-3 years. Current projections look much more healthy than previously due to improvements made by the Council and also significant one off grant being awarded at the end of last, and this, financial year. The forecast overspend this year will see reserve balances reduce to £7,105k at the end of the year, although this could change in the last quarter as so often is the case with new grants received. Work with specific schools to review their deficit recovery plans continue to demonstrate improvements, however, unless schools continue to manage within their available annual budget in future this has the potential to impact upon the financial resilience of the overall Council in due course.

7.9 Current budget savings-managing the revenue budget – demands on the revenue budget:

The Council has identified and continues to monitor budget reductions of £3.4m in 2021/22 and whilst understandable delays in delivery is evident, HoS have confirmed they can and will be implemented. This is alongside delivering outturns within and under budget over recent years, despite the delivery of £30m savings over the last 5 years. This needs to be viewed within the context of continued significant demands which are faced by service areas, namely children's social care and schools, which have been highlighted throughout the year as part of the budget monitoring process. Whilst the historical pattern of increased demand in our 'people services' have been significantly affected over the last 2 years, the underlying trend of increasing demand is still evident and could increase post-pandemic. Increasingly, we are seeing issues emerge in our 'place services', resulting from historical under-investment in our infrastructure, resource levels and the growing importance of community-based services during these recent times.

7.10 The Council is developing a strategic transformation/change programme and has its 'invest to save' reserve to fund the one-off cost of change. The programme is integral to developing ongoing financial sustainability whilst also ensuring key services can be delivered.

7.11 Ongoing and new risks:

These are discussed and noted in the risk section above in the main. There are specific risks coming out of the covid pandemic which will continue beyond this financial year and WG have been clear in saying that councils will need to manage the financial impacts of those from that point. These require an assessment and mitigation. In addition, there are other non-covid risks, some which are mitigated via current earmarked reserves, and which also require the normal review and assessment. Inadequate provisions will impact on the Council's plans and finances.

7.12 Overall, whilst there are some underlying issues and challenges, the Council's financial resilience remains strong, and it has financial capacity to develop and change services in response to continuing pressure on funding and increased demand for services.

7.13 The base general budget contingency, specific Covid / loss of hardship fund revenue budget contingency, alongside the level of recommended general and earmarked reserves reflect the overall potential financial risk associated with delivering the budget in 2022/23. Whilst there is significant uncertainty around a number of on-going risks at this point, these provide sufficient capacity in total to cover financial risks. In light of this approach, the Head of Finance, as part of his S151 responsibilities, is content that the 2022/23 overall budget as proposed is robust.

7.14 Council are also requested to approve the reserve strategy and the invest to save protocol as part of the annual budget setting process. The reserves strategy and invest to save protocol are included within appendix 6.

## 8 2022/23 proposed Council Tax

8.1 Newport continues to have one of the lowest council tax rates in Wales, amongst the lowest in the UK and spends significantly lower than its standard spending assessment (SSA) compared

with other local authorities. Whilst changes in council tax levels are usually noted in percentage terms, the cash increase this delivers in Newport will be smaller relative to other local authorities as our starting position is lower.

- 8.2 Cabinet have recommended a 2.4% council tax increase to Council, which is below the base assumptions of 4% made for future years. This would result in a Band D council tax of £1,272.01, which is an increase of £2.48 per month for Band D properties. Although the draft 2022/23 settlement was more favourable than anticipated, historical decisions on council tax levels will have a longer term impact on our overall funding and how we compare against our standard spending assessment (SSA). Previously, the key consideration for Cabinet has been to ensure that the correct balance has been found between council tax increases and the level of savings. Although this year's settlement was much better than expected and there is no requirement for new savings, Council must be mindful of the ongoing impact of relatively low council tax increases. Budget investments in 2022/23 are over £28m, of which only £1.9m are funded through net council tax increases. Newport's council tax is currently the third lowest in Wales and spends £12m less than SSA, which is almost entirely down to the low council tax.
- 8.3 Based on the recommended 2.4% council tax and the package of investments set out in paragraph 4.3, the table below illustrates the net budget and funding agreed by Cabinet at its meeting on 18 February 2022.

**Table 1: 2022/23 available and required budget**

The table below shows the available and required budget funding with a 2.4% increase in council tax. In setting council tax, the Council needs to be aware of the need to set a balanced budget.	
<b>Council Tax at Band D at 2.4%</b>	£1,272.01
<b>Budget requirement</b>	<b>£000</b>
Base budget 2021/22	315,930
Inflation & increments	10,357
Transfer from reserves	(563)
<b>DRAFT BASE BUDGET 2022/23 (before investments/savings)</b>	<b>325,724</b>
Budget investments – (£17,737k (inc. £254k of transfers in from RSG) shown in list of pressures plus increase of £363k required in council tax benefit based on 2.4% council tax increase)	18,100
Previously agreed budget savings	(812)
<b>DRAFT BASE BUDGET 2022/23</b>	<b>343,012</b>
<b>Draft funding available</b>	
Draft WG settlement	265,612
Current council tax at new tax base	75,134
Increased council tax @ 2.4%	2,266
<b>Total</b>	<b>343,012</b>
<b>Balance</b>	-

- 8.4 The final budgets, as detailed in appendix 1, incorporate the above recommendations. In finalising the budgets from the draft, Cabinet were aware of the key messages/ concerns/ support coming out of the consultation.

8.5 The Cabinet was also mindful of the need to balance the interests of service users with taxpayers given the current economic climate and the financial challenges that are being faced by residents. In addition, it should be noted that the council tax, even with the increase recommended, would still be low in comparison to other Welsh authorities.

### Community / Police precepts and Council Tax calculation

8.6 The ultimate council tax calculation includes precept figures from The Police and Crime Commissioner for Gwent and precept figures from community councils within the city as well as the city council's own budget. These are shown in appendix 2. The resulting council tax resolution is set out in appendix 3. These are based on the budget proposals agreed by Cabinet on 18 February 2022.

### Risks

Detailed financial risks are included in the various sections of the report and appendices where applicable

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Previously agreed budget savings not delivered	L	L	(i) robust budget proposal process (ii) robust budget monitoring (iii) programme governance (iv) service planning (v) retention of reserves and budget contingency	Head of Finance/ Heads of Service
Budget savings not delivered on time leading to in year overspending	L	M	(i) robust budget monitoring (ii) programme governance (iii) retention of reserves and budget contingency	Heads of Service Head of Finance
Unforeseen Pressures	H	H	(i) retention of reserves and budget contingency (ii) robust budget review	Head of Finance/ Heads of Service

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

When developing budget proposals for consideration, due regard has been given to key council policies and priorities and Cabinet, in setting the detailed budget and spending plans, considered these in detail in their February meeting. Details are included in the February 2022 budget paper, which confirm that the key priorities and outstanding promises set out in the Corporate Plan are funded appropriately to meet the targets proposed.

### Options Available and considered

The Council must approve a recommended council tax and resulting overall revenue budget for 2022/23.

### Preferred Option and Why

Council has various options available to them on the level of council tax and therefore the overall total revenue budget for the Council.

## **Comments of Chief Financial Officer**

The key financial issues and information are contained within the main body of this report. A balanced budget has been set on the assumption and recommendation of a 2.4% increase from the current 2021/22 level. It is important that a final decision is taken at this meeting in order for preparation of Council Tax bills and updates to resulting direct debits to progress.

The budget has been agreed within a period of significant uncertainty, in particular from the on-going impacts of Covid and the ending of the WG Hardship Fund which has funded specific costs coming out of the pandemic to date. A 'package' of specific mitigation has been put together and agreed by Cabinet as set out in their February report and summarised in this report. Given it includes the Council's general budget contingency as well as temporarily re-prioritised revenue budgets and reserves, the package will need to cover all issues which might result in unavoidable budget overspending and not just Covid/Hardship Fund issues. The package put together would protect the other reserves of the Council, which are earmarked for other uses and priorities if the issues can be contained within the overall value of the package. In saying that, it can't be known with any reasonable certainty if the package will be sufficient as the impact of the pandemic over the next 12 months is highly uncertain, but it represents a reasonable total level of funding. Importantly, the Chief Executive, Directors and HoS will need to put in place specific controls and review mechanisms at both corporate and service levels to manage the response to the situation over the next 12 months.

Within the unavoidable uncertainty mentioned, the Council also has its other reserves and whilst earmarked, do provide financial mitigation in the last resort, though would require their original use to be re-assessed and/or bring about financial pressures to repay them. As the report confirms, the total level of resources and reserves provide a good level of mitigation and the budget, as proposed, is therefore robust.

## **Comments of Monitoring Officer**

The Revenue Budget Report and MTFP have been prepared in accordance with the requirements of the Local Government Act 2003 and the Local Government Finance Act 1992. In accordance with Section 25 of the 2003 Act, the Council must have regard to the advice of the Head of Finance, as the Council's Chief Finance Officer, regarding the robustness of the budget estimates and the adequacy of the financial reserves. This advice must be taken into account when considering the recommendations from Cabinet regarding the budget and the Council tax rate. In accordance with the Functions and Responsibility Regulations, agreeing the overall budget and setting the Council Tax rate under the 1992 Act is a matter for full Council. Therefore, the recommendations of the Cabinet are subject to ratification and approval by full Council, insofar as they relate to the overall budget and Council tax proposals for 2022/23. However, the approval and implementation of the individual investment proposals within the Report are executive matters for the Cabinet and the Heads of Service, in accordance with the scheme of delegation, provided that they are in accordance with the general budget framework set by the Council.

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

The 2022/23 Budget and Medium Term Financial plan considers the implications and opportunities in the deployment of resources across a range of functions and services over the next three years. This is set against a backdrop of unprecedented challenges to public services due to the Covid19 public health crisis, on top of ongoing financial pressures, however this situation has been mitigated to some extent by a relatively favourable draft funding settlement from Welsh Government and the agreements that have been in place to provide the Council with financial support to cover costs related to Covid19. This has for the first time in a decade enabled the Administration to avoid making new cost savings whilst still making significant investments in key Council services and maintaining Council Tax at one of the lowest levels in Wales.

As part of the consultation process opportunities have been made available for the public to express their views and again these were considered by Cabinet in the proposals.

The Local Authority is required to ensure it considers the impact of decisions made today on future generations and protected equalities groups. This has been done through the use of an overarching Fairness and Equality Impact Assessment.

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

## **Scrutiny Committees**

All detailed proposals were reviewed by all Scrutiny Committees in their January 2021 meetings, as part of the wider budget proposals consultation undertaken and considered by Cabinet.

### **Fairness and Equality Impact Assessment:**

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

The overarching Fairness and Equalities Impact Assessment (FEIA) was appended to the February Cabinet report.

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

Long term - The medium-term approach that is in place for financial planning within the Council is intended to bridge the gap between longer-term strategic aspirations and sustainable development concerns with the more immediate pressures of setting a balanced budget each year.

Prevention – Taken as a whole, the proposed investments are geared towards sustaining preventative type services and focussing on some of the most vulnerable groups which should have the greatest impact over the longer term and will help to prevent negative outcomes getting worse.

Integration – The budget and medium term financial plan has the overall aim of balancing resource allocation across services to support the range of strategic priorities and the delivery of the Council's change programme whilst ensuring financial sustainability.

Involvement – The budget is informed by insight gained from public engagement work, including previous budget consultations. Pre-budget public engagement on the relative prioritisation of Council services has informed the proposed budget investments. Newport Fairness Commission along with other stakeholders will be engaged as part of the consultation.

Collaboration – Whilst the budget and medium term financial plan is a Council owned document it recognises that services are increasingly delivered in a collaborative public sector landscape with a greater emphasis on regional working e.g., through Corporate Joint Committees, Gwent-wide and South East Wales based partnerships.

The Well-being of Future Generations Act is involved as one of the five ways of working under the sustainable development principle. Involvement in the development of this budget has included a four-week period of public consultation and consultation with Trade Unions via the Employee Partnership

Forum, with all Overview and Scrutiny Committees, with the Schools' Forum and with the Council's Fairness Commission.

## **Consultation**

Wide consultation on the budget has been undertaken, as outlined in section 6 of the report.

## **Background Papers**

Budget report presented to Cabinet on 18 February 2022.

**Dated: 22 February 2022**

## APPENDIX 1 – Service Area Budgets

2022/23 Summary Revenue Budget	2022/23 Base Budget  £'000
<b>Social Services</b>	
Children Services	28,014
Adult Services	58,798
Prevention & Inclusion	648
Education	138,377
	<b>225,836</b>
<b>Environment &amp; Sustainability</b>	
Regeneration & Economic Development	5,679
Housing & Communities	4,430
Environment & Public Protection	14,910
Head of Infrastructure	11,764
	<b>36,782</b>
<b>Transformation &amp; Corporate</b>	
Finance	4,922
People, Policy & Transformation	14,014
Law & Standards	4,553
	<b>23,490</b>
<b>Capital Financing Costs and Interest</b>	
Capital Financing Costs and Interest (Non-PFI)	16,455
Public Finance Initiative (PFI)	9,007
	<b>25,462</b>
<b>Sub Total - Service/Capital Financing</b>	<b>311,571</b>
<b>Contingency Provisions</b>	
General Contingency	1,373
Centralised Insurance Fund	604
Other Income and Expenditure	5,339
	<b>7,316</b>
<b>Levies / Other</b>	
Discontinued Operations - pensions	2,263
Discontinued Operations - Ex Gratia Payments	3
Levies - Drainage Board, Fire service etc	9,416
CTAX Benefit Rebates	13,458
	<b>25,140</b>
<b>Transfers To/From Reserves</b>	
Base budget - Planned Transfers to/(from) Reserves	(1,015)
	<b>(1,015)</b>
<b>Total</b>	<b>343,012</b>
<b>Funded By</b>	
WG funding (RSG and NNDR)	(265,612)
Council Tax	(77,400)
<b>Total</b>	<b>-</b>

These are indicative budgets for 2022/23. Final Cash limits will be agreed during March Council.

No comparative data exists as the budget reflects the new Senior Management structure.

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## APPENDIX 2 – Precepts and Council Tax

The funding required from council tax for the recommended draft 2022/23 budget is an increase of 2.4%. The tables below show all the figures involved in that calculation.

### **The Tax Base**

This is the number of properties that attract council tax for the year, expressed as if they were all in Band D. In practice, Band A properties only pay 66% of the Band D council tax whilst a Band I property pays 233% of the Band D council tax. For 2022/23, the tax base is 60,848.73 (2021/22 – 60,484.59).

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

The calculation of the council tax follows the process shown below

	<b>£000</b>
Net budget requirement	343,012
Less WG funding	265,612
Equals that which needs funding from council tax	77,400
	<b>£</b>
Divided by tax base (60,848.73) gives a council tax at Band D	1,272.01

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

The final council tax also incorporates other demands (precepts) that the Council collects on behalf of other bodies. These bodies are The Police and Crime Commissioner for Gwent (PCC for Gwent) and the Community Councils within the City's boundary. Of these, The Police and Crime Commissioner for Gwent is the largest and for 2022/23, has set a precept of £18,485,844.17.

Authority	Budget requirement / Precept from Council Tax (£'000)	Tax Base	Council Tax at Band D		% Change
			2022/23	2021/22	
Newport City	£77,400	60,848.73	£1,272.01	£1,242.20	2.4%
PCC for Gwent	£18,486	60,848.73	£303.80	£287.96	5.5%

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

Community Council	Council Tax Base	2022/23 Precept (£)	Council Tax at Band D		% Change
			2022/23	2021/22	
Bishton	774.59	30,115.00	38.88	37.10	4.8%
Coedkernew	997.28	3,490.48	3.50	3.00	16.7%
Goldcliff	188.28	8,064.04	42.83	22.00	94.68%
Graig	2,511.31	65,294.00	26.00	26.00	-
Langstone	1,926.51	60,607.00	31.46	33.00	-4.7%
Llanvaches	237.82	5,945.50	25.00	22.50	11.1%
Llanwern	1,192.42	21,778.00	18.26	16.49	10.7%
Marshfield	1,526.65	32,059.65	21.00	20.00	5.0%
Michaelstone - Y - Fedw	167.59	6,703.60	40.00	37.50	6.7%
Nash	139.65	3,100.00	22.20	22.86	-2.9%
Penhow	464.36	22,990.00	49.51	42.72	15.9%
Redwick	115.95	5,035.00	43.42	37.24	16.6%
Rogerstone	6,122.59	183,187.89	29.92	28.23	6.0%
Wentlooge	357.49	18,291.00	51.17	49.94	2.5%

The council tax payable by households is the total of the Newport City Council, The Police and Crime Commissioner for Gwent and, where relevant, the Community Council taxes payable in the above tables. As already noted, the actual council tax payable by households will vary from the figures above as they represent those at the Band D only. The tables included in section 5 of the council tax resolution at appendix 3 show the actual council tax for each Band.

## RESOLUTION TO SET COUNCIL TAX LEVELS

1. That the revenue estimates for 2022/23, as recommended by the Cabinet on 18 February 2022 be approved.
2. That it be noted that the Council at its meeting on 20 February 2007 delegated the setting of the tax base to the Head of Finance and that on 16 November 2021, the Head of Finance acting in accordance with that delegation calculated the following amounts for the year 2022/23 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992: -

(a) Council Tax Base

60,848.73 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (calculation of council tax base) Regulations 1992, as its council tax base for the year;

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

Area	Tax base
Bishton	774.59
Coedkernew	997.28
Goldcliff	188.28
Graig	2,511.31
Langstone	1,926.51
Llanvaches	237.82
Llanwern	1,192.42
Marshfield	1,526.65
Michaelstone	167.59
Nash	139.65
Penhow	464.36
Redwick	115.95
Rogerstone	6,122.59
Wentlooge	357.49

3. That the following amounts be now calculated by the Council for the year 2022/23 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992: -
  - (a) £492,626,106.53 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act (**Gross Expenditure**).
  - (b) £149,146,830.37 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act (**Gross Income**).
  - (c) £343,479,276.16 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance

with Section 32(4) of the Act, as its budget requirement for the year (**Budget + Community Council precepts**).

- (d) £265,612,231.00 being the aggregate of the sums which the Council estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant or additional grant (**RSG + NNDR**).
- (e) £1,279.68 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year (**Average Band 'D' Tax for NCC including Community Councils**).
- (f) £466,661.16 being the aggregate amount of all special items referred to in Section 34(1) of the Act and detailed below (**Community Council precepts**).

Area	Special Item £
Bishton	30,115.00
Coedkernew	3,490.48
Goldcliff	8,064.04
Graig	65,294.00
Langstone	60,607.00
Llanvaches	5,945.50
Llanwern	21,778.00
Marshfield	32,059.65
Michaelstone	6,703.60
Nash	3,100.00
Penhow	22,990.00
Redwick	5,035.00
Rogerstone	183,187.89
Wentlooge	18,291.00
	<b>466,661.16</b>

- (g) £1,272.01 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates (**NCC Band 'D' Council Tax**).

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

Area	Basic Council Tax £
Bishton	1,310.89
Coedkernew	1,275.51
Goldcliff	1,314.84
Graig	1,298.01
Langstone	1,303.47
Llanvaches	1,297.01
Llanwern	1,290.27
Marshfield	1,293.01
Michaelstone	1,312.01
Nash	1,294.21
Penhow	1,321.52
Redwick	1,315.43
Rogerstone	1,301.93
Wentlooge	1,323.18

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

NCC + Community Councils	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
Bishton	873.93	1,019.58	1,165.24	1,310.89	1,602.20	1,893.51	2,184.82	2,621.78	3,058.74
Coedkernew	850.34	992.06	1,133.79	1,275.51	1,558.96	1,842.41	2,125.85	2,551.02	2,976.19
Goldcliff	876.56	1,022.65	1,168.75	1,314.84	1,607.03	1,899.22	2,191.40	2,629.68	3,067.96
Graig	865.34	1,009.56	1,153.79	1,298.01	1,586.46	1,874.91	2,163.35	2,596.02	3,028.69
Langstone	868.98	1,013.81	1,158.64	1,303.47	1,593.13	1,882.79	2,172.45	2,606.94	3,041.43
Llanvaches	864.68	1,008.78	1,152.90	1,297.01	1,585.24	1,873.46	2,161.69	2,594.02	3,026.35
Llanwern	860.18	1,003.54	1,146.91	1,290.27	1,577.00	1,863.73	2,150.54	2,580.54	3,010.63
Marshfield	862.01	1,005.67	1,149.35	1,293.01	1,580.35	1,867.68	2,155.02	2,586.02	3,017.02
Michaelstone	874.68	1,020.45	1,166.24	1,312.01	1,603.57	1,895.13	2,186.69	2,624.02	3,061.35
Nash	862.81	1,006.61	1,150.41	1,294.21	1,581.81	1,869.42	2,157.02	2,588.42	3,019.82
Penhow	881.02	1,027.85	1,174.69	1,321.52	1,615.19	1,908.86	2,202.54	2,643.04	3,083.54
Redwick	876.96	1,023.11	1,169.28	1,315.43	1,607.75	1,900.07	2,192.39	2,630.86	3,069.33
Rogerstone	867.96	1,012.61	1,157.28	1,301.93	1,591.25	1,880.57	2,169.89	2,603.86	3,037.83
Wentlooge	882.12	1,029.14	1,176.16	1,323.18	1,617.22	1,911.26	2,205.30	2,646.36	3,087.42
All Other Parts of the City	848.01	989.34	1,130.68	1,272.01	1,554.68	1,837.35	2,120.02	2,544.02	2,968.02

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

4. That it be noted for the year 2022/23, that The Police and Crime Commissioner for Gwent has stated the following amount in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below: -

The Police and Crime Commissioner for Gwent	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
All Parts of the City	202.53	236.29	270.04	303.80	371.31	438.82	506.33	607.60	708.87

5. That having calculated the aggregate in each case of the amounts at 3(i) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of council tax for the year 2021/22 for each of the categories of dwelling shown below:-

Total Council Tax Demand	Valuation Bands								
	A	B	C	D	E	F	G	H	I
	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p	£.p
Bishton	1,076.46	1,255.87	1,435.28	1,614.69	1,973.51	2,332.33	2,691.15	3,229.38	3,767.61
Coedkernew	1,052.87	1,228.35	1,403.83	1,579.31	1,930.27	2,281.23	2,632.18	3,158.62	3,685.06
Goldcliff	1,079.09	1,258.94	1,438.79	1,618.64	1,978.34	2,338.04	2,697.73	3,237.28	3,776.83
Graig	1,067.87	1,245.85	1,423.83	1,601.81	1,957.77	2,313.73	2,669.68	3,203.62	3,737.56
Langstone	1,071.51	1,250.10	1,428.68	1,607.27	1,964.44	2,321.61	2,678.78	3,214.54	3,750.30
Llanvaches	1,067.21	1,245.07	1,422.94	1,600.81	1,956.55	2,312.28	2,668.02	3,201.62	3,735.22
Llanwern	1,062.71	1,239.83	1,416.95	1,594.07	1,948.31	2,302.55	2,656.78	3,188.14	3,719.50
Marshfield	1,064.54	1,241.96	1,419.39	1,596.81	1,951.66	2,306.50	2,661.35	3,193.62	3,725.89
Michaelstone	1,077.21	1,256.74	1,436.28	1,615.81	1,974.88	2,333.95	2,693.02	3,231.62	3,770.22
Nash	1,065.34	1,242.90	1,420.45	1,598.01	1,953.12	2,308.24	2,663.35	3,196.02	3,728.69
Penhow	1,083.55	1,264.14	1,444.73	1,625.32	1,986.50	2,347.68	2,708.87	3,250.64	3,792.41
Redwick	1,079.49	1,259.40	1,439.32	1,619.23	1,979.06	2,338.89	2,698.72	3,238.46	3,778.20
Rogerstone	1,070.49	1,248.90	1,427.32	1,605.73	1,962.56	2,319.39	2,676.22	3,211.46	3,746.70
Wentlooge	1,084.65	1,265.43	1,446.20	1,626.98	1,988.53	2,350.08	2,711.63	3,253.96	3,796.29
All Other Parts of the City	1,050.54	1,225.63	1,400.72	1,575.81	1,925.99	2,276.17	2,626.35	3,151.62	3,676.89

## APPENDIX 4 – Medium Term Financial Plan (MTFP)

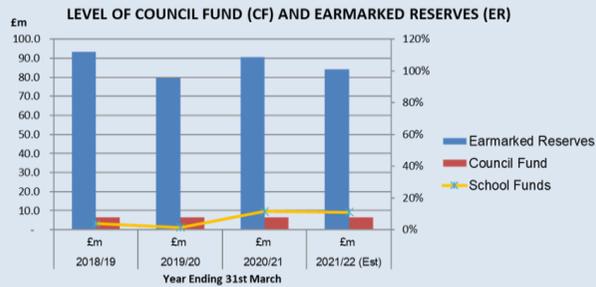
	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Funding</b>				
Base change in in WG Revenue Support Grant ( +10.31% in 22/23, +3.5% in 23/24 and +2.4% in 24/25)	(24,816)	(9,296)	(6,598)	<b>(40,710)</b>
Increased share of the total Revenue Support Grant due to data changes showing increased relative spending need	-	(750)	(750)	<b>(1,500)</b>
Increase in tax base - C.Tax @ 21/22 rate	(452)	-	-	<b>(452)</b>
C. Tax @ 2.4% in 22/23 and 4% thereafter	(1,814)	(3,096)	(3,220)	<b>(8,130)</b>
Less consequential increase in benefits	363	619	644	<b>1,626</b>
<b>Change in Income/Funding</b>	<b>(26,719)</b>	<b>(12,523)</b>	<b>(9,924)</b>	<b>(49,166)</b>
<b>Revenue Investments / Increased Costs</b>				
Pricing - Pay Inflation & Increments (schools and non schools)	12,947	5,391	5,028	<b>23,367</b>
Pricing - Contract/ Income Inflation (schools and non schools)	3,297	3,435	3,563	<b>10,295</b>
Demand - Schools	1,751	1,561	1,422	<b>4,734</b>
<b>Standstill/ 'committed' position</b>	<b>17,995</b>	<b>10,387</b>	<b>10,013</b>	<b>38,396</b>
Demand - Social Care and other	3,485	1,065	528	<b>5,078</b>
Policy change	96	32	-	<b>128</b>
Investments - Corporate Plan Promise	355	300	-	<b>655</b>
Capital Financing - other	-	-	208	<b>208</b>
Other	6,163	2,133	1,085	<b>9,381</b>
<b>Total Pressures</b>	<b>28,094</b>	<b>13,917</b>	<b>11,834</b>	<b>53,846</b>
<b>General budget transfer to / (from) Reserves</b>	(563)	563	-	-
<b>Gap Before Cost Reduction Plans</b>	<b>812</b>	<b>1,957</b>	<b>1,910</b>	<b>4,679</b>
<b>Cost Reduction - Transformation / Change Programme</b>				
Cost reduction - new savings	-	-	-	-
Cost reduction - previously agreed savings	812	-	-	<b>812</b>
<b>Total Savings</b>	<b>812</b>	-	-	<b>812</b>
<b>Balance - @ WG +10.31%, 3.5% and 2.4%</b>	<b>(0)</b>	<b>1,957</b>	<b>1,910</b>	<b>3,867</b>

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## Appendix 5 - Financial Resilience

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

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



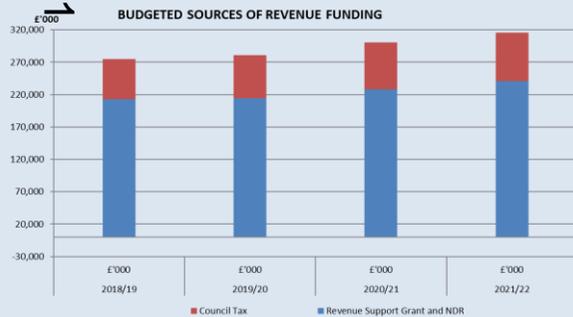
### Level of Reserves

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 (Est) £m
Earmarked Reserves	93.4	79.5	90.7	84.3
Council Fund	6.5	6.5	6.5	6.5
School Funds	3.1	1.1	9.6	9.2

### Budgeted Sources of Funding

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Total Revenue Funding	212,790	214,343	228,077	240,796
Revenue Support Grant and NDR	61,806	66,268	72,193	75,134
Council Tax				

### Budgeted Revenue Funding Split



### Financial Performance and Ratios

Ratio	Calculation	2017/2018 £'000	2018/2019 £'000	2019/2020 £'000	2020/2021 £'000
Net Worth (Assets - Liabilities)	(Asset- Liabilities)	20,213	- 48,973	- 10,982	- 89,923
Net Worth (exc Pension Liab.)	(Asset- Liabilities)	344,230	351,614	340,845	385,191
Working Capital Ratio	(Curr. Assets /Curr. Liabilities)	1.10	1.08	1.03	1.56
Gearing Ratio	(Borrowing / Total Reserves)	66.9%	52.8%	51.9%	70.4%

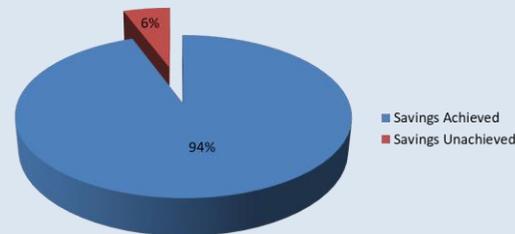
The figures below shows the 21/22 forecast position for both revenue and capital

### 2021/22 Revenue Forecast Position - December

Directorate	Current Budget £'000	Budget Forecast £'000	Variance £'000	Variance %
Children & Young People	26,743	24,985	- 1,758	(6.6)
Adult & Community Services	51,475	49,528	- 1,947	(3.8)
Education	15,655	14,993	- 662	(4.2)
Schools	111,159	111,676	517	0.5
Regeneration, Investment & Housing	10,911	10,949	38	0.3
City Services	25,632	25,826	194	0.8
Corporate Services	19,651	19,259	(392)	(2.0)
<b>Total Directorates</b>	<b>261,226</b>	<b>257,216</b>	<b>(4,010)</b>	<b>(1.5)</b>
Capital Financing	25,462	22,723	(2,739)	(10.8)
Contingency/ Provisions	5,670	3,247	(2,423)	(42.7)
Levies / other	24,024	23,549	(475)	(2.0)
Reserves /Transfer	(452)	(969)	(518)	114.6
<b>Total Budget</b>	<b>315,930</b>	<b>305,766</b>	<b>(10,165)</b>	<b>(3.2)</b>
Additional funding - C T surplus	-	(495)	(495)	-
<b>Projected Over/ (Under) spend</b>	<b>315,930</b>	<b>305,271</b>	<b>(10,660)</b>	<b>(3.4)</b>

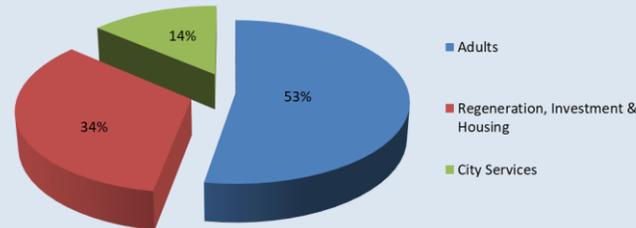
### Revenue Savings Achieved and Unachieved (December 2021/22)

#### 2021/22 REVENUE SAVINGS ACHIEVED AND UNACHIEVED



### Analysis of Unachieved Savings

#### ANALYSIS OF UNACHIEVED SAVINGS - 2021/22



### 2021/22 Capital Forecast Position - December

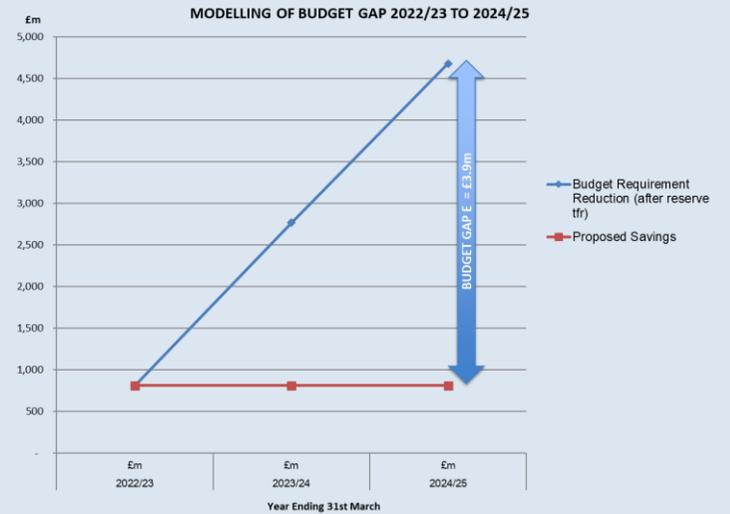
Directorate	Final Budget £'000	Budget Forecast £'000	Variance Slippage £'000	Variance (Under)/ Overspend £'000
Education	23,162	15,226	(7,936)	46
Regeneration, Investment & Housing	16,760	15,219	(1,541)	-
People & Business Change	922	922	-	-
Adult & Community Services	707	707	-	-
Children & Young People Services	2,234	1,774	(460)	-
City Services	24,162	24,050	(116)	4
<b>Total Budget</b>	<b>67,947</b>	<b>57,898</b>	<b>(10,099)</b>	<b>50</b>

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

### MTFP Scenario

	2022/23 £m	2023/24 £m	2024/25 £m
Financial Pressures	28,094	42,012	53,846
Technical adjustments	-	-	-
Financial Pressures	28,094	42,012	53,846
Funding reductions	- 26,719	- 39,242	- 49,166
Budget Requirement Reduction	1,375	2,769	4,679
Reserve transfers	- 563	-	-
Budget Requirement Reduction (after reserve trf)	812	2,769	4,679
Proposed Savings	812	812	812
Shortfall to requirement	- 0	1,957	3,867

### Modelling of Budget Gap 2022/23 to 2024/25



### Capital Expenditure & Need to borrow

Capital Expenditure	2021/22 Estimate £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m
Total capital expenditure	57.6	103.4	34.7	5.6
Capital Financing Requirement				
Investments or (new borrowing)	2.0	43.0	11.0	2.3
CFR	280.9	309.1	314.4	307.9

N/A as Capital Programme to be developed in line with MTFP

## APPENDIX 5a - Projected Earmarked Reserves

Reserve	Balance at 31-Mar-21	Balance at 31-Mar-22	Balance at 31-Mar-23	Balance at 31-Mar-24	Balance at 31-Mar-25
	£'000	£'000	£'000	£'000	£'000
Council Fund:	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Balances held by schools for future use	(9,558)	(9,153)	(9,153)	(9,153)	(9,153)
<b>Earmarked Reserves:</b>					
Music Service	(127)	(127)	(127)	(127)	(127)
Pay Reserve	(1,418)	(1,418)	(1,418)	(1,418)	(1,418)
Insurance Reserve	(1,162)	(1,162)	(732)	(302)	-
MMI Insurance Reserve	(602)	(602)	(402)	(202)	-
Health & Safety	(16)	-	-	-	-
Education Achievement Service	(92)	(92)	(92)	(92)	(92)
Schools Redundancies	(985)	(746)	(340)	(20)	(20)
General Investment Risk Reserve	(1,188)	(1,124)	(1,124)	(1,124)	(1,124)
European Funding IZA & CFW	(984)	(1,277)	(1,277)	(1,277)	(1,277)
Metro Bus Redundancy	(9)	-	-	-	-
Landfill (fines reserve)	(332)	(332)	(332)	(332)	(332)
Welsh Language Standards	(129)	(0)	(0)	(0)	(0)
MTFP Reserve (Covid Recovery Reserve) - CS and SS	(5,117)	(3,098)	(1,452)	(452)	548
GEMS Redundancies	(78)	(78)	(78)	(78)	(78)
Covid risk	-	(1,884)	(1,884)	(1,884)	(1,884)
<b>SUB TOTAL - RISK RESERVES</b>	<b>(12,239)</b>	<b>(11,940)</b>	<b>(9,258)</b>	<b>(7,308)</b>	<b>(5,804)</b>
Capital Expenditure	(9,928)	(9,854)	(5,819)	(5,819)	(5,819)
Invest to Save	(8,464)	(7,279)	(6,193)	(6,193)	(6,193)
Super Connected Cities	(298)	(170)	(0)	(0)	(0)
School Works	(432)	(432)	(432)	(432)	(432)
School Reserve Other	(27)	(27)	(27)	(27)	(27)
Feasibility Reserve	(54)	(54)	(54)	-	-
Chartist Tower	(256)	-	-	-	-
Investment Reserve	(497)	-	-	-	-
Usable Capital Receipts	(6,753)	(5,169)	(2,415)	(2,415)	(2,415)
Streetscene Manager Support	(66)	(6)	-	-	-
<b>SUB TOTAL - ENABLING RESERVES</b>	<b>(26,774)</b>	<b>(22,990)</b>	<b>(14,939)</b>	<b>(14,885)</b>	<b>(14,885)</b>
Municipal Elections	(164)	(194)	-	(38)	(77)
Local Development Plan / Strategic Development Plan	(688)	(504)	(362)	(220)	(12)
Glan Usk PFI	(1,607)	(1,607)	(1,643)	(1,653)	(1,637)
Southern Distributor Road PFI	(40,392)	(39,940)	(39,535)	(38,993)	(38,317)
Building Control	(81)	(89)	(14)	(14)	(14)
Loan modification technical reserve (IFRS 9)	(513)	(513)	(513)	(513)	(513)
Kingsway	(64)	(137)	(201)	(265)	(329)
<b>SUB TOTAL - SMOOTHING RESERVES</b>	<b>(43,509)</b>	<b>(42,984)</b>	<b>(42,268)</b>	<b>(41,696)</b>	<b>(40,899)</b>
Works of art	(21)	(21)	(21)	(21)	(21)

<b>Reserve</b>	<b>Balance at 31-Mar-21</b>	<b>Balance at 31-Mar-22</b>	<b>Balance at 31-Mar-23</b>	<b>Balance at 31-Mar-24</b>	<b>Balance at 31-Mar-25</b>
	£'000	£'000	£'000	£'000	£'000
Theatre & Arts Centre	(232)	(232)	(232)	(232)	(232)
Cymorth Income	(25)	-	-	-	-
Blaen Y Pant	(4)	-	-	-	-
Environmental Health - Improve Air Quality	(49)	(49)	-	-	-
Refurbishment of a Children / Older People Homes	(41)	-	-	-	-
Apprenticeship Scheme	(17)	0	0	0	0
City Economic Development Reserve	(90)	(90)	(90)	(90)	(90)
Port Health	(16)	(15)	(10)	(5)	(5)
CRM	(52)	-	-	-	-
Financial System Upgrade	(600)	(550)	-	-	-
SS COVID Recovery MTRP reserve	-	(563)	-	-	-
Events	(216)	(184)	(184)	(184)	(184)
Voluntary Sector Grants	(43)	-	-	-	-
Bus Wifi	-	-	-	-	-
Bus Subsidy	(15)	-	-	-	-
IT Development	(53)	(53)	-	-	-
Leisure Delivery Plan	(103)	-	-	-	-
Joint Committee City Deal Reserve	(626)	(626)	(626)	(626)	(626)
Civil Parking Enforcement	(245)	(167)	(167)	(167)	(167)
Community Covid Recovery Fund	(500)	(250)	-	-	-
City Services – refurbishment & cleansing of open spaces	(500)	-	-	-	-
Green Recovery Task Force	(1,000)	(1,000)	(650)	(650)	-
Business Recovery Fund	(250)	(250)	(250)	(250)	(250)
Business Development Grants	(56)	(56)	(56)	(56)	(56)
Children's Service legal fees	(150)	-	-	-	-
Community Occupational Therapy	(53)	(53)	-	-	-
Directly Managed Community Centres Maintenance	(50)	(50)	(50)	(50)	(50)
IT Infrastructure	(120)	(120)	-	-	-
PSB Contribution	(40)	(40)	(20)	-	-
COVID Reserve	(596)	(449)	(234)	(150)	(150)
Highways road repairs [potholes]	(116)	-	-	-	-
Homelessness Prevention	(327)	(327)	-	-	-
Chief Education Grant	(765)	(584)	(384)	(184)	(8)
Home to School Transport - St Andrew s (City Services Reserve)	(801)	(525)	(187)	-	-
Housing Supply review	(25)	-	-	-	-
Anniversary tree planting / green canopy	(20)	-	-	-	-
Cariad Casnew ydd	(350)	(290)	-	-	-
<b>SUB TOTAL - OTHER RESERVES</b>	<b>(8,167)</b>	<b>(6,544)</b>	<b>(3,161)</b>	<b>(2,665)</b>	<b>(1,839)</b>
<b>RESERVES TOTAL</b>	<b>(106,747)</b>	<b>(100,111)</b>	<b>(85,279)</b>	<b>(82,207)</b>	<b>(79,080)</b>

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## Newport City Council

### Reserves Policy

#### 1.0 Introduction

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

#### 2.0 Definitions

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

### 3.0 Types of Reserve

- 3.1 As an integral part of the annual budget setting process, the Cabinet (via the Head of Finance) considers the establishment and maintenance of reserves. These will be held for three main purposes:
- A **working balance** to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing;
  - A **contingency** to cushion the impact of unexpected events or emergencies;
  - A means of building up funds - **earmarked reserves**, to meet known or predicted requirements. The authority categorises earmarked reserves into three categories: risk, enabling or smoothing to reflect the general purpose of each reserve. A detailed analysis of the authority's reserves can be found in Appendix 1.

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

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

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

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

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

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

#### 4.0 General Fund Reserves

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

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

- Budget assumption for inflation and interest rates;
- Estimates of the level and timing of capital receipts;
- The treatment of demand led pressures;
- The authority's track record in budget and financial management;

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

## **5.0 Earmarked and Specific Reserves**

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

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

- 5.4.1 Where officers would like to request potential transfers to/from existing earmarked reserves, or the creation of a new reserve, discussions are to be had with the Assistant Head of Finance (AHoF) and the service area Senior Finance Business Partner (SFBP) to determine whether the assumption needs to be included within the in-year financial monitoring forecasts. Any decisions on whether these requests are authorised or not will, in the majority of cases, be made at year-end when the overall Council position is known and must be approved by Cabinet.
- 5.4.2 Reserve request forms will be circulated as part of the year-end closing process.

#### **5.5 Use of reserves**

- 5.5.1 Should there be an unplanned need to utilise general reserves there must be a clear plan setting out the intended route to replenish the reserves to the minimum balance recommended. This must clearly state how the shortfall will be met and by when.
- 5.5.2 Where there is a planned use of reserves, a reserve request form must be submitted to the Head of Finance to be considered at year-end as set out in 5.4 above.

### **6.0 Ring-fenced Reserves**

#### **6.1 Schools Reserves**

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

### **7.0 The Reporting Framework**

- 7.1 The balances and movement of all reserves is required to be reported within the authority's Annual Statement of Accounts.
- 7.2 The balance held, and projected movement of useable reserves will be reported monthly/quarterly as part of the budget monitoring report to the Executive Board / Cabinet. This includes the level of reserves held against each category of reserve.

- 7.3 The S151 Officer has a fiduciary duty to local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.
- 7.4 The level and utilisation of reserves will be determined formally by the Cabinet, informed by the advice and judgement of the S151 Officer. To enable the Cabinet to reach its decision, the S151 Officer should report the factors that influenced his or her judgement and ensure that the advice given is recorded formally. Where this advice is not accepted this should be reported formally in the minutes of the Cabinet meeting.
- 7.5 It is recommended that:
- The budget report to the Cabinet should include a statement showing the estimated opening general reserve fund balance for the year ahead, the addition to/withdrawal from balances, and the estimated end of year balance. Reference should be made as to the extent to which such reserves are to be used to finance recurring expenditure;
  - This should be accompanied by a statement from the S151 Officer on the adequacy of the general reserves and provisions in respect of the forthcoming financial year and the authority's medium term financial strategy;
  - A statement reporting on the annual review of earmarked reserves (including schools' reserves) should also be made at the same time to the Council. The review itself should be undertaken as part of the budget preparation process. The statement should list the various earmarked reserves, the purposes for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balances.

**APPENDIX 1 – Analysis of Reserves with anticipated balances on 31<sup>st</sup> March 2022**

<b>Reserve</b>	<b>Purpose/ Rationale for Reserve</b>
Council Fund	General Reserve
Schools Reserve	Balances held by schools for their future use
<b>Earmarked Reserves:</b>	
<b>Risk Reserves:</b>	
Music Service	This is a general reserve retained by the Gwent wide Music Service and a traded service and belongs to all trading partners. Newport holds the reserve as the hosting authority. The reserve is held as a balance to cater for years where trading income is below expenditure and/or one off costs for re-organisation are incurred.
Pay Reserve	To cover the risk of pay awards being higher than budgeted.
Insurance Reserve	To assist in management of the Council's insurance risks and provide funds, over and above existing insurance provisions for excessive levels of claims/costs in any year.
MMI Insurance Reserve	To assist in future funding requirements of MMI in line with the agreed 'Scheme of Arrangement'.
Health & Safety	Responding to inspections and reports from Health & Safety Executive.
Education Achievement Service	Reserve held against Newport's share of any redundancy costs that may arise from a restructure of the service as a result of funding reductions from grant allocations. Newport is a partner in the service and has to take a share of any costs that may arise.
Schools Redundancies	Reserve has been created from contributions from Schools to cater for redundancy costs that arise through schools that face financial issues. The value has been negotiated with the schools as a

	contribution towards the costs that have to be met by the LA.
General Investment Risk Reserve	To cover the risk of the commercial estate and for the accounting requirement of this area.
European Funding I2A & CFW	To cover one off cost associated with the project. Newport is a partner with other Gwent Councils and so has to take a share of any costs that arise.
GEMS Redundancies	Reserve created from service income levels over and above grant income to cater for anticipated redundancy costs anticipated from restructuring to cater for different language sets, and potential reduction in grant income.
MTFP Reserve	To support achievement of the corporate plan and support future budgetary challenge.
Landfill (Fines reserve)	To cover landfill fines risk associated with achieving prescribed recycling targets.
COVID Risk	To provide mitigation against the ongoing cost of responding to the pandemic, including loss of income, following the cessation of the WG Hardship Fund.
<b>Enabling Reserves:</b>	
Capital Expenditure	To fund capital investment.
Invest to Save	To enable funding of specific change, efficiency, or transformation projects which achieve savings, or result in cost avoidance, to the revenue budget.
Super Connected Cities	Funding for Community Safety Network over a seven-year period including project costs.
School Works	Reserve specifically for identified schoolworks - funded by schools themselves. Reserve allows

	schools to build up specific scheme reserves over a number of years, where required.
School Reserve Other	Reserves specifically identified for school schemes – funded by schools themselves.
Usable Capital Receipts	Holds proceeds from the sale of property, plant, and equipment, used to finance new capital expenditure. Currently reserved for Council contribution to 21C Schools programme.
Feasibility Reserve	To support feasibility work for capital projects.
<b>Smoothing Reserves:</b>	
Municipal Elections	Reserve used to smooth over significant differences in annual budget required over a cyclical period whilst keeping budget at a stable annual amount.
Local Development Plan	Reserve used to smooth over significant differences in annual budget required over a cyclical period whilst keeping budget at a stable annual amount. Related to production and inspection of the LDP and SPG's
Glan Usk PFI	Established to smooth out funding differences that have arisen from funding available and payments to the contractor - reserve will balance over life of project
Southern Distributor Road PFI	Established to smooth out funding differences that have arisen from funding available and payments to the contractor - reserve will balance over life of project
Loan modification technical reserve (IFRS 9)	Technical reserve
Building Control	Funding to smooth losses and profits over the period to meet building control requirements
Kingsway	Maintenance reserve created for the Kingsway car park from an annual budget contribution.

<b>Other Reserves:</b>	
Works of art	To fund purchases for the collections.
Theatre & Arts Centre	Council agreed reserve as condition of Art's Council funding of the Riverfront Theatre.
Cymorth Income	To fund the provision of Domestic Abuse Services.
Homelessness Prevention	A minimum amount needs to be spent on homelessness prevention on an on-going basis. The revenue budget is continually under pressure of overspending due to the obligation placed on the Authority to house clients.
Environmental Health - Improve Air Quality	To undertake highways work in a specific area to improve air quality and reduce noise pollution.
Refurbishment of a Children / Older People Homes	There is a need to refurbish residential homes on a regular basis to attract Service Users and more importantly, to ensure they meet inspection criteria.
City Economic Development Reserve	To support City economic development.
Port Health	Port Health Authority reserve.
Financial System Upgrade	Implementation costs of an upgrade/ new financial system to secure future stability of the financial platform.
Events	To fund events throughout the City.
Joint Committee City Deal reserve	To fund contribution to the City Deal project.
Social Services COVID Recovery MTRP	Created from in year underspend to support increased demand on adult learning disability budgets in 2022/23.

IT Development	To invest in the development of the use of IT.
Civil Parking Enforcement	Established to support transport, including highways maintenance and environmental improvements.
Community COVID Recovery Fund	To provide support in the form of grants made available to the community.
Green Recovery Task Force	To develop projects in partnership with National Resources Wales.
Business Recovery Fund	Business development grants to assist recovery.
Business Development Grants	Administration of business development grants to assist recovery.
Community Occupational Therapy	To fund fixed term resource to deal with the backlog of referrals due to covid.
Directly Managed Community Centres Maintenance	To carry out repairs and maintenance over and above the maintenance programme.
IT Infrastructure	To ease the capital pressures on the implementation of IT infrastructure.
PSB Contribution	Public services board contribution towards support role.
COVID Reserve	To provide support to deal with the volume of work linked to business development grants and council tax.
Chief Education Officer Grant	To provide temporary support to schools in deficit position to ensure that staffing structures and essential pupil provision is not disturbed.
Cariad Casnewydd	To support the City in tackling fly tipping, improving communications and supporting community initiatives across the City.

## Invest to Save Fund

### General guidance for applicants

#### Background

The Invest to Save fund has been operating since 2010 and has supported a wide range of projects across the council. The types of project, which have been supported, fall into general categories, which include:

- Information Technology (IT)
- New ways of working
- Business transformation.

Proposals that do not fall into any of these categories will also be considered, provided they can satisfy the following criteria. Going forward, this reserve will act as a key enabler for the Council's Transformation Programme.

#### Criteria

Invest to Save funding is **one off** investment aimed at supporting projects, which satisfy **all** of the following criteria:

- can demonstrate that they will generate cash releasing savings or additional income, or result in cost avoidance;
- will maintain, improve, or transform services or the way in which the organisation operates and;
- satisfy a payback period of 3 years, i.e. the investment should recover its initial outlay within a 3-year timeframe.

In principle, the concept of cash releasing efficiencies appears straightforward, but it can often be confused with efficiencies and increasing operational capacity. A successful outcome will involve not only being able to demonstrate an improved service but also reduced costs. Ideally, a budget manager will be able to identify a budget line within the organisation, which shows reduced expenditure directly as a result of the changes implemented by the project.

Alternatively, in the case of cost avoidance, a manager will need to be able to evidence that anticipated cost increases have been avoided via the investment undertaken. A payback will not be required in this scenario, as there will be no cashable savings from

which to make the repayment, providing the necessary cost avoidance evidence in its place.

The decision point should also be identified as part of the approval process. This could include (i) budget process - approval of one off investments required to achieve recurring saving or (ii) specific project requiring approval outside of the budget process – [I2S application](#) required.

### **Reporting**

In year forecasts, as well as projected reserves, are reported to Cabinet on a quarterly basis and detailed transfers (into)/from reserves are included within the year-end outturn report for Cabinet's consideration and approval.

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# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** Welsh Language Strategy 2022-2027

**Purpose** To approve the draft 5 year Welsh Language Strategy for Newport as required by the Welsh Language (Wales) Measure 2011 and Welsh Language Standards

**Author** Connected Communities Manager  
Welsh Language Policy Officer

**Ward** All

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

We know that one of the main ways we can measure an increase in the number of Welsh speakers across Newport is through monitoring numbers of children being educated through the medium of Welsh. Therefore our 5 year targets as required by our Welsh Language Standards reflect those tangible measures set out in our Welsh in Education Strategic Plan (WESP).

The draft strategy for the period 2022-2027 is attached at Appendix 1 in both English and Welsh.

**Proposal** To approve the attached draft Strategy prior to submission to full Council in March.

**Action by** Director, Transformation and Corporate Centre

**Timetable** Immediate

This report was prepared after consultation with:

- Cabinet Member Assets and Resources
- Member Champion – Welsh Language
- Cabinet Member for Education and Skills
- Welsh Language officer Implementation Group
- Welsh in Education Forum
- Fforwm Iaith
- Overview and Scrutiny Management Committee
- General Public
- Cabinet

## Background

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language by way of sub-legislation (Welsh Language Standards (No.1) Regulations 2015).

The Standards issued to Newport City Council are listed in 'The Newport City Council Compliance Notice – Section 44 Welsh Language (Wales) Measure 2011'. Standard 145 (below) requires the Council to produce and publish a five-year strategy setting out how we will promote and facilitate the use of Welsh:

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

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

Our previous strategy was agreed in 2017 for the period 2017-2022. The draft Strategy for the next five years includes both targets to increase the number of Welsh speakers within Newport, and a statement setting out how we will do this.

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

We know that one of the main ways we can measure an increase in the number of Welsh speakers across Newport is through monitoring numbers of children being educated through the medium of Welsh. Therefore our 5 year targets as required by our Welsh Language Standards reflect those tangible measures set out in our Welsh in Education Strategic Plan (WESP). Newport's WESP has been agreed by Cabinet and will be shared with Welsh Government for agreement by September 2022.

The WESP sets out targets to increase the numbers of children in Welsh medium education. The council is required to increase the number of pupils in Welsh medium education by 6 percentage points over the next 10 years (by 2032). This will be an increase from 101 to 221 pupils.

The Strategy sets out the 5 and 10 year WESP targets which will enable this ambition to be met, across 7 outcome areas:

- Outcome 1: More Nursery children learning in Welsh
- Outcome 2: More reception class children learning in Welsh
- Outcome 3: More learners improve their Welsh language when moving from primary school to secondary school
- Outcome 4: More learners study for exams in Welsh
- Outcome 5: More learners use Welsh outside of the school classroom
- Outcome 6: An increase in classes for pupils with additional learning needs (ALN) learning in Welsh
- Outcome 7: More teachers and staff able to teach Welsh and in Welsh

## The Strategy

The Strategy is not only about increasing the number of Welsh speakers in Newport, but about making the Welsh language inclusive and inspiring, supporting Welsh learners, and increasing the visibility of the Welsh language across the city. The Strategy also supports the delivery of Welsh Government's target of reaching a million Welsh speakers by 2050.

The Strategy introduces the council's wider vision for Welsh language in Newport – 'See, Hear, Learn, Use, Love' and includes actions aside from Education-focussed work to promote and facilitate the Welsh language across Newport. These actions are organised into 3 strategic themes – Communities and Culture, Education, and Employment and Skills. An action plan sets out key commitments across these themes.

The Strategy has been informed by our officer Welsh Language Implementation Group, our ongoing work with public sector partners, engagement with key stakeholders and consultation on the views that citizens in Newport hold on the Welsh language – as well as the work of our Education service and our new Welsh in Education Strategic Plan, agreed by Cabinet in January. The draft Strategy was made available for public comment on the council's website between the 24<sup>th</sup> January and 5<sup>th</sup> February.

We will continue to use existing governance structures to monitor the progress of our Strategy as we look to embed Welsh language across business-as-usual activities. This will include regular progress reports on key actions into our Welsh in Education Forum and our internal Welsh Language Implementation Group. The Welsh Language Forum will also play a key role in ensuring partners are engaged and working towards our vision for Welsh in Newport, and our Right Skills Board in embedding our work around employers and skills.

Annual reporting on progress against our key themes will be incorporated within our Welsh Language Annual Report which is published by the 31st March each year as required by our Welsh Language Standards.

### Financial Summary (Capital and Revenue)

There are no additional staffing costs associated with the Welsh Language Strategy, and actions will be delivered using existing resources and budgets.

### Risks

It is important to identify and manage any project or scheme's exposure to risk and have in place controls to deal with those risks.

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
That the Council is not compliant with the Welsh Language Standards in publishing the 5 year strategy.	H	L	This report proposes a draft strategy	Director, Transformation and Corporate Centre
That the proposals in the strategy are not delivered.	M	L	Monitoring will be arranged through existing governance structures	Director, Transformation and Corporate Centre

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

As well as meeting our requirements under our Welsh language Standards, the Strategy is deliberately aligned with a range of national and local strategies and objectives including:

- Welsh Government's Cymraeg 2050 – A million Welsh Speakers
- Well-Being of Future Generations Act (Wales) 2015 – Wellbeing Goal 'A Wales of vibrant cultures and thriving Welsh language'

- Mwy na Geiriau – Welsh Government’s Strategy for Welsh in Health and Social Care
- Newport City Council’s Welsh in Education Strategic Plan
- Newport City Council’s Digital Strategy
- Newport City Council’s Local Development Plan
- Welsh Government’s Wales Language Technology Plan

### **Options Available and considered**

The options available are:

1. To agree the draft
2. Not to agree the draft

### **Preferred Option and Why**

Option 1 is the preferred option in order to meet our statutory requirements in a timely manner.

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

Approval of the Welsh Language Strategy will have no adverse financial impact, all associated costs will be met from existing budgets.

### **Comments of Monitoring Officer**

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

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

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

The strategy and action plan note the importance of working with partners to achieve the objectives,

The action plan includes steps to recognise and increase Welsh language skills within the Council’s own workforce. These include a GCSE Welsh requirement for Apprentice candidates, use of the ALTE Welsh language skills framework and bilingual job advertisements

### **Scrutiny Committees**

The draft Strategy was discussed at Overview Scrutiny and Management Committee on the 21<sup>st</sup> January 2022. Comments and responses are below:

*Committee would like clarification on the figures of those fluent in Welsh, confident in Welsh and Welsh learners as they don’t marry up precisely with the number of those said to have accessed the Contact Centre through the medium of Welsh.*

Feedback on this part of the report (consultation results) was noted. The figures stated related to 2 different questions asked in the survey so were incongruous. Amendments have been made to provide clarity around this.

*Committee stated that they would have liked to see parts of the report – perhaps headings and introductions – written bilingually as it would better represent the content of the report and the Council's aims with the Welsh language.*

Feedback from the Committee was noted – the full Strategy will be published in both Welsh and English in line with the council's Welsh Language Standards.

## **Fairness and Equality Impact Assessment:**

### **Summary of impact – Wellbeing of Future Generation (Wales) Act**

A full Fairness and Equality Impact Assessment (FEIA) has been undertaken on the Welsh Language Strategy and is attached at Appendix 2. The key themes and actions that underpin them balance short term needs with the delivery of medium to long-term solutions over the course of the 5 year timescale, and were developed in consultation with internal and external stakeholders, including communities across Newport.

The Strategy identifies key challenges for the Welsh language in Newport, for example, employment and skills gaps, low conversion rates for Welsh learners moving from pre-school to primary school environments, and the perceived lack of visibility of the language across the city. The Strategy sets out how work will develop to prevent these problems from getting worse, and the resources/partnership work which enable this work to happen.

The Strategy is dependent on effective partnership work and contributes to the Wellbeing Goals of a prosperous Wales, a more equal Wales, a Wales of cohesive communities and a Wales of vibrant culture and thriving Welsh language.

### **Summary of impact – Equality Act 2010**

The FEIA undertaken on the Welsh Language Strategy identifies positive impacts for people that share Protected Characteristics of age, race and disability. There were no negative impacts identified. There are particular positive impacts identified for pre-school and school aged children as a result of the Strategy's Education theme, and for ethnic minority communities who are prioritised for engagement within the Strategy.

### **Summary of impact – Socio-economic Duty**

The Strategy has been identified as supporting the reduction of inequalities that may arise as a result of socio-economic disadvantage in the areas of work, participation and education. These areas directly relate to the key themes in the Strategy – Employment and Skills, Communities and Culture and Education.

The Strategy sets out a commitment to reach out to communities who may not traditionally engage with the Welsh language, including ethnic minority communities, refugees, asylum seekers and migrants, and those communities in Pillgwenlly, one of the most deprived areas in Newport. This commitment will help to ensure that the Welsh language is accessible to all, and everyone is offered an opportunity to lever the social, economic and educational benefits that it can offer.

### **Summary of impact – Welsh language**

As this is a Welsh Language Strategy, a range of positive impacts have been identified for the Welsh language:

- Increasing and raising awareness of the Welsh language across all of Newport's diverse communities, ensuring it is inclusive and accessible to all
- Increasing the visibility of the Welsh language across Newport in community settings
- Encouraging partnership working and consistency between stakeholders in terms of the Welsh language in the workplace and potentially increase economic opportunities

- Ensuring communities in Newport are aware of the culture and history of Newport concerning the Welsh language and its importance in modern life; developing a sense of place and ownership,
- Increasing partnership work with stakeholders to develop shared learning, resources, and opportunities,
- Inspiring children and pupils to learn and use the language both in and out of school, as well as support or encourage parents/caregivers to invest in the language

## Consultation

This Strategy has been informed by the people living in Newport, Welsh language stakeholders and feedback from internal and external partners. During 2021 we launched a number of community surveys to find out more about what people in Newport thought about the Welsh language, and inform the focus of our strategic themes. Around 600 responses were received and highlighted key areas that the strategy should address, including:

- A reluctance to learn Welsh, or see the value of learning Welsh
- Low perceived visibility of the Welsh language across the city
- A concern that people were being 'forced' to engage with the Welsh language
- Lack of awareness of Welsh language opportunities, activities and groups across the city
- A lack of confidence in using Welsh language skills

A full summary of survey responses is included in the Strategy and FEIA.

The Strategy was also made available for public comment between the 24<sup>th</sup> January and 5<sup>th</sup> of February. A number of comments were received and taken into account when finalising the Strategy for submission to Cabinet and Council.

## Background Papers

[Newport's Welsh Language Standards](#)  
[Newport's draft Welsh in Education Strategic Plan](#)  
[Cymraeg 2050: A million Welsh speakers](#)

Dated: 18<sup>th</sup> February 2022

# Adroddiad

## Cyngor

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### Rhan 1

Dyddiad: Mawrth 2022

### **Pwnc Strategaeth y Gymraeg 2022-2027**

**Diben** Cymeradwyo Strategaeth y Gymraeg 5 mlynedd ddrafft ar gyfer Casnewydd fel sy'n ofynnol gan Fesur y Gymraeg (Cymru) 2011 a Safonau'r Gymraeg.

**Awdur** Rheolwr Cymunedau Cysylltiedig  
Swyddog Polisi'r Gymraeg

**Ward** Pob un

**Crynodeb** Yn unol â Mesur y Gymraeg (Cymru) 2011 mae'n ofynnol bod y Cyngor yn cynhyrchu, a chyhoeddi ar ein gwefan, strategaeth 5 mlynedd sy'n nodi cynigion i hyrwyddo'r Gymraeg ac i hwyluso'r defnydd ar y Gymraeg yn ehangach yn yr ardal.

Gwyddom mai un o'r prif ffyrdd y gallwn fesur cynnydd yn nifer y siaradwyr Cymraeg ledled Casnewydd yw drwy fonitro nifer y plant sy'n cael eu haddysgu drwy gyfrwng y Gymraeg. Felly mae ein targedau 5 mlynedd fel sy'n ofynnol gan ein Safonau'r Gymraeg yn adlewyrchu'r mesurau gwirioneddol hynny a nodir yn ein Cynllun Strategol Cymraeg mewn Addysg (CSCA).

Mae'r strategaeth ddrafft ar gyfer y cyfnod 2022-2027 i'w gweld yn Atodiad 1 yn y Gymraeg a Saesneg.

**Cynnig** Cymeradwyo'r Strategaeth ddrafft atodedig cyn ei chyflwyno i'r Cyngor llawn ym mis Mawrth.

**Camau gweithredu gan** Cyfarwyddwr, Trawsnewid a'r Ganolfan Gorfforaethol

**Amserlen** Yn syth

Paratowyd yr adroddiad hwn ar ôl ymgynghori â'r:

- Aelod Cabinet Asedau ac Adnoddau
- Hyrwyddwr Aelodau – Y Gymraeg
- Yr Aelod Cabinet dros Addysg a Sgiliau
- Grŵp Gweithredu swyddog y Gymraeg
- Fforwm y Gymraeg mewn Addysg
- Fforwm Iaith
- Pwyllgor Rheoli Trosolwg a Chraffu
- Y Cyhoedd
- Cabinet

## Cefndir

Sefydlodd Mesur y Gymraeg (Cymru) 2011 fframwaith cyfreithiol i osod dyletswyddau ar sefydliadau penodol i gydymffurfio â safonau yn ymwneud â'r Gymraeg trwy is-ddeddfwriaeth (Rheoliadau Safonau'r Gymraeg [Rhif 1] 2015).

Rhestrir y safonau a gyflwynwyd i Gyngor Dinas Casnewydd yn 'Hysbysiad Cydymffurfio Cyngor Dinas Casnewydd - Adran 44 Mesur y Gymraeg (Cymru) 2011'. Mae Safon 145 (isod) yn mynnu bod y Cyngor yn cynhyrchu a chyhoeddi strategaeth 5 mlynedd sy'n nodi sut y byddwn yn hyrwyddo a hwyluso'r defnydd o'r Gymraeg.

"Rhaid i chi lunio, a chyhoeddi ar eich gwefan, strategaeth 5 mlynedd sy'n nodi sut yr ydych yn bwriadu hyrwyddo'r Gymraeg a hwyluso'r defnydd o'r Gymraeg yn ehangach yn eich ardal; a rhaid i'r strategaeth gynnwys (ymhlith materion eraill)

- (a) darged (o ran canran y siaradwyr yn eich ardal) ar gyfer cynyddu neu gynnal nifer y siaradwyr Cymraeg yn eich ardal erbyn diwedd y cyfnod o 5 mlynedd dan sylw, a
- (b) datganiad sy'n nodi sut yr ydych yn bwriadu cyrraedd y targed hwnnw; a rhaid i chi adolygu'r strategaeth a chyhoeddi fersiwn ddiwygiedig ar eich gwefan o fewn 5 mlynedd i gyhoeddi strategaeth (neu o gyhoeddi strategaeth ddiwygiedig)

Cytunwyd ar ein strategaeth flaenorol yn 2017 ar gyfer y cyfnod 2017-2022. Mae'r Strategaeth ddrafft ar gyfer y pum mlynedd nesaf yn cynnwys y ddau darged i gynyddu nifer y siaradwyr Cymraeg yng Nghasnewydd, a datganiad sy'n nodi sut y byddwn yn gwneud hyn.

## Targed 5 mlynedd arfaethedig ar gyfer cynyddu neu gynnal canran y siaradwyr Cymraeg yng Nghasnewydd

Gwyddom mai un o'r prif ffyrdd y gallwn fesur cynnydd yn nifer y siaradwyr Cymraeg ledled Casnewydd yw drwy fonitro nifer y plant sy'n cael eu haddysgu drwy gyfrwng y Gymraeg. Felly mae ein targedau 5 mlynedd fel sy'n ofynnol gan ein Safonau'r Gymraeg yn adlewyrchu'r mesurau gwirioneddol hynny a nodir yn ein Cynllun Strategol Cymraeg mewn Addysg (CSCA). Mae'r Cabinet wedi cytuno ar CSCA Casnewydd a bydd yn cael ei rannu â Llywodraeth Cymru i'w gytuno erbyn mis Medi 2022.

Mae'r CSCA yn nodi targedau i gynyddu nifer y plant mewn addysg Gymraeg. Mae'n ofynnol i'r cyngor gynyddu nifer y disgyblion mewn addysg Gymraeg 6% dros y 10 mlynedd nesaf (erbyn 2032). Bydd hyn yn gynydd o 101 i 221 o ddisgyblion.

Mae'r Strategaeth yn nodi'r targedau CSCA 5 a 10 mlynedd a fydd yn galluogi i'r uchelgais hwn gael ei gyflawni, ar draws 7 maes deilliant:

- Deilliant 1: Mwy o blant meithrin yn dysgu trwy'r Gymraeg
- Deilliant 2: Mwy o blant dosbarth derbyn yn dysgu trwy'r Gymraeg
- Deilliant 3: Mwy o ddysgwyr yn gwella'u sgiliau Cymraeg ar ôl symud o'r ysgol gynradd i'r ysgol uwchradd
- Deilliant 4: Mwy o ddysgwyr yn astudio ar gyfer arholiadau trwy'r Gymraeg
- Deilliant 5: Mwy o ddysgwyr yn defnyddio'r Gymraeg y tu allan i ystafell ddosbarth yr ysgol
- Deilliant 6: Cynnydd mewn dosbarthiadau i ddisgyblion ag anghenion dysgu ychwanegol (ADY) sy'n dysgu trwy'r Gymraeg
- Deilliant 7: Mwy o athrawon a staff yn gallu addysgu Cymraeg a thrwy'r Gymraeg

## Y Strategaeth

Mae'r Strategaeth nid yn unig yn ymwneud â chynyddu nifer y siaradwyr Cymraeg yng Nghasnewydd, ond hefyd am wneud y Gymraeg yn gynhwysol ac i ysbrydoli, gan gefnogi dysgwyr Cymraeg, a

chynyddu gwelededd y Gymraeg ar draws y ddinas. Mae'r Strategaeth hefyd yn cefnogi'r gwaith o gyflawni targed Llywodraeth Cymru o gyrraedd miliwn o siaradwyr Cymraeg erbyn 2050.

Mae'r Strategaeth yn cyflwyno gweledigaeth ehangach y cyngor ar gyfer y Gymraeg yng Nghasnewydd – 'See, Hear, Learn, Use, Love' ac mae'n cynnwys camau gweithredu ar wahân i waith sy'n canolbwyntio ar Addysg i hyrwyddo a hwyluso'r Gymraeg ledled Casnewydd. Mae'r camau hyn wedi'u trefnu'n 3 thema strategol – Cymunedau a Diwylliant, Addysg, a Chyflogaeth a Sgiliau. Mae cynllun gweithredu yn nodi ymrwymïadau allweddol ar draws y themâu hyn.

Mae'r Strategaeth wedi'i llywio gan swyddogion ein Grŵp Gweithredu'r Gymraeg, ein gwaith parhaus gyda phartneriaid yn y sector cyhoeddus, ymgysylltu â rhanddeiliaid allweddol ac ymgynghori ar y safbwyntiau y mae dinasyddion yng Nghasnewydd yn eu coleddu ynghylch y Gymraeg – yn ogystal â gwaith ein gwasanaeth Addysg a'n Cynllun Strategol Cymraeg mewn Addysg newydd, y cytunwyd arno gan y Cabinet ym mis Ionawr. Roedd y Strategaeth ddrafft ar gael i'r cyhoedd roi sylwadau arni ar wefan y cyngor rhwng y 24 Ionawr a 5 Chwefror.

Byddwn yn parhau i ddefnyddio'r strwythurau llywodraethiant presennol i fonitro cynnydd ein Strategaeth wrth i ni geisio ymgorffori'r Gymraeg ar draws gweithgareddau busnes fel arfer. Bydd hyn yn cynnwys adroddiadau cynnydd rheolaidd ar gamau gweithredu allweddol yn ein Fforwm Cymraeg mewn Addysg a'n Grŵp Gweithredu'r Gymraeg mewnol. Bydd Fforwm y Gymraeg hefyd yn chwarae rhan allweddol wrth sicrhau bod partneriaid yn cymryd rhan ac yn gweithio tuag at ein gweledigaeth ar gyfer y Gymraeg yng Nghasnewydd, a'n Bwrdd Sgiliau Cywir wrth ymgorffori ein gwaith ynghlwm â chyflogwyr a sgiliau.

Bydd adroddiadau blynyddol ar gynnydd yn erbyn ein themâu allweddol yn cael eu hymgorffori yn ein Hadroddiad Blynyddol ar y Gymraeg a gyhoeddir erbyn 31 Mawrth bob blwyddyn fel sy'n ofynnol gan Safonau'r Gymraeg.

### **Crynodeb Ariannol (Cyfalaf a Refeniw)**

Nid oes unrhyw gostau staffio ychwanegol yn gysylltiedig â Strategaeth y Gymraeg, a bydd camau'n cael eu cyflawni gan ddefnyddio adnoddau a chyllidebau sy'n bodoli eisoes.

### **Risgiau**

Mae'n bwysig nodi a rheoli unrhyw brosiect neu gynllun sy'n agored i risg a chael rheolaethau ar waith i ddelio â'r risgiau hynny.

<b>Teitl / Disgrifiad y Risg</b>	<b>Sgôr Effaith y Risg - os yw'r risg yn digwydd* (U/C/I)</b>	<b>Tebygolrwydd y Risg o gael ei wireddu (U/C/I)</b>	<b>Cam(au) Lliniaru Risg</b> Beth mae'r Cyngor yn ei wneud neu beth mae wedi'i wneud i osgoi'r risg neu leihau ei effaith.	<b>Perchennog y Risg</b> Swyddog(ion) sy'n gyfrifol am ddelio â'r risg?
Nad yw'r Cyngor yn cydymffurfio â Safonau'r Gymraeg o ran cyhoeddi'r strategaeth 5 mlynedd.	U	I	Mae'r adroddiad hwn yn cynnig strategaeth ddrafft	Cyfarwyddwr, Trawsnewid a'r Ganolfan Gorfforaethol
Nad yw'r cynigion yn y strategaeth yn cael eu cyflawni.	C	I	Trefnir monitro drwy'r strwythurau llywodraethiant presennol	Cyfarwyddwr, Trawsnewid a'r Ganolfan Gorfforaethol

\* Gan ystyried mesurau lliniaru arfaethedig

### **Cysylltiadau â Pholisïau a Blaenoriaethau'r Cyngor**

Yn ogystal â bodloni ein gofynion o dan Safonau'r Gymraeg, mae'r Strategaeth hon yn cyd-fynd yn fwrriadol ag ystod o strategaethau ac amcanion cenedlaethol a lleol gan gynnwys:

- Llywodraeth Cymru: Cymraeg 2050 – Miliwn o Siaradwyr Cymraeg
- Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 – Nod Llesiant 'Cymru â diwylliant bywiog lle mae'r Gymraeg yn ffynnu'
- Mwy na Geiriau – Strategaeth Llywodraeth Cymru ar gyfer y Gymraeg mewn Iechyd a Gofal Cymdeithasol
- Cynllun Strategol Cymraeg mewn Addysg Cyngor Dinas Casnewydd
- Strategaeth Ddigidol Cyngor Dinas Casnewydd
- Cynllun Datblygu Lleol Cyngor Dinas Casnewydd
- Cynllun Technoleg Iaith Cymru Llywodraeth Cymru

## **Opsiynau sydd ar gael ac a ystyriwyd**

Y dewisiadau sydd ar gael yw:

1. Cytuno ar y drafft
2. Peidio â chytuno ar y drafft

## **Opsiwn a Ffefrir a Pham**

Opsiwn 1 yw'r opsiwn a ffefrir er mwyn bodloni ein gofynion statudol mewn modd amserol.

## **Sylwadau'r Prif Swyddog Ariannol**

Ni fydd cymeradwyo Strategaeth y Gymraeg yn cael unrhyw effaith ariannol andwyol, bydd yr holl gostau cysylltiedig yn cael eu talu o'r cyllidebau presennol.

## **Sylwadau'r Swyddog Monitro**

Mae dyletswydd statudol ar y Cyngor yn unol â Mesur y Gymraeg (Cymru) 2011 a Safonau'r Gymraeg yn mynnu bod y Cyngor yn cynhyrchu, a chyhoeddi, strategaeth 5 mlynedd sy'n nodi ein cynigion i hyrwyddo'r Gymraeg ac i hwyluso'r defnydd ar y Gymraeg yn ehangach yn yr ardal. Rhaid i'r strategaeth gynnwys targedau ar gyfer cynyddu neu gynnal nifer y siaradwyr Cymraeg yn yr ardal a rhaid adolygu'r gwaith o gyflawni'r strategaeth. Mae hyn hefyd yn gyson â nodau llesiant ac amcanion cynaliadwyedd Deddf Llesiant Cenedlaethau'r Dyfodol. Mae'r strategaeth arfaethedig yn bodloni gofynion y Safonau ac yn canolbwyntio, yn benodol, ar addysg Gymraeg, gan adeiladu ar egwyddorion presennol y Cynllun Strategol Cymraeg mewn Addysg.

## **Sylwadau'r Pennaeth Pobl a Newid Busnes**

Mae'r datblygiad hwn ar Strategaeth y Gymraeg ar gyfer y Ddinas yn pennu'r cyfeiriad strategol ar gyfer y 5 mlynedd nesaf. Mae'r adroddiad hwn yn nodi'r amcanion drafft ar gyfer y Cabinet ac yn adeiladu ar y gwaith presennol i ddatblygu'r Gymraeg fel y gwelir yn yr adroddiadau blynyddol. Mae datblygu'r Gymraeg hefyd yn rhan o'n blaenoriaethau cydraddoldeb a chorfforaethol, ac mae'n elfen allweddol o nodau llesiant Deddf Llesiant Cenedlaethau'r Dyfodol.

Mae'r strategaeth a'r cynllun gweithredu yn nodi pwysigrwydd gweithio gyda phartneriaid i gyflawni'r amcanion.

Mae'r cynllun gweithredu yn cynnwys camau i gydnabod a chynyddu sgiliau'r Gymraeg o fewn gweithlu'r Cyngor ei hun. Mae'r rhain yn cynnwys gofyniad TGAU Cymraeg i ymgeiswyr Prentisiaethau, defnyddio fframwaith sgiliau iaith Gymraeg ALTE a hysbysebion swyddi dwyieithog

## **Pwyllgorau Craffu**

Trafodwyd y Strategaeth ddrafft yn y Pwyllgor Craffu a Rheoli Trosolwg ar 21 Ionawr 2022. Mae'r sylwadau a'r ymatebion isod:

*Hoffai'r Pwyllgor gael eglurhad ar ffigurau'r rhai sy'n rhugl yn y Gymraeg, yn hyderus eu Cymraeg a dysgwyr y Gymraeg gan nad ydynt yn cyfateb yn union â nifer y rhai y dywedir iddynt gysylltu â'r Ganolfan Gyswllt drwy gyfrwng y Gymraeg.*

Nodwyd yr adborth ar y rhan yma o'r adroddiad (canlyniadau'r ymgynghoriad). Roedd y ffigurau a nodwyd yn ymwneud â 2 gwestiwn gwahanol a ofynnwyd yn yr arolwg felly roeddent yn anghydweddol. Gwnaed gwelliannau i roi eglurder ynghylch hyn.

*Dwedodd y Pwyllgor y byddent wedi hoffi gweld rhannau o'r adroddiad – penawdau a chyflwyniadau efallai – wedi'u hysgrifennu'n ddwyieithog gan y byddai'n cynrychioli cynnwys yr adroddiad yn well a nodau'r Cyngor gyda'r Gymraeg.*

Nodwyd yr adborth gan y Pwyllgor – bydd y Strategaeth lawn yn cael ei chyhoeddi yn Gymraeg ac yn Saesneg yn unol â Safonau'r Gymraeg y cyngor.

## **Asesiad o'r Effaith ar Degwch a Chydraddoldeb**

### **Crynodeb o'r effaith – Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru)**

Cynhaliwyd Asesiad Llawn o'r Effaith ar Degwch a Chydraddoldeb (AEDCh) ar Strategaeth y Gymraeg ac mae wedi'i atodi yn Atodiad 2. Mae'r themâu a'r camau gweithredu allweddol sy'n sail iddynt yn cydbwysu anghenion tymor byr â darparu atebion tymor canolig i hirdymor dros yr amserlen o 5 mlynedd, ac fe'u datblygwyd mewn ymgynghoriad â rhanddeiliaid mewnol ac allanol, gan gynnwys cymunedau ledled Casnewydd.

Mae'r Strategaeth yn nodi heriau allweddol i'r Gymraeg yng Nghasnewydd, er enghraifft, bylchau mewn cyflogaeth a sgiliau, cyfraddau trosi isel ar gyfer dysgwyr y Gymraeg sy'n symud o amgylcheddau cynysgol i amgylcheddau ysgolion cynradd, a'r diffyg gwelededd canfyddedig ynghylch yr iaith ar draws y ddinas. Mae'r Strategaeth yn nodi sut y bydd gwaith yn datblygu i atal y problemau hyn rhag gwaethygu, a'r adnoddau/gwaith partneriaeth sy'n galluogi i'r gwaith hwn ddigwydd.

Mae'r Strategaeth yn dibynnu ar waith partneriaeth effeithiol ac yn cyfrannu at Nodau Llesiant Cymru lewyrchus, Cymru fwy cyfartal, Cymru o gymunedau cydlynol a Chymru â diwylliant bywiog a'r Gymraeg yn ffynnu.

### **Crynodeb o'r effaith – Deddf Cydraddoldeb 2010**

Mae'r AEDCh a gynhaliwyd ar Strategaeth y Gymraeg yn nodi effeithiau cadarnhaol i bobl sy'n rhannu Nodweddion Gwarchoddedig o ran oedran, hil ac anabledd. Ni nodwyd unrhyw effeithiau negyddol. Nodir effeithiau cadarnhaol penodol ar gyfer plant cyn oed ysgol ac oedran ysgol o ganlyniad i thema Addysg y Strategaeth, ac ar gyfer cymunedau lleiafrifoedd ethnig sydd wedi eu blaenoriaethu ar gyfer ymgysylltiad yn y Strategaeth.

### **Crynodeb o'r effaith – Dyletswydd Economaidd-Gymdeithasol**

Nodwyd bod y Strategaeth yn cefnogi lleihau anghydraddoldebau a allai godi o ganlyniad i anfantais economaidd-gymdeithasol ym meysydd gwaith, cyfranogiad ac addysg. Mae'r meysydd hyn yn ymwneud yn uniongyrchol â'r themâu allweddol yn y Strategaeth – Cyflogaeth a Sgiliau, Cymunedau a Diwylliant ac Addysg.

Mae'r Strategaeth yn nodi ymrwymiad i estyn allan at gymunedau nad ydynt efallai'n draddodiadol yn ymgysylltu â'r Gymraeg, gan gynnwys cymunedau lleiafrifoedd ethnig, ffoaduriaid, ceiswyr lloches a mudwyr, a'r cymunedau hynny ym Mhilogwenlli, un o'r ardaloedd mwyaf difreintiedig yng Nghasnewydd. Bydd yr ymrwymiad hwn yn helpu i sicrhau bod y Gymraeg yn hygyrch i bawb, a chynigir cyfle i bawb wneud y gorau o'r manteision cymdeithasol, economaidd ac addysgol y gall yr iaith eu cynnig.

### **Crynodeb o'r effaith – Y Gymraeg**

Gan mai Strategaeth y Gymraeg yw hon, nodwyd amrywiaeth o effeithiau cadarnhaol ar gyfer y Gymraeg:

- Cynyddu a chodi ymwybyddiaeth o'r Gymraeg ar draws holl gymunedau amrywiol Casnewydd, gan sicrhau ei bod yn gynhwysol ac yn hygyrch i bawb
- Cynyddu gwelededd y Gymraeg ledled Casnewydd mewn lleoliadau cymunedol
- Annog gweithio mewn partneriaeth a chysondeb rhwng rhanddeiliaid o ran y Gymraeg yn y gweithle a phosibilrwydd o gynyddu cyfleoedd economaidd
- Sicrhau bod cymunedau yng Nghasnewydd yn ymwybodol o ddiwylliant a hanes Casnewydd o ran y Gymraeg a'i phwysigrwydd mewn bywyd modern; datblygu ymdeimlad o le a pherchnogaeth drosti,
- Cynyddu gwaith partneriaeth gyda rhanddeiliaid i ddatblygu dysgu, adnoddau a chyfleoedd a rennir.
- Ysbrydoli plant a disgyblion i ddysgu a defnyddio'r iaith yn yr ysgol a'r tu allan iddi, yn ogystal â chefnogi neu annog rhieni/darparwyr gofal i fuddsoddi yn yr iaith

## Ymgynghoriad

Mae'r Strategaeth hon wedi'i llywio gan y bobl sy'n byw yng Nghasnewydd, rhanddeiliaid y Gymraeg ac adborth gan bartneriaid mewnol ac allanol. Yn ystod 2021 lanswyd nifer o arolygon cymunedol gennym i ddarganfod mwy am yr hyn yr oedd pobl yng Nghasnewydd yn ei feddwl am y Gymraeg, i lywio ffocws ein themâu strategol. Derbyniwyd tua 600 o ymatebion a dynnodd sylw at feysydd allweddol y dylai'r strategaeth fynd i'r afael â hwy, gan gynnwys:

- Amharodrwydd i ddysgu Cymraeg, neu weld gwerth dysgu'r Gymraeg
- Gwelededd canfyddedig isel o'r Gymraeg ar draws y ddinas
- Pryder bod pobl yn cael eu 'gorfodi' i ymgysylltu â'r Gymraeg
- Diffyg ymwybyddiaeth o gyfleoedd, gweithgareddau a grwpiau Cymraeg ar draws y ddinas
- Diffyg hyder wrth ddefnyddio sgiliau Cymraeg

Ceir crynodeb llawn o ymatebion yr arolwg yn y Strategaeth a'r AEDCh.

Roedd y Strategaeth hefyd ar gael i'r cyhoedd gynbig sylwadau arni rhwng 24 Ionawr a 4 Chwefror. Derbyniwyd nifer o sylwadau ac fe'u hystyried wrth gwblhau'r Strategaeth i'w chyflwyno i'r Cabinet a'r Cyngor.

## Papurau Cefndir

[Safonau'r Gymraeg Casnewydd](#)  
[Cynllun Strategol Cymraeg mewn Addysg drafft Casnewydd](#)  
[Cymraeg 2050: Miliwn o siaradwyr Cymraeg](#)

Dyddiad: 18 Chwefror 2022

# Welsh Language 5 Year Promotional Strategy **2022 - 2027** **Newport City Council**

 See

 Hear

 Learn

 Use

 Love

## 1. Introduction

Welcome to Newport City Council's second 5 Year Welsh Language Promotional Strategy, which sets out how the local authority will work with our partners to promote and facilitate the use of the Welsh language across the city.

This Strategy aims to meet our statutory requirements under Welsh language legislation, but also to support the Welsh Government's ambitious target for national growth – 1 million Welsh speakers by 2050 – by setting our own targets, underpinned by actions relevant to Newport.

The long-term aspiration of the council is to increase the number of Welsh speakers in Newport, raise awareness, and increase the visibility of the Welsh language across all of our communities. We want to offer opportunities for those with all levels of Welsh to practice and speak Welsh in a safe, friendly and supportive environment, and to engage with those who might not be aware of the language or its benefits.

As a local authority, we know that one of the main ways that we can increase the number of Welsh speakers is to develop the provision and uptake of Welsh medium education. Therefore this strategy is closely aligned to our new 10-year Welsh in Education Strategic Plan (WESP).

However, we also recognise that our Strategy needs to increase everybody's opportunities to use Welsh. Our work over the next 5 years is not only about increasing the number of children who are educated through the medium of Welsh, but will seek to inspire and support Welsh learners at all levels, and consider how our own workforce and service provision promotes and facilitates the use of Welsh.

Newport is a Welsh city with rich multicultural, multilingual communities. We want to celebrate the Welsh language as part of our shared identity, and increase opportunities for everyone to see, hear, learn, use and love our national language.

## 2. Legislative Context

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language by way of sub-legislation (Welsh Language Standards (No.1) Regulations 2015).

The standards issued to Newport City Council are listed in '[The Newport City Council Compliance Notice](#) – Section 44 Welsh Language (Wales) Measure 2011'. Standard 145 (below) requires the Council to produce and publish a five-year strategy setting out how we will promote and facilitate the use of Welsh.

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

*(a) **a target** (in terms of the percentage of speakers in your area) for increasing or maintaining the number of Welsh speakers in your area by the end of the 5 year period concerned,*

*(b) **a statement** setting out how you intend to reach that target; and you must review the strategy and publish a revised version on your website within 5 years of publishing a strategy (or of publishing a revised strategy).*

This strategy includes a target to increase the number of Welsh speakers within Newport as well as specific actions to facilitate the use of the language in line with the Welsh Government's various Welsh language strategies, but in particular [Cymraeg 2050: A million Welsh speakers](#) which sets out a vision for achieving 1 million Welsh speakers by the year 2050:

*"[in 2050] the Welsh language is thriving, the number of speakers has reached a million, and it is used in every aspect of life. Among those who do not speak Welsh there is goodwill and a sense of ownership towards the language and a recognition by all of its contribution to the culture, society and economy of Wales"*

## 3. Policy Context

As well as meeting our requirements under our Welsh language Standards, this Strategy is aligned with a range of national and local strategies and objectives including:

- Welsh Government's Cymraeg 2050 – A million Welsh Speakers
- Well-Being of Future Generations Act (Wales) 2015 – Wellbeing Goal 'A Wales of vibrant cultures and thriving Welsh language'
- Mwy na Geiriau – Welsh Government's Strategy for Welsh in Health and Social Care
- Newport City Council's Welsh in Education Strategic Plan
- Newport City Council's Digital Strategy

- Newport City Council's Local Development Plan
- Welsh Government's Wales Language Technology Plan

### Impact of COVID-19

This Strategy is also cognisant of the impact that the pandemic has had on opportunities for people in Newport to learn and use the Welsh language and access Welsh language services. Although some Welsh language provisions were able to adapt well to restrictions, for example by moving to online activities, the council's Community Impact Assessment which sought views from Welsh language partners recorded the following impacts:

- Welsh medium childcare services have been disrupted – many staff were furloughed and future funding arrangements remain unclear, compounded by a range of issues preventing children from returning to childcare settings.
- There is a likely negative impact on the number of children attending Welsh-medium nurseries, and as a result fewer admissions into Welsh-medium schools in the city.
- There has been a lack of engagement of children in Welsh medium schools in digital learning, and difficulties for English/other language speaking parents in supporting home learning.
- Children in English speaking families may have had little exposure to Welsh language during lockdown, affecting language acquisition.
- Parents applying for school places may see the Welsh language as an extra burden for children having to catch up in other key subjects.
- There have been limited opportunities for adult learners to practice Welsh skills, particularly if this usually occurred in informal community settings, or through the workplace.

## 4. Our 5 Year Targets

We know that one of the main ways we can measure an increase in the number of Welsh speakers across Newport is through monitoring numbers of children being educated through the medium of Welsh. Therefore our 5 year targets as required by our Welsh Language Standards reflect those tangible measures set out in our WESP.

The Council's WESP sets out targets agreed with Welsh Government to increase the numbers of children in Welsh medium education. The council is required to increase the number of pupils in Welsh medium education by 6 percentage points over the next 10 years (by 2032):

***In 2021, 5.1% of all year 1 pupils were in Welsh-medium Education which is 101 pupils. By 2032, we would like this to be 11.1% of all year 1 pupils which will be around 221 pupils.***

The WESP has been agreed by our Cabinet, and will be submitted to Welsh Government for approval before coming into effect from September 2022. Our WESP is split into 7 outcome areas to support this work, all which have a baseline, a 5 year target which this Strategy will support, and a 10 year target:

<b>Outcome 1: More nursery children learning in Welsh</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
<b>5.4% (84)</b>	<b>8.6% (136)</b>	<b>11.1% (175)</b>
Maintained nursery children learning in Welsh <sup>1</sup>		

<b>Outcome 2: More reception class children learning in Welsh</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
<b>5.7% (113)</b>	<b>8.6% (171)</b>	<b>11.1% (220)</b>
reception class children learning in Welsh		

<b>Outcome 3: More learners improve their Welsh language when moving from primary school to secondary school</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
<b>96%</b>	<b>96%</b>	<b>96%</b>
learners improve their Welsh language when moving from primary school to secondary school		

<b>Outcome 4: More learners study for exams in Welsh</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
<b>100% (144)</b>	<b>100% (317)</b>	<b>100% (342)</b>
of learners in Years 10-13 at Ysgol Gyfun Gwent Is Coed take an exam in Welsh		
<b>93.6% (1624)</b>	<b>96.2% (1952)</b>	<b>96.3% (1941)</b>
of learners take a GCSE in the subject of Welsh		
<b>144</b>	<b>600</b>	<b>1000</b>
learners study in Welsh and the subject of Welsh at Coleg Gwent (BI <sup>2</sup> )		

<b>Outcome 5: More learners use Welsh outside of the school classroom</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
<b>0% (0)</b>	<b>75% (30)</b>	<b>100% (40)</b>
of English-medium primary schools have reached Gold in Cymraeg Campus <sup>3</sup>		

<b>Outcome 6: An increase in classes for pupils with additional learning needs (ALN) learning in Welsh</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
<b>0</b>	<b>10</b>	<b>20<sup>4</sup></b>
dedicated ALN spaces for pupils learning in Welsh		

<sup>1</sup> Does not include Rising 3s

<sup>2</sup> Learning completed in a bilingual context

<sup>3</sup> <https://hwb.gov.wales/curriculum-for-wales/siarter-iaith>

<sup>4</sup> If not achieved by 5 years

<b>Outcome 7: More teachers and staff able to teach Welsh and in Welsh</b>		
<b>Baseline</b>	<b>5 year target</b>	<b>10 year target</b>
Working to help teachers and staff learn the skills they need for Welsh speaking jobs	Make sure all schools have enough staff able to speak Welsh when needed	Welsh-medium pupils coming back as teachers in Newport Schools
Survey to see who has Welsh language skills in schools	Use the survey results to plan what we need	-
<b>6</b>	<b>12</b>	<b>12</b>
----- Coleg Gwent staff able to teach fluently in Welsh		

## 5. Our Statement

Newport City Council will work with internal and external partners and stakeholders to increase the number of Welsh speakers in Newport in line with Welsh Government's vision laid out in Cymraeg 2050: A million Welsh speakers.

We will work closely with our partners (including members of our Welsh Language Forum and Welsh in Education Forum) to consistently and effectively promote and increase the use of Welsh in Newport.

Our Strategy, and its delivery plan, is structured around 3 core themes:

- Communities and Culture
- Employment and Skills
- Education

This is a strategy for everyone in Newport, and has been developed based on the views of the people of Newport, as well as engagement with key stakeholders. It is underpinned by a range of actions relating to our core themes.

Delivering the Strategy will rely on effective partnership working and shared responsibilities across public, private and voluntary sector organisations, who all contribute to establishing and celebrating Newport as a diverse city whose communities share a sense of Welsh identity.

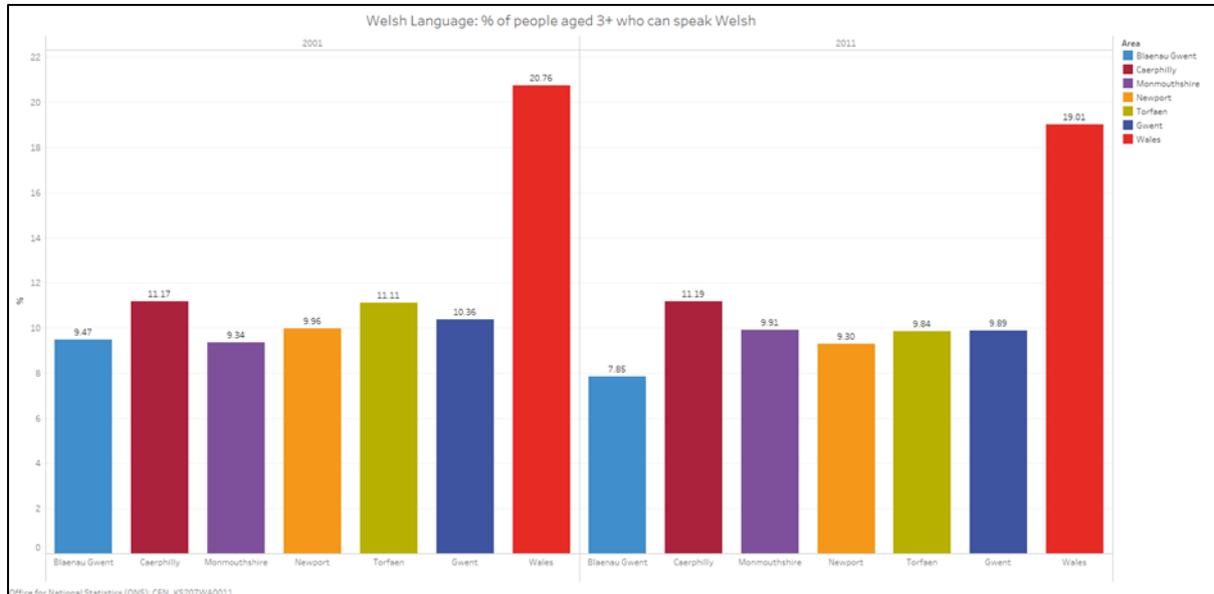
Further information on our WESP, and how our Education targets will be met, is available [here](#)

## 6. Newport's Welsh Language Profile

Welsh language is an important part of Newport's cultural identity and heritage and is used by many people each day in their homes, their communities and where they work. This section of our strategy draws on data from the last Census (2011), however we recognise that new Census data will be available in 2022. We will review and update our action plans as necessary to reflect any changes to the linguistic profile of the city.

### Population Data

The 2011 Census showed that the percentage of people aged 3+ who can speak Welsh in all areas across Gwent was below the Wales average (19.01%). This ranged from 11.19% in Caerphilly to 7.85% in Blaenau Gwent, although these figures may be significantly different at the next Census. In Newport, this figure was 9.96%



Between the 2001 Census and the 2011 Census there was a decrease of 0.7% in Welsh speakers aged 3+ in Newport, compared with a 1.8% decrease across Wales:

	2001				2011			
	Able to speak Welsh	Unable to speak Welsh	Total	% Able	Able to speak Welsh	Unable to speak Welsh	Total	% Able
<b>Newport</b>	13,135	118,685	131,820	10	13,002	126,847	139,849	9.3
<b>Wales</b>	582,368	2,223,333	2,805,701	20.8	562,016	2,393,825	2,955,841	19

In Wales, the Annual Population Survey (APS) also includes questions on people's ability in Welsh and how often they speak Welsh. Whilst Welsh Government is clear that Census data should be used to measure the number of Welsh speakers, it is useful to consider the APS to look at trends in the Welsh language between censuses. Historically a far greater number of people are recorded as being able to speak Welsh in the APS than in the Census, as shown in the following table:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Caerphilly</b>	23.4	24.8	21.8	22.0	23.7	23.6	24.6
<b>Blaenau Gwent</b>	18.0	17.8	17.8	17.5	19.7	17.1	16.1
<b>Torfaen</b>	15.5	16.0	18.3	19.0	17.7	18.0	18.5
<b>Monmouthshire</b>	17.1	16.7	16.8	16.7	17.6	17.5	16.5
<b>Newport</b>	23.3	19.6	19.8	20.6	20.9	17.8	20.5
<b>Wales average</b>	27.8	27.3	28.8	29.0	29.8	28.4	29.1

Census data also indicated that in Newport, age groups between 20 and 39 have seen an increase in the proportion of Welsh speakers, whilst all age groups over 40 showed a reduction in the proportion of Welsh speakers as illustrated in the following table:

	2001 %	2011 %	% Diff	
Age 3 – 4	9.2	14.0	+4.8	↑
Age 5 – 9	36.3	34.8	-1.5	↓
Age 10 – 14	46.1	42.0	-4.1	↓
Age 15 – 19	21.4	23.0	+1.6	↑
Age 20 – 24	3.8	7.8	+4.0	↑
Age 25 – 29	3.4	4.9	+1.5	↑
Age 30 – 34	2.8	3.3	+0.5	↑
Age 35 – 39	2.6	3.1	+0.5	↑
Age 40 – 44	2.7	2.6	-0.1	↓
Age 45 – 49	2.8	2.4	-0.4	↓
Age 50 – 54	2.7	2.4	-0.3	↓
Age 55 – 59	2.6	1.9	-0.7	↓
Age 60 – 64	2.1	1.8	-0.3	↓
Age 65 – 69	2.9	1.7	-1.2	↓
Age 70 – 74	2.3	1.4	-0.9	↓
Age 75 – 79	2.6	2.0	-0.6	↓
Age 80 +	2.2	1.8	-0.4	↓
<b>Total</b>	<b>10.0</b>	<b>9.3</b>	<b>-0.7</b>	<b>↓</b>

## Education Data

### A. Welsh medium primary and secondary education

The table below sets out the numbers of pupils being educated in Welsh medium schools in Newport over the last 5 years which indicates an overall rise.

Although there is a decrease in primary school numbers, the opening of Ysgol Gymraeg Nant Gwenlli is expected to subsidise this loss over the next five years

once the school moves to its permanent location in Pillgwenlly. Ysgol Bro Teyrnnon has also opened a temporary primary immersion unit on behalf of all primary schools within the Welsh Medium cluster.

At a secondary level, Ysgol Gyfun Gwent Is Coed has seen an annual increase in pupil numbers since its opening as Newport's first Welsh medium secondary school in 2016:

	16/17	17/18	18/19	19/20	20/21	21/22
Ysgol Gymraeg Casnewydd	355	360	377	386	379	377
Ysgol Gymraeg Ifor Hael	213	195	196	200	201	189
Ysgol Gymraeg Bro Teyrnnon	157	178	206	200	207	205
Ysgol Gymraeg Nant Gwenlli						7
Primary Pupil Total	725	733	779	786	787	778
Ysgol Gyfun Gwent Is Coed	81	159	248	351	451	505
Ysgol Gyfun Gwynllyw	234	217	179	149	92	50
Secondary Pupil Total	81	159	248	351	451	505
Pupil Total	1846	2001	2233	2423	2568	2616

#### B. Maintained nursery places

PLASC Year	2017		2018		2019		2020		2021	
Cohort	1624		1595		1634		1628		1564	
WM Pupils/%	79	4.9%	78	4.9%	76	4.7%	96	5.9%	84	5.4%
Places Available	110		112		112		112		112	
Places filled	71.8%		69.6%		67.9%		85.7%		75.0%	

Table excludes rising 3 pupils.

Ysgol Gymraeg Nant Gwenlli opened its seedling site with 48 part time nursery places available in September 2021 - therefore for the 2021/22 academic year there are 160 part-time Welsh-medium Nursery places available across Newport, 94 of which have been allocated<sup>5</sup>. This number is expected to increase by PLASC 2022 when Spring Term Rising 3 places will have been filled.

#### C. Non-maintained Nursery Places & Mudiad Meithrin Provisions

Newport has 3 Mudiad Meithrin provisions, Cylch Meithrin Brynglas and Cylch Meithrin Y Delyn for 19 and 38 children respectively and a new provision at Caerleon. Brynglas and Y Delyn are also registered to care for 2-year-olds and those

<sup>5</sup> Correct at 28/06/2021

eligible for Childcare Offer for Wales, therefore any of the filled places may include those children.

Cylch Meithrin Y Delyn became Newport's first Welsh-medium non-maintained playgroup and was able to deliver Foundation Phase Nursery education from February 2021. Cylch Meithrin Brynglas was also registered as a non-maintained provider from September 2021. As with the childcare offer, any non-maintained place filled will be included against the maximum number the setting is registered for.

		November 2020	June 2021
<b>Cylch Meithrin Brynglas</b>	<b>Take up</b>	11	13
	<b>Registered Places</b>	19	19
	<b>Places filled</b>	57.9%	68.4%
<b>Cylch Meithrin Y Delyn</b>	<b>Take up</b>	15	23*
	<b>Places Available</b>	38	38
	<b>Places filled</b>	39.5%	60.5%

\*5 receive a non-maintained funded place

The number of nursery aged children progressing into Welsh education in Newport falls below the national average, and has reduced from 75% to 59.2% between 2019 and 2020. A variety of influencing factors can be identified, including the location of Welsh medium primaries compared to Meithrin groups, the impact of COVID-19 and the lack of rising 3 places in Welsh medium primary schools.

The transfer rate between Welsh medium primary schools and Welsh medium secondary schools remains high, at around 97% due to small cohort sizes.

## 7. Our Consultation

This Strategy has been informed by the people living in Newport, Welsh language stakeholders and feedback from internal and external partners. During 2021 we launched a number of community surveys to find out more about what people in Newport thought about the Welsh language, and inform the focus of our strategic themes. Around 600 responses were received.

Key findings from our **SNAP community survey** indicated that:

- 55% of respondents could not speak or understand Welsh
- 6% of respondents could speak or understand Welsh
- 14% of respondents indicated that they could speak Welsh but did not think it was good enough to use
- 8% of respondents were learning Welsh
  
- 55% of non-Welsh speaking respondents indicated that nothing could encourage them to learn Welsh
- 30% of non-Welsh speaking respondents indicated that free Welsh lessons could encourage them to learn Welsh
- 18% of non-Welsh speaking respondents indicated that hearing more Welsh in the community, or being given opportunities to use Welsh socially could encourage them to learn Welsh

Of those who had contacted the council in Welsh:

- 25% of respondents had accessed the council's Contact Centre through the medium of Welsh
- 25% of respondents had accessed Education services through the medium of Welsh
- 50% of respondents had accessed another service through the medium of Welsh<sup>6</sup>
  
- 73% of respondents were aware that the council has statutory responsibilities in relation to the Welsh language
- When asked when and where they saw or heard the Welsh language, most respondents said that they hardly saw Welsh in Newport, and when they did, this was mainly on public signage
- 57% of respondents indicated that they did not think it was important to have opportunities to use or hear Welsh in the community compared to 43% who did
- 84% of people indicated they were not aware of any Welsh speaking community groups or activities in Newport

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<sup>6</sup> Responses from separate questions within the survey therefore total more than 100%

Key findings from our **Bus Wifi survey** indicated that:

- 72% of respondents did not speak Welsh
- 28% of respondents did speak Welsh
  
- Around half (54%) of respondents had learned Welsh at school
- Of those who learned Welsh at school, only 16% of respondents still use their language skills
- 28% of respondents who learned Welsh at school indicated they no longer use their skills because they have forgotten, or because they lack confidence
  
- Welsh speaking respondents indicated that they were most likely to use Welsh at college, followed by home, school and work
  
- 48% of non-Welsh speaking respondents indicated that nothing would encourage them to learn Welsh
- 22% of non-Welsh speaking respondents indicated that they may be encouraged to learn Welsh through work
- 19% of non-Welsh speaking respondents indicated that family connections may encourage them to speak Welsh
  
- 32% of respondents indicated that they would choose Welsh medium education for their children, compared to 43% who would not, and 25% who did not know
  
- 50% of respondents did not know that the council has a strategy to promote the Welsh language
- 53% of respondents reported never hearing Welsh in Newport, 29% occasionally, and 18% frequently

It's lovely to hear Welsh spoken when I'm out and about. This happens in Cardiff and Welsh speaking areas of Wales and it encourages me to speak Welsh too.

[the Welsh language] is being promoted far too much considering the actual demand that exists in the general population. Whilst I would never prevent someone learning or speaking Welsh out of choice, it should remain just that, a choice

Language is connected to a sense of belonging, identity and community and therefore important. I'd like to learn to have basic conversations in Welsh, and to have a 'rough' understanding of information in Welsh on signs and so on

I think there are very limited free opportunities for people from minority backgrounds to learn Welsh, especially migrants, asylum seekers and refugees or those who may have missed the opportunity in primary or high school

I don't use the Welsh language but am currently learning it. I think it is an important part of Welsh culture and identity. People have a right to use their preferred language in all aspects of their life

In work, I feel it's used as a tool to exclude. Recruitment schemes favour language over ability. I do not feel the current policies in place to safeguard the language do so in a positive and inclusive way.

It's one of the oldest languages in Europe and should be nurtured to continue and thrive. I attended Welsh medium education from 3 to 13 but haven't had much opportunities to use it since then so my language skills are rusty.

## 8. Our Vision for Welsh in Newport

Our vision for the Welsh language is:

**“See, Hear, Learn, Use, Love”**

*Everyone in Newport can use, see and hear Welsh as a living language in all parts of life across the city*

### Welsh Language Strategy Themes

We have identified 3 strategic themes to deliver our vision, considering our consultation findings, the linguistic profile of the city, our existing Welsh language priorities and our aspirations for Welsh language growth.

#### Theme 1: Communities and Culture

This theme focusses on increasing awareness of the Welsh language across our communities, normalising Welsh so that it is heard and seen outside of formal environments like school, college or the workplace.

With over 90% of parents of children in Welsh medium education being non-Welsh speakers, we cannot rely on our work with schools for effective language transmission, and need to consider other ways of increasing visibility.

This theme also looks to engage non-traditional users of Welsh, including our ethnic minority communities, and broaden our community partnerships. We want to widen the partners that we work with to promote the Welsh language, building on our work with Newport's Welsh Language Forum and engaging other local stakeholders, like sports teams and public sector partners.

#### We will:

- ✓ Work with local stakeholders and community groups to promote Welsh as a living language in Newport
- ✓ Create and support social opportunities for people to use and develop their Welsh language skills
- ✓ Promote Welsh as a language for all
- ✓ Develop a Newport aware of its Welsh language culture and history
- ✓ Develop a sense of place steeped in Welsh language and Culture
- ✓ Ensure that communities can access council services in Welsh or English equally
- ✓ Promote bilingualism as something that is completely natural
- ✓ Seek to protect and nurture the Welsh language for future generations to use and enjoy

#### Theme 2: Education

This theme ensures that Welsh language activities across the city align with, and supports the achievements of targets set out in our WESP. We want all families to be aware of Welsh medium education options across Newport, and to understand the benefits of receiving a bilingual education.

This theme will also focus on supporting parents of children in Welsh medium education, particularly those who are non-Welsh speakers.

**We will:**

- ✓ Help to inspire pupils to use and develop their Welsh outside the classroom
- ✓ Promote the benefits of learning and using Welsh in both Welsh and English medium schools
- ✓ Support non-Welsh speaking parents of children in Welsh medium education
- ✓ Seek to increase the number of children in Welsh medium education
- ✓ Work with colleagues in Further and Higher Education across Newport to look at potential opportunities to promote the benefits of learning Welsh and learning opportunities
- ✓ Work with stakeholders, colleagues, and the Welsh in Education Forum (WEF) members to close the gaps in Welsh medium skills across early years and education

**Theme 3: Employers and Skills**

Our final theme considers the example that the council should set as an organisation which values and supports the use of the Welsh language. We want to create an environment where Welsh and English are treated and viewed equally and staff feel empowered to use and develop their Welsh language skills.

We will also work with our Regional Public Service Board partners to ensure a consistent approach to developing Welsh-speaking workforces that are fit for purpose, and work together to address skills gaps across the city.

**We will:**

- ✓ Work with partners to promote Welsh language as a skill across a range of sectors
- ✓ Help develop and create opportunities for people to use and develop their Welsh in the workplace
- ✓ Work with stakeholders to promote the benefits of learning Welsh to students and pupils across Newport
- ✓ Embed our Welsh Language Skills Policy into relevant Council processes, which will aid the Council with its workforce planning and use of Welsh internally
- ✓ Work with partners to embed the same linguistic measuring profile across the public sector to help Welsh speakers when applying for jobs
- ✓ Create supportive and safe spaces for people with all levels of Welsh to develop their skills at work

## 9. Our Action Plans

To ensure that our Strategy is delivered effectively, we have developed action plans for each of our core themes. These plans will be monitored through internal and external governance structures and reported on as part of our Welsh Language Annual Report. Actions are indicative of our planned work, but may be amended to respond to meet new and emerging challenges, and are not exhaustive.

### A. Communities and Culture

Priority	Action	Lead Partners / Responsibility
Create and support social opportunities for people to use and develop their Welsh language skills	Develop a 'Communities Can' project with the Dragons to provide opportunities for people to use Welsh in a variety of contexts (Year 1)	NCC Dragons County AFC
	Work with County AFC to increase awareness of Welsh on matchdays and around culturally specific dates (Year 1-5)	Menter Iaith Casnewydd Urdd
	Continue to support Gŵyl Newydd – Newport's annual Welsh language festival (Year 1-5)	Mudiad Meithrin
	Develop a sustainable Welsh in the Community Grant Scheme (Year 1-5)	
Promote Welsh as a language for all	Develop and promote a Parents' Booklet in a range of community languages which promotes the benefits of Welsh medium education (Year 1-5)	NCC

	Create opportunities for non-traditional audiences to see, hear, learn and use the Welsh language, considering opportunities to bring together different communities, for example through intergenerational projects (Year 1-5)	WEF & Promotion Group members Stakeholders
Work with stakeholders and community groups to promote Welsh as a living language	Continue to support the Welsh Language Forum and review its membership on an ongoing basis to ensure new connections (Year 1-5)	NCC Menter Iaith Casnewydd Urdd Gŵyl Newydd Dragons County AFC GAVO
	Work with a range of community partners to engage minority ethnic communities with the Welsh language (Year 1-5)	
Promoting bilingualism / multilingualism as something completely natural	Develop and promote a range of resources which showcase the benefits of a bilingual/multilingual society (Year 1-5)	NCC Welsh Language Forum
Increase the visibility of Welsh across the City to reflect the Welsh identity of Newport	Work with a range of community partners to increase the visibility of Welsh language at social, sporting and cultural events across the city (Year 1-5)	NCC Welsh Language Forum Dragons Newport AFC Newport Live

## B. Employment and Skills

Priority	Action	Lead Partners / Responsibility
Embed our new Welsh Language Skills Policy into relevant Council processes	Adopt and implement the Welsh Language Skills Policy, including the introduction of Clear Welsh principles and the ALTE framework (Year 1 and 2), alongside GCSE Welsh requirements for Apprentice candidates and bilingual job advertisement.	NCC
Promote Welsh language as a skill	Work with a range of partners to develop consistent approaches to attracting, recruiting, retaining and developing Welsh speaking employees across sectors (Year 1-5)	Right Skills Board Careers Wales RPSB members Welsh Language Forum members
	Work with a range of partners to address skills gaps across sectors, for example, Education and early years (Year 1-5)	
Create supportive and safe spaces for people with all levels of Welsh to develop their skills at work	Work with a range of partners to ensure organisations across Newport are effectively signposting to existing provision (Year 1)	Menter Iaith Casnewydd NCC Right Skills Board
	Help develop and create opportunities for people to use and develop their Welsh in the workplace (Year 1-5)	
	Establish a working group reporting to the Right Skills Board to assess current opportunities across partner organisations and make and implement recommendations. To include exploration of opportunities across the private sector. (Year 1 and 2)	

## C. Education

Priority	Action	Lead Partners / Responsibility
Promote the benefits of Welsh medium education across communities in Newport	Continue to communicate and promote the benefits of Welsh medium education to parents (Year 1 - 5)	NCC WEF Mudiad Meithrin
	Identify communities in Ysgol Gymraeg Nant Gwenlli catchment area and target multilingual promotional activities (Year 1 - 5)	
	Further publicise the immersion centres available at Welsh medium primaries, include the benefits of the immersion centres in Nant Gwenlli (move from temporary location at Bro Teyron) and Ysgol Gyfun Gwent Is Coed as part of the Becoming Bilingual packs (Year 1 and 2)	
	Work alongside English medium schools to assist their progression through the Cymraeg Campus accreditations (Year 1-5)	
	Create resources which promote Welsh medium nursery provisions available in Newport (Year 1 and 2)	
	Support and develop Early Years and pre-school provision and continue to work with stakeholders such as Mudiad Meithein (Years 1-5)	
Support parents of children in Welsh medium education.	Continue to signpost parents to resources which promote Welsh medium education, developing specific materials where appropriate and ensuring these appeal to diverse audiences including speakers of other languages and parents/guardians of children with ALN (Year 1-5)	NCC WEF Coleg Gwent

	Liaise with English for Speakers of Other Languages (ESOL)L services to promote an appropriate level of Welsh language education resources (Year 1 and 2)	
Support the development of a workforce that will help support and deliver the WESP	Ensure secondary school pupils are aware of the benefits of bilingualism/ multilingualism and that schools are able to promote Welsh medium education as a career path (Year1-5)	NCC WEF Careers Wales Right Skills Board
	Develop promotional campaigns for Welsh medium early years and teaching careers in Newport (Year 1 and 2)	
	Ensure that existing English medium school staff are provided with the opportunity to learn a basic level of Welsh (Year 1-5)	

## 10. Monitoring Progress

We will continue to use existing governance structures to monitor the progress of our Strategy as we look to embed Welsh language across business-as-usual activities. This will include regular progress reports on key actions into our Welsh in Education Forum and our internal Welsh Language Implementation Group.

The Welsh Language Forum will also play a key role in ensuring partners are engaged and working towards our vision for Welsh in Newport, and our Right Skills Board in embedding our work around employers and skills.

Annual reporting on progress against our key themes will be incorporated within our Welsh Language Annual Report which is published by the 31<sup>st</sup> March each year as required by our Welsh Language Standards.

## 11. Working with Partners

The success of this Strategy is dependent on effective partnership working, and this section sets out our key partners, and the role that they will play in delivering our priorities. We will continue to expand the range of partners that we work over the life of this strategy, and this list is not exhaustive.

### **Grŵp Deddf**

Grŵp Deddf is a network of Welsh Language Officers from across public sector organisations with a duty to comply with Welsh Language legislation and provide Welsh language services. Our South East Wales group meets regularly to share good practice develop regional consistency.

### **Fforwm Iaith / Welsh Language Forum**

Fforwm Iaith Casnewydd is an external forum attended by a range of key stakeholders from across the public and voluntary sectors. The group aims to create a forum for partnership working and the dissemination of good practice. We have engaged Forum members in the development of both our WESP and this Strategy.

### **Menter Iaith Casnewydd**

Menter Iaith Casnewydd seek to increase opportunities for people of all ages and backgrounds to use or learn the Welsh language within their local community, employment and training. Menter Iaith have a number of projects across Newport which help engage communities with the Welsh language.

### **Mudiad Meithrin**

Mudiad Meithrin is the main provider of Welsh Medium early years care and education in the voluntary sector in Wales. Its aim is to give every young child in Wales the opportunity to benefit from early years and education experiences. The organisation employs 200 staff nationally, and an additional 1500 staff work in Cylchoedd Meithrin (Welsh Medium playgroups) throughout Wales.

### **Coleg Gwent**

Coleg Gwent is Newport's further education college and the main provider of adult Welsh medium education within the county. The council works in partnership with the college to deliver our Welsh language classes and to develop further opportunities to promote Welsh language acquisition.

### **University of South Wales / Coleg Cymraeg Cenedlaethol**

The University of South Wales offers a wide range of courses over a number of campuses, one of which is based in Newport city centre. They are an important partner in helping students and pupils to transition to their next stage of learning and continue to use their Welsh.

### **Cymraeg i Blant (CiB)**

Cymraeg i Blant are funded by Welsh Government and coordinated by Mudiad Meithrin. The project focuses on increasing the number of nursery age children that are able to speak Welsh. It shares information, advice and offers support to parents on the benefits of bilingualism, the importance of introducing Welsh to children as early as possible and the advantages of Welsh medium education.

### **The Urdd**

The Urdd, as a Welsh medium youth organisation, is focused on giving young people the opportunity to develop as well rounded individuals. Within Newport, the Urdd works closely with our Welsh medium schools, offering a range of activities to pupils throughout the year. The Urdd is the principle organiser of the annual Eisteddfod, but also organises residential and sporting activities for young people.

### **Aneurin Bevan University Health Board (ABUHB)**

We aim to work closely with colleagues from ABUHB through a variety of channels including the Mwy na Geiriau Forum, our OneNewport Right Skills Board and directly with their Welsh Language Unit.

### **Newport Live**

Newport Live delivers high quality sports and arts activities for children, families, schools and community groups across Newport and manages the Riverfront Theatre. The Riverfront is a vital asset to Newport, and as well as promoting and hosting Welsh language productions and events, has hosted and supported Gŵyl Newydd, Newport's up and coming Welsh language festival.

### **Gwent Police and the Police and Crime Commissioner (PCC)**

The PCC for Gwent and the Chief Constable for Gwent Police share a commitment to working towards provision of a bilingual public service. This supports the Welsh Language Commissioner's vision for the Welsh language to be central to everyday life in Wales and creation of a society where Welsh can be used in an increasing number of contexts.

### **Dragons Rugby**

Dragons Rugby are one of Wales four professional regions and play in a number of high level competitions and host a number of international players. Playing at Rodney Parade in the heart of Newport, they are a vital part of the community. In 2019 Newport City Council signed a Community Partnership with the Dragons to support the promotion of Welsh as a living language across Newport.

### **Newport County AFC**

County AFC now share Rodney Parade with the Dragons. County in the Community Trust is one of 72 league clubs affiliated to The Football League Trust, delivering sporting projects and schemes for everyone in Newport, Monmouthshire and Torfaen. The Council are working with County AFC to try to raise awareness of the Welsh language across the city as a community language.

### **The Welsh in Education Forum (WEF)**

This group is made up of senior Education officers, partners and school representatives. The WEF provides a formal channel of communication between the council, its maintained schools and other stakeholders with an interest in Welsh medium education, and supports the delivery of the WESP. The WEF plays a key role in consulting on any developments in relation to Welsh medium education in Newport.

## **12. Further information**

For further information on our Welsh language work in Newport, or to comment on this Strategy, please email [nccequality@newport.gov.uk](mailto:nccequality@newport.gov.uk)

# Strategaeth 5 Mlynedd Hyrwyddo'r Gymraeg **2022 - 2027** **Cyngor Dinas Casnewydd**



Gweld



Clywed



Dysgu



Defnyddio



Caru

## 1. Cyflwyniad

Croeso i ail Strategaeth 5 Mlynedd Hyrwyddo'r Gymraeg Cyngor Dinas Casnewydd, sy'n nodi sut y bydd yr awdurdod lleol yn gweithio gyda'n partneriaid i hyrwyddo a hwyluso'r defnydd o'r Gymraeg ar draws y ddinas.

Nod y Strategaeth hon yw bodloni ein gofynion statudol o dan ddeddfwriaeth y Gymraeg, ond hefyd i gefnogi targed uchelgeisiol Llywodraeth Cymru ar gyfer twf cenedlaethol – 1 miliwn o siaradwyr Cymraeg erbyn 2050 – drwy osod ein targedau ein hunain, wedi'u hategu gan gamau gweithredu sy'n berthnasol i Gasnewydd.

Dyhead hirdymor y Cyngor yw cynyddu nifer y siaradwyr Cymraeg yng Nghasnewydd, codi ymwybyddiaeth, a cynyddu gwelededd y Gymraeg ar draws ein holl gymunedau. Rydym am gynnig cyfleoedd i'r rhai sydd â phob lefel o'r Gymraeg i ymarfer a siarad Cymraeg mewn amgylchedd diogel, cyfeillgar a chefnogol, ac i ymgysylltu â'r rhai nad ydynt efallai yn ymwybodol o'r iaith na'i manteision.

Fel awdurdod lleol, gwyddom mai un o'r prif ffyrdd y gallwn gynyddu nifer y siaradwyr Cymraeg yw datblygu'r ddarpariaeth a'r nifer sy'n manteisio ar addysg Gymraeg. Felly, mae'r strategaeth hon wedi'i halinio'n agos â'n Cynllun Strategol Cymraeg mewn Addysg 10 mlynedd newydd. (CSGA)

Fodd bynnag, rydym hefyd yn cydnabod bod angen i'n Strategaeth gynyddu cyfleoedd pawb i ddefnyddio'r Gymraeg. Mae ein gwaith dros y 5 mlynedd nesaf nid yn unig yn ymwneud â chynyddu nifer y plant sy'n cael eu haddysgu drwy gyfrwng y Gymraeg, ond yn ceisio ysbrydoli a chefnogi dysgwyr Cymraeg ar bob lefel, ac ystyried sut mae ein gweithlu a'n gwasanaethau ein hunain yn hyrwyddo ac yn hwyluso'r defnydd o'r Gymraeg.

Mae Casnewydd yn ddinas Gymreig gyda chymunedau amlddiwylliannol, amlieithog cyfoethog. Rydym am ddathlu'r Gymraeg fel rhan o'n hunaniaeth gyffredin, a chynyddu cyfleoedd i bawb weld, clywed, dysgu, defnyddio a charu ein hiaith genedlaethol.

## 2. Cyd-destun Deddfwriaethol

Sefydlodd Mesur y Gymraeg (Cymru) 2011 fframwaith cyfreithiol i osod dyletswyddau ar sefydliadau penodol i gydymffurfio â safonau yn ymwneud â'r Gymraeg trwy is-ddeddfwriaeth (Safonau Rheoliadau'r Gymraeg (Rhif 1) 2015).

Rhestrir y safonau a gyflwynwyd i Gyngor Dinas Casnewydd yn '[Hysbysiad Cydymffurfio Cyngor Dinas Casnewydd](#) - Adran 44 Mesur y Gymraeg (Cymru) 2011'. Mae Safon 145 (isod) yn mynnu bod y Cyngor yn cynhyrchu a chyhoeddi strategaeth 5 mlynedd sy'n nodi sut y byddwn yn hyrwyddo a hwyluso'r defnydd o'r Gymraeg.

*Rhaid i chi lunio, a chyhoeddi ar eich gwefan, strategaeth 5 mlynedd sy'n nodi sut yr ydych yn bwriadu hyrwyddo'r Gymraeg a hwyluso'r defnydd o'r Gymraeg yn ehangach yn eich ardal; a rhaid i'r strategaeth gynnwys (ymhlith materion eraill) (a) **targed** (o ran canran y siaradwyr yn eich ardal) ar gyfer cynyddu neu gynnal nifer y siaradwyr Cymraeg yn eich ardal erbyn diwedd y cyfnod o 5 mlynedd dan sylw, a (b) **datganiad** sy'n nodi sut yr ydych yn bwriadu cyrraedd y targed hwnnw; a rhaid i chi adolygu'r strategaeth a chyhoeddi fersiwn ddiwygiedig ar eich gwefan o fewn 5 mlynedd i gyhoeddi strategaeth (neu o gyhoeddi strategaeth ddiwygiedig).*

Mae'r strategaeth hon yn cynnwys targed i gynyddu nifer y siaradwyr Cymraeg yng Nghasnewydd yn ogystal â chamau penodol i hwyluso defnyddio'r iaith yn unol â strategaethau amrywiol y Gymraeg Llywodraeth Cymru, ond yn benodol [Cymraeg 2050: Miliwn o siaradwyr Cymraeg](#) sy'n nodi gweledigaeth ar gyfer sicrhau 1 miliwn o siaradwyr Cymraeg erbyn y flwyddyn 2050:

*"[yn 2050] mae'r Gymraeg yn ffynnu, mae nifer y siaradwyr wedi cyrraedd miliwn, ac fe'i defnyddir ym mhob agwedd ar fywyd. Ymhlith y rhai nad ydynt yn siarad Cymraeg mae ewyllys da ac ymdeimlad o berchnogaeth tuag at yr iaith a chydabyddiaeth gan bawb o'i chyfraniad at ddiwylliant, cymdeithas ac economi Cymru"*

## 3. Cyd-destun Polisi

Yn ogystal â bodloni ein gofynion o dan Safonau'r Gymraeg, mae'r Strategaeth hon yn cyd-fynd ag ystod o strategaethau ac amcanion cenedlaethol a lleol gan gynnwys:

- Llywodraeth Cymru: Cymraeg 2050 – Miliwn o Siaradwyr Cymraeg
- Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015 – Nod Llesiant 'Cymru o ddiwylliannau bywiog a'r iaith Gymraeg yn ffynnu'
- Mwy na Geiriau – Strategaeth Llywodraeth Cymru ar gyfer y Gymraeg mewn lechyd a Gofal Cymdeithasol
- Cynllun Strategol Cymraeg mewn Addysg Cyngor Dinas Casnewydd
- Strategaeth Ddigidol Cyngor Dinas Casnewydd
- Cynllun Datblygu Lleol Cyngor Dinas Casnewydd

- Cynllun Technoleg Iaith Cymru Llywodraeth Cymru

### **Effaith COVID-19**

Mae'r Strategaeth hon hefyd yn ymwybodol o'r effaith y mae'r pandemig wedi'i chael ar gyfleoedd i bobl yng Nghasnewydd ddysgu a defnyddio'r Gymraeg a chael mynediad at wasanaethau Cymraeg. Er bod rhai darpariaethau cyfrwng Cymraeg wedi gallu addasu'n dda i gyfyngiadau, er enghraifft trwy symud i weithgareddau ar-lein / rhithiol, wedi gofyn am farn partneriaid iaith Gymraeg, cofnodwyd yr effeithiau canlynol yn Asesiad Effaith Cymunedol y cyngor::

- Amharwyd ar wasanaethau gofal plant cyfrwng Cymraeg – roddwyd llawer o staff ar ffyrlo ac mae trefniadau ariannu yn y dyfodol yn aneglur o hyd, wedi'u dwysáu gan ystod o faterion yn atal plant rhag dychwelyd i leoliadau gofal plant.
- Mae hyn yn debygol o gael effaith andwyol ar nifer y plant sy'n mynychu meithrinfeydd cyfrwng Cymraeg, gan arwain felly at lai o blant yn cael eu derbyn mewn ysgolion Cymraeg yn y ddinas.
- Bu diffyg cyfranogiad ymhlith plant mewn ysgolion Cymraeg o ran dysgu digidol, ac anawsterau i rieni sy'n siarad Saesneg/iaith arall wrth gefnogi dysgu yn y cartref.
- Efallai na chafodd plant mewn teuluoedd uniaith Saesneg dim cysylltiad â'r Gymraeg yn ystod y cyfnod clo neu ddim o gwbl, gan effeithio ar gaffaeliad iaith.
- Wrth edrych i'r dyfodol, efallai y bydd rhieni sy'n gwneud cais am leoedd ysgol yn gweld y Gymraeg yn faich ychwanegol ar blant sy'n gorfod dal i fyny mewn pynciau allweddol eraill.
- Prin fu'r cyfleoedd i ddysgwyr sy'n oedolion ymarfer sgiliau Cymraeg, yn enwedig os oedd hyn yn arfer digwydd mewn lleoliadau cymunedol anffurfiol, neu drwy'r gweithle.

### **4. Ein Targed 5 Mlynedd**

Mae Cynllun Strategol Cymraeg mewn Addysg (CSCA) y Cyngor yn nodi targedau y cytunwyd arnynt gyda Llywodraeth Cymru i gynyddu nifer y plant mewn addysg Gymraeg. Mae'n ofynnol i'r cyngor gynyddu nifer y disgyblion mewn addysg Gymraeg 6% dros y 10 mlynedd nesaf (erbyn 2032):

**Yn 2021, 5.1% o'r holl ddisgyblion blwyddyn 1 a oedd mewn Addysg Gymraeg, sef 101 o ddisgyblion. Erbyn 2032, hoffem i hyn fod yn 11.1% o'r holl ddisgyblion blwyddyn 1 a fydd tua 221 o ddisgyblion.**

Mae ein CSCA wedi'i rannu'n 7 maes deilliant i gefnogi'r gwaith hwn, pob un ohonynt â gwaelodlin, targed 5 mlynedd a tharged 10 mlynedd:

<b>Deilliant 1: Mae mwy o blant meithrin yn dysgu trwy'r Gymraeg</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
<b>5.4% (84)</b>	<b>8.6% (136)</b>	<b>11.1% (175)</b>
Plant meithrin a gynhelir yn dysgu trwy'r Gymraeg <sup>1</sup>		
<b>Deilliant 2: Mwy o blant dosbarth derbyn yn dysgu trwy'r Gymraeg</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
<b>5.7% (113)</b>	<b>8.6% (171)</b>	<b>11.1% (220)</b>
o blant dosbarth derbyn yn dysgu trwy'r Gymraeg		

<b>Deilliant 3: Mwy o ddysgwyr yn gwella'u sgiliau Cymraeg ar ôl symud o'r ysgol gynradd i'r ysgol uwchradd</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
<b>96%</b>	<b>96%</b>	<b>96%</b>
o ddysgwyr yn gwella'u sgiliau Cymraeg ar ôl symud o'r ysgol gynradd i'r ysgol uwchradd		

<b>Deilliant 4: Mwy o ddysgwyr yn astudio ar gyfer arholiadau trwy'r Gymraeg</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
<b>100% (144)</b>	<b>100% (317)</b>	<b>100% (342)</b>
o ddysgwyr ym Mlynnyddoedd 10-13 yn Ysgol Gyfun Gwent Is Coed yn sefyll arholiad trwy'r Gymraeg		
<b>93.6% (1624)</b>	<b>96.2% (1952)</b>	<b>96.3% (1941)</b>
o ddysgwyr yn dilyn TGAU yn y Gymraeg		
<b>144</b>	<b>600</b>	<b>1000</b>

<b>Deilliant 5: Mwy o ddysgwyr yn defnyddio'r Gymraeg y tu allan i ystafell ddosbarth yr ysgol</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
<b>0.0% (0)</b>	<b>75% (30)</b>	<b>100% (40)</b>
o ysgolion cynradd cyfrwng Saesneg wedi cyrraedd Aur mewn Cymraeg Campus <sup>3</sup>		

<b>Deilliant 6: Cynnydd mewn dosbarthiadau i ddisgyblion ag anghenion dysgu ychwanegol (ADY) sy'n dysgu trwy'r Gymraeg</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
<b>0</b>	<b>10</b>	<b>20<sup>4</sup></b>
lleoedd ADY pwrpasol ar gyfer disgyblion sy'n dysgu trwy'r Gymraeg		

<sup>1</sup> Nid yw'n cynnwys Codi'n 3 oed

<sup>2</sup> Dysgu wedi'i gwblhau mewn cyd-destun dwyieithog

<sup>3</sup> <https://hwb.gov.wales/cwricwlwm-i-gymru/siarter-iaith>

<sup>4</sup> Os oes angen,

<b>Deilliant 7: Mwy o athrawon a staff yn gallu addysgu Cymraeg a thrwy'r Gymraeg</b>		
<b>Gwaelodlin</b>	<b>Targed 5 mlynedd</b>	<b>Targed 10 mlynedd</b>
Gweithio i helpu athrawon a staff i ddsygu'r sgiliau sydd eu hangen arnynt ar gyfer swyddi lle mae angen siarad Cymraeg	Sicrhau bod gan bob ysgol ddigon o staff sy'n gallu siarad Cymraeg pan fo angen	Disgyblion cyfrwng Cymraeg yn dod yn ôl fel athrawon yn Ysgolion Casnewydd
Arolwg i weld pwy sydd â sgiliau Cymraeg mewn ysgolion	Defnyddio canlyniadau'r arolwg i gynllunio'r hyn sydd ei angen arnom	-
<b>6</b>	<b>12</b>	<b>12</b>
Staff Coleg Gwent yn gallu addysgu'n rhugl trwy'r Gymraeg		

## 5. Ein Datganiad

Mae Cyngor Dinas Casnewydd wedi ymrwymo i weithio gyda phartneriaid a rhanddeiliaid i gynyddu nifer siaradwyr y Gymraeg yng Nghasnewydd yn unol â gweledigaeth Llywodraeth Cymru a nodir yn Cymraeg 2050: Miliwn o siaradwyr Cymraeg.

Byddwn yn gweithio'n agos gyda'n partneriaid (gan gynnwys aelodau o'n Fforwm Iaith Gymraeg a'r Fforwm Cymraeg mewn Addysg) i hyrwyddo a chynyddu'r defnydd o'r Gymraeg yng Nghasnewydd yn gyson ac yn effeithiol.

Mae ein Strategaeth, a'i chynllun cyflawni, wedi'i strwythuro o amgylch 3 thema graidd:

- Cymunedau a Diwylliant
- Cyflogaeth a Sgiliau
- Addysg

Mae hon yn strategaeth i bawb yng Nghasnewydd, ac fe'i datblygwyd yn seiliedig ar farn pobl Casnewydd, yn ogystal ag ymgysylltu â rhanddeiliaid allweddol. Mae'n seiliedig ar amrywiaeth o gamau gweithredu sy'n ymwneud â'n themâu craidd.

Bydd Cyflawni'r Strategaeth yn dibynnu ar weithio mewn partneriaeth effeithiol a chyfrifoldebau a rennir ar draws sefydliadau'r sector cyhoeddus, y sector preifat a'r sector gwirfoddol, sydd i gyd yn cyfrannu at sefydlu a dathlu Casnewydd fel dinas amrywiol y mae ei chymunedau'n rhannu ymdeimlad o hunaniaeth Gymreig.

Mae rhagor o wybodaeth am ein Cynllun Addysg, a sut y caiff ein targedau Addysg eu cyrraedd, ar gael [yma](#)

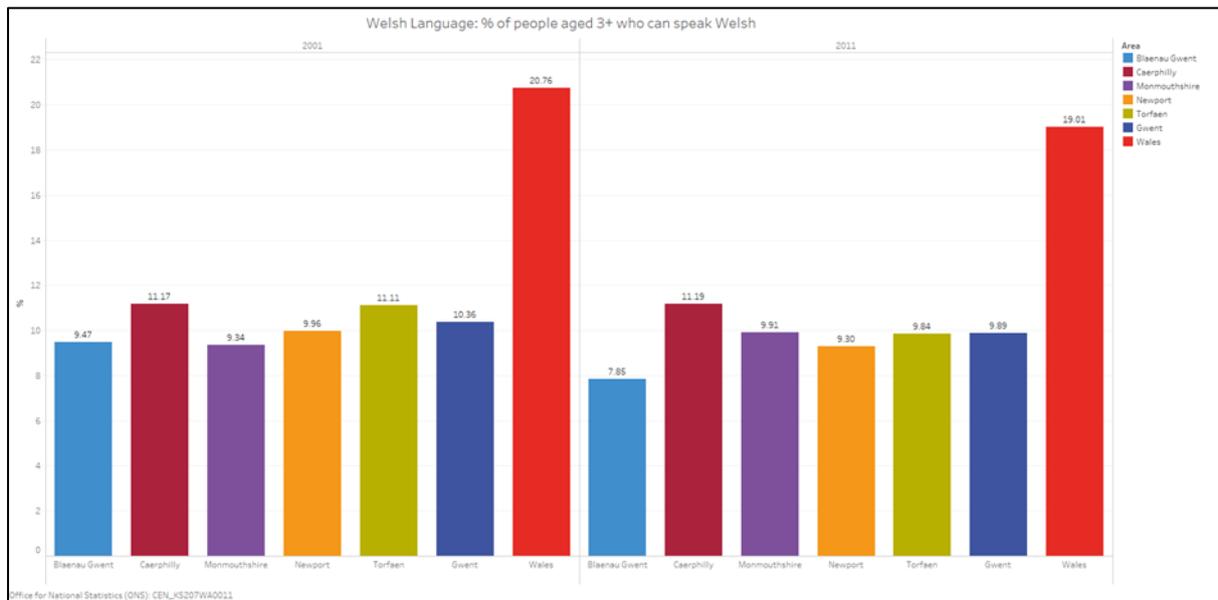
## 6. Proffil y Gymraeg yng Nghasnewydd

Mae'r Gymraeg yn rhan bwysig o hunaniaeth a threftadaeth ddiwylliannol Casnewydd ac mae'n cael ei defnyddio gan lawer o bobl bob dydd yn eu cartrefi, eu cymunedau a lle maent yn gweithio. Mae'r adran hon o'n strategaeth yn defnyddio data o'r Cyfrifiad diwethaf (2011), ond rydym yn cydnabod y bydd data cyfrifiad

newydd ar gael yn 2022. Byddwn yn adolygu ac yn diweddarau ein cynlluniau gweithredu yn ôl yr angen i adlewyrchu unrhyw newidiadau i broffil ieithyddol y ddinas.

### Data Poblogaeth

Dangosodd Cyfrifiad 2011 fod canran y bobl 3+ oed sy'n gallu siarad Cymraeg ym mhob ardal ledled Gwent yn is na chyfartaledd Cymru (19.01%). Roedd hyn yn amrywio o 11.19% yng Nghaerffili i 7.85% ym Mlaenau Gwent, er y gallai'r ffigurau hyn fod yn wahanol iawn yn y Cyfrifiad nesaf. Yng Nghasnewydd, roedd y ffigur hwn yn 9.3%



Rhwng Cyfrifiad 2001 a Chyfrifiad 2011 bu gostyngiad o 0.7% yn nifer y siaradwyr Cymraeg 3+ oed yng Nghasnewydd, o'i gymharu â gostyngiad o 1.8% ledled Cymru:

	2001				2011			
	Yn gallu siarad Cymraeg	Ddim yn gallu siarad Cymraeg	Cyfanswm	%	Yn gallu siarad Cymraeg	Ddim yn gallu siarad Cymraeg	Cyfanswm	%
<b>Casnewydd</b>	13,135	118,685	131,820	10	13,002	126,847	139,849	9.3
<b>Cymru</b>	582,368	2,223,333	2,805,701	20.8	562,016	2,393,825	2,955,841	19

Yng Nghymru, mae'r Arolwg Blynyddol o'r Boblogaeth (ABB) hefyd yn cynnwys cwestiynau am allu pobl yn y Gymraeg a pha mor aml y maent yn siarad Cymraeg. Er bod Llywodraeth Cymru yn glir y dylid defnyddio data'r Cyfrifiad i fesur nifer y siaradwyr Cymraeg, mae'n ddefnyddiol ystyried yr ABB i edrych ar dueddiadau o ran

y Gymraeg rhwng cyfrifiadau. Yn hanesyddol cofnodir bod llawer mwy o bobl yn gallu siarad Cymraeg yn yr ABB nag yn y Cyfrifiad:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Caerffili</b>	23.4	24.8	21.8	22.0	23.7	23.6	24.6
<b>Blaenau Gwent</b>	18.0	17.8	17.8	17.5	19.7	17.1	16.1
<b>Torfaen</b>	15.5	16.0	18.3	19.0	17.7	18.0	18.5
<b>Sir Fynwy</b>	17.1	16.7	16.8	16.7	17.6	17.5	16.5
<b>Casnewydd</b>	23.3	19.6	19.8	20.6	20.9	17.8	20.5
<b>Cymru</b>	27.8	27.3	28.8	29.0	29.8	28.4	29.1

Dangosodd data'r Cyfrifiad hefyd fod grwpiau oedran rhwng 20 a 39 oed yng Nghasnewydd wedi gweld cynnydd yng nghyfran y siaradwyr Cymraeg, tra bod pob grŵp oedran dros 40 oed yn dangos gostyngiad yng nghyfran y siaradwyr Cymraeg:

	2001 %	2011	% Gwah	
3 - 4 oed	9.2	14.0	+4.8	↑
5 - 9 oed	36.3	34.8	-1.5	↓
10 - 14 oed	46.1	42.0	-4.1	↓
15 - 19 oed	21.4	23.0	+1.6	↑
20 - 24 oed	3.8	7.8	+4.0	↑
25 - 29 oed	3.4	4.9	+1.5	↑
30 - 34 oed	2.8	3.3	+0.5	↑
35 - 39 oed	2.6	3.1	+0.5	↑
40 - 44 oed	2.7	2.6	-0.1	↓
45 - 49 oed	2.8	2.4	-0.4	↓
50 - 54 oed	2.7	2.4	-0.3	↓
55 - 59 oed	2.6	1.9	-0.7	↓
60 - 64 oed	2.1	1.8	-0.3	↓
65 - 69 oed	2.9	1.7	-1.2	↓
70 - 74 oed	2.3	1.4	-0.9	↓
75 - 79 oed	2.6	2.0	-0.6	↓
80+ oed	2.2	1.8	-0.4	↓
<b>Cyfanswm</b>	<b>10.0</b>	<b>9.3</b>	<b>-0.7</b>	↓

## Data Addysg

### A. Addysg cynradd ac uwchradd cyfrwng Cymraeg

Mae'r tabl isod yn nodi nifer y disgyblion sy'n cael eu haddysgu mewn ysgolion Cymraeg yng Nghasnewydd dros y 5 mlynedd diwethaf sy'n dangos cynnydd cyffredinol.

Er bod gostyngiad yn niferoedd yr ysgolion cynradd, disgwylir y bydd agor Ysgol Gymraeg Nant Gwenlli yn gwirio'r colled hon dros y pum mlynedd nesaf unwaith y bo'r ysgol yn symud i'w lleoliad parhaol ym Mhligwenlli. Bydd Ysgol Bro Teyrnnon hefyd yn agor uned drochi gynradd dros dro ar ran yr holl ysgolion cyfrwng Cymraeg yn y clwstwr Cymraeg.

Ar lefel uwchradd, mae Ysgol Gyfun Gwent Is Coed wedi gweld cynnydd blynyddol yn nifer y disgyblion ers ei hagor fel ysgol uwchradd Gymraeg gyntaf Casnewydd yn 2016:

	16/17	17/18	18/19	19/20	20/21	21/22
Ysgol Gymraeg Casnewydd	355	360	377	386	379	377
Ysgol Gymraeg Ifor Hael	213	195	196	200	201	189
Ysgol Gymraeg Bro Teyrnnon	157	178	206	200	207	205
Ysgol Gymraeg Nant Gwenlli						7
Cyfanswm Disgyblion Cynradd	725	733	779	786	787	778
Ysgol Gyfun Gwent Is Coed	81	159	248	351	451	505
Ysgol Gyfun Gwynllyw	234	217	179	149	92	50
Cyfanswm Disgyblion Uwchradd	81	159	248	351	451	505
Cyfanswm Disgyblion	1846	2001	2233	2423	2568	2616

### B. Lleoedd meithrin a gynhelir

Blwyddyn CYBLD	2017		2018		2019		2020		2021	
Cohort	1624		1595		1634		1628		1564	
Disgyblion IG %	79	4.9%	78	4.9%	76	4.7%	96	5.9%	84	5.4%
Lleoedd ar gael	110		112		112		112		112	
Lleoedd a lenwyd	71.8%		69.6%		67.9%		85.7%		75.0%	

Nid yw'r tabl yn cynnwys 3 disgybl sy'n codi.

Agorodd Ysgol Gymraeg Nant Gwenlli ar ei safle presennol gyda 48 o leoedd meithrin rhan-amser ar gael ym mis Medi 2021 - ac felly ar gyfer blwyddyn academaidd 2021/22 mae 160 o leoedd Meithrin Cymraeg rhan-amser ar gael ledled

Casnewydd, ac mae 94 ohonynt wedi'u dyrannu<sup>5</sup>. Disgwylir i'r nifer hwn gynyddu erbyn CYBLD 2022 pan fydd llefydd Tymor y Gwanwyn Yn Codi'n Dair Oed wedi'u llenwi.

### C. Lleoedd Meithrin Nas Cynhelir a Darpariaethau Mudiad Meithrin

Mae gan Gasnewydd ddwy ddarpariaeth Mudiad Meithrin, Cylch Meithrin Brynglas a Chylch Meithrin Y Delyn ar gyfer 19 a 38 o blant yn y drefn honno. Mae'r ddau hefyd wedi'u cofrestru i ofalu am blant dyflwydd oed a'r rhai sy'n gymwys i gael Cynnig Gofal Plant i Gymru, felly gall unrhyw un o'r lleoedd a lanwyd gynnwys y plant hynny.

Cylch Meithrin Y Delyn oedd cylch chwarae cyntaf Casnewydd nas cynhelir a llwyddodd i ddarparu addysg Feithrin y Cyfnod Sylfaen o fis Chwefror 2021. Cafodd Cylch Meithrin Brynglas hefyd ei gofrestru fel darparwr nas cynhelir o fis Medi 2021. Fel yn achos y cynnig gofal plant, bydd unrhyw lle nas cynhelir a lanwyd yn cael ei gynnwys yn erbyn y nifer uchaf y mae'r lleoliad wedi'i gofrestru ar ei gyfer.

		Tachwedd 2020	Mehefin 2021
<b>Cylch Meithrin Bryn-glas</b>	<b>Derbyn cynnig o le</b>	11	13
	<b>Lleoedd Cofrestredig</b>	19	19
	<b>Lleoedd a lanwyd</b>	57.9%	68.4%
<b>Cylch Meithrin Y Delyn</b>	<b>Derbyn cynnig o le</b>	15	23*
	<b>Lleoedd ar gael</b>	38	38
	<b>Lleoedd a lanwyd</b>	39.5%	60.5%

\*5 yn cael lle nas cynhelir wedi ei ariannu

Mae nifer y plant oed meithrin sy'n symud ymlaen i addysg Gymraeg yng Nghasnewydd yn is na'r cyfartaledd cenedlaethol, ac wedi gostwng o 75% i 59.2% rhwng 2019 a 2020. Gellir nodi amrywiaeth o ffactorau dylanwadol, gan gynnwys lleoliad ysgolion cynradd Cymraeg o'u cymharu â grwpiau Meithrin, effaith COVID-19 a'r diffyg llefydd codi'n 3 oed mewn ysgolion cynradd Cymraeg.

Mae'r gyfradd drosglwyddo rhwng ysgolion cynradd Cymraeg ac ysgolion uwchradd Cymraeg yn parhau'n uchel, tua 97%.

## 7. Ein Hymgyngoriad

Mae'r Strategaeth hon wedi'i llywio gan y bobl sy'n byw yng Nghasnewydd, rhanddeiliaid y Gymraeg ac adborth gan bartneriaid mewnol ac allanol. Yn ystod 2021 lanswyd nifer o arolygon cymunedol gennym i ddarganfod mwy am yr hyn yr oedd pobl yng Nghasnewydd yn ei feddwl am y Gymraeg, i lywio ffocws ein themâu strategol.

<sup>5</sup> Cywir ar 28/06/2021

Canfyddiadau allweddol o'n **harolwg cymunedol SNAP** yn dangos hynny:

- Ni allai 55% o'r ymatebwyr siarad na deall Cymraeg
- Roedd 6% o'r ymatebwyr yn gallu siarad neu ddeall Cymraeg
- Nododd 14% o'r ymatebwyr eu bod yn gallu siarad Cymraeg ond nad oeddent yn credu ei fod yn ddigon da i'w ddefnyddio
- Roedd 8% o'r ymatebwyr yn dysgu Cymraeg
- Nododd 55% o'r ymatebwyr na allai unrhyw beth eu hannog i ddysgu Cymraeg
- Nododd 30% o'r ymatebwyr y gallai gwersi Cymraeg am ddim eu hannog i ddysgu Cymraeg
- Nododd 18% o'r ymatebwyr y gallai clywed mwy o Gymraeg yn y gymuned, neu gael cyfleoedd i ddefnyddio'r Gymraeg yn gymdeithasol, eu hannog i ddysgu Cymraeg

O'r rhai oedd wedi cysylltu â'r cyngor yn y Gymraeg:

- Roedd 25% o'r ymatebwyr wedi cael mynediad i Ganolfan Gyswllt y cyngor drwy gyfrwng y Gymraeg
- Roedd 25% o'r ymatebwyr wedi defnyddio gwasanaethau Addysg drwy gyfrwng y Gymraeg
- Roedd 50% o'r ymatebwyr wedi cael mynediad at wasanaeth arall drwy gyfrwng y Gymraeg<sup>6</sup>
- Roedd 73% o'r ymatebwyr yn ymwybodol bod gan y cyngor gyfrifoldebau statudol o ran y Gymraeg
- Pan ofynnwyd iddynt pryd a ble y gwelon nhw neu y clywon nhw'r Gymraeg, dywedodd y rhan fwyaf o'r ymatebwyr nad oeddent bron byth yn gweld y Gymraeg yng Nghasnewydd, a phan oeddent, roedd hyn yn bennaf ar arwyddion cyhoeddus
- Nododd 57% o'r ymatebwyr nad oeddent yn credu ei bod yn bwysig cael cyfleoedd i ddefnyddio neu glywed Cymraeg yn y gymuned o'i gymharu â 43% a oedd
- Dwedodd 84% o bobl nad oeddent yn ymwybodol o unrhyw grwpiau neu weithgareddau cymunedol Cymraeg eu hiaith yng Nghasnewydd

Canfyddiadau allweddol o'n **harolwg Wifi bys** yn dangos bod:

- Nid oedd 72% o ymatebwyr yn siarad Cymraeg
- Roedd 28% o ymatebwyr yn siarad Cymraeg
- Roedd tua hanner (54%) o'n hymatebwyr wedi dysgu Cymraeg yn yr ysgol

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<sup>6</sup> cyfanswm yr ymatebion i gwestiynau ar wahân yn yr arolwg yw mwy na 100%

- O'r rhai a ddysgodd Gymraeg yn yr ysgol, dim ond 16% o'r ymatebwyr sy'n dal i ddefnyddio eu sgiliau ieithyddol
- Dywedodd 28% o'r ymatebwyr a ddysgodd y Gymraeg yn yr ysgol nad ydynt bellach yn defnyddio eu sgiliau oherwydd eu bod wedi anghofio, neu oherwydd eu bod yn ddihyder
- Dywedodd ymatebwyr sy'n siarad Cymraeg eu bod yn fwyaf tebygol o ddefnyddio'r Gymraeg yn y coleg, ac yna gartref, ysgol a gwaith
- Dywedodd 48% o ymatebwyr di-Gymraeg na fyddai dim byd yn eu hannog i ddysgu Cymraeg
- Dywedodd 22% o ymatebwyr di-Gymraeg y gallent gael eu hannog i ddysgu Cymraeg trwy waith
- Dywedodd 19% o ymatebwyr di-Gymraeg y gallai cysylltiadau teuluol eu hannog i siarad Cymraeg
- Dywedodd 32% o'r ymatebwyr y byddent yn dewis addysg cyfrwng Cymraeg i'w plant, o gymharu â 43% na fyddai, a 25% nad oeddent yn gwybod
- Nid oedd 50% o'r ymatebwyr yn gwybod bod gan y cyngor strategaeth i hybu'r Gymraeg
- Dywedodd 53% o ymatebwyr nad oeddent byth yn clywed Cymraeg yng Nghasnewydd, 29% yn achlysurol, a 18% yn aml

Mae'n hyfryd clywed Cymraeg yn cael ei siarad pan dwi allan. Mae hyn yn digwydd yng Nghaerdydd ac ardaloedd Cymraeg eu hiaith yng Nghymru ac mae'n fy annog i siarad Cymraeg hefyd.

Mae [y Gymraeg] yn cael ei hyrwyddo'n llawer gormod o ystyried y galw gwirioneddol sy'n bodoli yn y boblogaeth gyffredinol. Er na fyddwn byth yn atal rhywun rhag dysgu neu siarad Cymraeg allan o ddewis, dylai barhau i fod yn ddewis

Mae iaith yn gysylltiedig ag ymdeimlad o berthyn, hunaniaeth a chymuned ac felly'n bwysig. Hoffwn ddysgu cael sgysiau sylfaenol yn Gymraeg, a chael dealltwriaeth 'fras' o wybodaeth yn Gymraeg ar arwyddion ac yn y blaen

Credaf mai prin iawn yw'r cyfleoedd am ddim i bobl o gefndiroedd lleiafrifol ddysgu Cymraeg, yn enwedig mudwyr, ceiswyr lloches a ffoaduriaid neu'r rhai a allai fod wedi colli'r cyfle mewn ysgol gynradd neu uwchradd

Yn y gwaith, rwy'n teimlo ei fod yn cael ei ddefnyddio fel offeryn i eithrio. Mae cynlluniau recriwtio yn ffafrio iaith dros allu. Nid wyf yn teimlo bod y polisiâu presennol ar waith i ddiogelu'r iaith yn gwneud hynny mewn ffordd gadarnhaol a chynhwysol.

Dydw i ddim yn defnyddio'r Gymraeg ond rwy'n ei dysgu ar hyn o bryd. Rwy'n credu ei fod yn rhan bwysig o ddiwylliant a hunaniaeth Cymru. Mae gan bobl yr hawl i ddefnyddio eu dewis iaith ym mhob agwedd ar eu bywyd

Mae'n un o'r ieithoedd hynaf yn Ewrop a dylid ei feithrin i barhau a ffynnu. Mynychais addysg Gymraeg o 3 i 13 ond nid wyf wedi cael llawer o gyfleoedd i'w defnyddio ers hynny felly mae fy sgiliau iaith yn rhydlyd.

## 8. Ein Gweledigaeth ar gyfer y Gymraeg yng Nghasnewydd

Ein gweledigaeth ar gyfer y Gymraeg yw:

**"Gweld, Clywed, Dysgu, Defnyddio, Caru"**

*Pawb yng Nghasnewydd yn gallu defnyddio, gweld a chlywed y Gymraeg fel iaith fyw ym mhob rhan o fywyd ar draws y ddinas*

### Themâu Strategaeth y Gymraeg

Rydym wedi nodi 3 thema strategol i wireddu ein gweledigaeth, gan ystyried canfyddiadau ein ymgynghoriad, proffil ieithyddol y ddinas, ein blaenoriaethau Cymraeg presennol a'n dyheadau ar gyfer twf y Gymraeg.

#### Thema 1: Cymunedau a Diwylliant

Mae'r thema hon yn canolbwyntio ar gynyddu ymwybyddiaeth o'r Gymraeg ar draws ein cymunedau, normaleiddio'r Gymraeg fel ei bod yn cael ei chlywed a'i gweld y tu allan i amgylcheddau ffurfiol fel ysgol, coleg neu'r gweithle.

Gyda dros 90% o rieni plant mewn addysg Gymraeg yn ddi-Gymraeg, ni allwn ddibynnu ar ein gwaith gydag ysgolion i drosglwyddo iaith yn effeithiol, ac mae angen ystyried ffyrdd eraill o gynyddu gwelededd.

Mae'r thema hon hefyd yn ceisio cynnwys defnyddwyr anhraddodiadol y Gymraeg, gan gynnwys ein cymunedau lleiafrifoedd ethnig, ac ehangu ein partneriaethau cymunedol. Rydym am ehangu'r partneriaid yr ydym yn gweithio gyda nhw i

hyrwyddo'r Gymraeg, gan adeiladu ar ein gwaith gyda Fforwm Iaith Gymraeg Casnewydd ac ymgysylltu â rhanddeiliaid lleol eraill, fel timau chwaraeon a phartneriaid yn y sector cyhoeddus.

### **Byddwn yn:**

- ✓ Gweithio gyda rhanddeiliaid lleol a grwpiau cymunedol i hyrwyddo'r Gymraeg fel iaith fyw yng Nghasnewydd
- ✓ Creu a chefnogi cyfleoedd cymdeithasol i bobl ddefnyddio a datblygu eu sgiliau Cymraeg
- ✓ Hyrwyddo'r Gymraeg fel iaith i bawb
- ✓ Datblygu Casnewydd sy'n ymwybodol o'i diwylliant a'i hanes Cymraeg
- ✓ Datblygu ymdeimlad o le sydd wedi ei drwytho yn y Gymraeg a'r Diwylliant Cymraeg
- ✓ Sicrhau bod cymunedau'n gallu cael mynediad cydradd at wasanaethau Cymraeg a Saesneg y cyngor
- ✓ Hyrwyddo dwyieithrwydd fel rhywbeth sy'n gwbl naturiol
- ✓ Ceisio diogelu a meithrin y Gymraeg i genedlaethau'r dyfodol ei defnyddio a'i mwynhau

### **Thema 2: Addysg**

Mae'r thema hon yn sicrhau bod gweithgareddau Cymraeg ledled y ddinas yn cydfynd â'r targedau a nodir yn ein Cynllun Strategol Cymraeg mewn Addysg, ac yn eu cefnogi. Rydym am i bob teulu fod yn ymwybodol o opsiynau addysg Gymraeg ledled Casnewydd, ac i ddeall manteision derbyn addysg ddwyieithog.

Bydd y thema hon hefyd yn canolbwyntio ar gefnogi rhieni plant mewn addysg Gymraeg, yn enwedig y rhai nad ydynt yn siarad Cymraeg.

### **Byddwn yn:**

- ✓ Helpu i ysbrydoli disgyblion i ddefnyddio a datblygu eu Cymraeg y tu allan i'r ystafell ddosbarth
- ✓ Hyrwyddo manteision dysgu a defnyddio'r Gymraeg mewn ysgolion Cymraeg a Saesneg
- ✓ Edrych ar ffyrdd o gefnogi rhieni di-Gymraeg plant sydd mewn addysg Gymraeg
- ✓ Ceisio cynnydd parhaus yn nifer y plant sy'n derbyn addysg Gymraeg
- ✓ Gweithio gyda chydweithwyr mewn Addysg Bellach ac uwch ar draws Casnewydd i edrych ar gyfleoedd posibl i hyrwyddo manteision dysgu Cymraeg a chyfleoedd dysgu
- ✓ Gweithio gyda rhanddeiliaid, cydweithwyr, ac aelodau'r Fforwm Cymraeg mewn Addysg (WEF) i gau'r bylchau mewn sgiliau Cymraeg ar draws y blynyddoedd cynnar ac addysg

### **Thema 3: Cyflogwyr a Sgiliau**

Mae ein thema olaf yn ystyried yr enghraifft y dylai'r cyngor ei gosod fel sefydliad sy'n gwerthfawrogi ac yn cefnogi'r defnydd o'r Gymraeg. Rydym am greu

amgylchedd a diwylliant lle mae'r ddwy iaith yn cael eu hystyried yn gyfartal, a lle mae staff yn teimlo eu bod yn gallu defnyddio a datblygu eu sgiliau Cymraeg.

Byddwn hefyd yn gweithio gyda'n partneriaid Bwrdd Gwasanaethau Cyhoeddus Rhanbarthol i sicrhau dull cyson o ddatblygu gweithluoedd Cymraeg eu hiaith sy'n addas i'r diben, ac yn cydweithio i fynd i'r afael â bylchau mewn sgiliau ledled y ddinas.

**Byddwn yn:**

- ✓ Gweithio â phartneriaid i hyrwyddo'r Gymraeg fel sgil ar draws ystod o sectorau
- ✓ Helpu i ddatblygu a chreu cyfleoedd i gefnogi pobl i ddefnyddio a datblygu eu Cymraeg yn y gweithle
- ✓ Gweithio gyda rhanddeiliaid i hyrwyddo manteision dysgu Cymraeg i fyfyrwyr a disgyblion ledled Casnewydd
- ✓ Ymgorffori ein Polisi Sgiliau Cymraeg i brosesau perthnasol y Cyngor, a fydd yn cynorthwyo'r Cyngor gyda'i gynllunio a'i ddefnydd o'r Gymraeg yn fewnol
- ✓ Gweithio gyda phartneriaid i ymgorffori'r un proffil mesur ieithyddol ar draws y sector cyhoeddus i helpu siaradwyr Cymraeg wrth wneud cais am swyddi
- ✓ Creu manau cefnogol a diogel i bobl sydd â phob lefel o'r Gymraeg i ddatblygu eu sgiliau

## 9. Ein Cynlluniau Gweithredu

Er mwyn sicrhau bod ein Strategaeth yn cael ei chyflawni'n effeithiol, rydym wedi datblygu cynlluniau gweithredu ar gyfer pob un o'n themâu craidd. Caiff y cynlluniau hyn eu monitro drwy strwythurau llywodraethiant mewnol ac allanol ac adroddir arnynt fel rhan o'n Hadroddiad Blyneddol ar y Gymraeg. Mae camau gweithredu yn arwydd o'n gwaith arfaethedig, ond gellir eu diwygio i ymateb i heriau newydd a rhai sy'n dod i'r amlwg, ac nid ydynt yn hollgynhwysol.

### A. Cymunedau a Diwylliant

Blaenoriaeth	Cam Gweithredu	Partneriaid Arweiniol / Cyfrifoldeb
Creu a chefnogi cyfleoedd cymdeithasol i bobl ddefnyddio a datblygu eu sgiliau Cymraeg	Datblygu prosiect 'Gall Cymunedau' gyda'r Dreigiau i ddarparu cyfleoedd i bobl ddefnyddio'r Gymraeg mewn amrywiaeth o gyd-destunau (Blwyddyn 1)	CDC Dreigiau Clwb Pêl-droed Casnewydd Menter Iaith Casnewydd Yr Urdd Mudiad Meithrin
	Gweithio gyda CPD Sir Casnewydd i gynyddu ymwybyddiaeth o'r Gymraeg ar ddiwrnodau gemau ac o gwmpas dyddiadau sy'n arwyddocaol o ran diwylliant (Blwyddyn 1-5)	
	Parhau i gefnogi Gŵyl Newydd – Gŵyl Gymraeg flynyddol Casnewydd (Blwyddyn 1-5)	
	Datblygu Cynllun Grant Cymraeg yn y Gymuned cynaliadwy (Blwyddyn 1-5)	
Hyrwyddo'r Gymraeg fel iaith i bawb	Datblygu a hyrwyddo Llyfryn Rhieni mewn amrywiaeth o ieithoedd cymunedol sy'n hyrwyddo manteision addysg Gymraeg (Blwyddyn 1-5)	CDC Aelodau'r Fforwm Addysg Gymraeg a'r Grŵp Hyrwyddo Rhanddeiliaid

	Creu cyfleoedd i gynulleidfaoedd anhraddodiadol weld, clywed, dysgu a defnyddio'r Gymraeg, ystyried cyfleoedd i ddod â gwahanol gymunedau ynghyd, er enghraifft trwy brosiectau rhwng cenedlaethau (Blwyddyn 1-5)	
Gweithio gyda rhanddeiliaid a grwpiau cymunedol i hyrwyddo'r Gymraeg fel iaith fyw	Parhau i gefnogi Fforwm y Gymraeg ac adolygu ei aelodaeth yn barhaus er mwyn sicrhau cysylltiadau newydd (Blwyddyn 1-5)	Menter Iaith Casnewydd Yr Urdd
	Gweithio gydag amrywiaeth o bartneriaid cymunedol i ymgysylltu cymunedau lleiafrifoedd ethnig â'r Gymraeg (Blwyddyn 1-5)	Gŵyl Newydd Y Dreigiau Clwb Pêl-droed Casnewydd GAVO (Cymdeithas Mudiadau Gwirfoddol Gwent)
Hyrwyddo dwyieithrwydd / amlieithrwydd fel rhywbeth hollol naturiol	Datblygu a hyrwyddo ystod o adnoddau sy'n arddangos manteision cymdeithas ddwyieithog/amlieithog (Blwyddyn 1-5)	CDC Fforwm y Gymraeg
Cynyddu gwelededd y Gymraeg ar draws y Ddinas i adlewyrchu hunaniaeth Gymreig Casnewydd	Gweithio gydag amrywiaeth o bartneriaid cymunedol i gynyddu gwelededd y Gymraeg mewn digwyddiadau cymdeithasol, chwaraeon a diwylliannol ledled y ddinas (Blwyddyn 1-5)	CDC Fforwm y Gymraeg Y Dreigiau Clwb Pêl-droed Casnewydd Casnewydd Fyw

## B. Cyflogaeth a Sgiliau

Blaenoriaeth	Cam Gweithredu	Partneriaid Arweiniol / Cyfrifoldeb
Ymgorffori ein Polisi Sgiliau'r Gymraeg newydd ym mhrosesau perthnasol y Cyngor	Mabwysiadu a gweithredu Polisi Sgiliau'r Gymraeg, gan gynnwys cyflwyno egwyddorion Cymraeg Clir a'r fframwaith ALTE (Blwyddyn 1 a 2)	CDC
Hyrwyddo'r Gymraeg fel sgil	Gweithio gydag amrywiaeth o bartneriaid i ddatblygu dulliau cyson o ddenu, recriwtio, cadw a datblygu gweithwyr sy'n siarad Cymraeg ar draws sectorau (Blwyddyn 1-5)	Bwrdd Sgiliau Cywir Gyrfa Cymru Aelodau RSPB Aelodau Fforwm y Gymraeg
	Gweithio gydag amrywiaeth o bartneriaid i fynd i'r afael â bylchau mewn sgiliau ar draws sectorau, er enghraifft, Addysg a'r blynyddoedd cynnar (Blwyddyn 1-5)	
Creu manau cefnogol a diogel i bobl â phob lefel o'r Gymraeg i ddatblygu eu sgiliau	Gweithio gydag amrywiaeth o bartneriaid i sicrhau bod sefydliadau ledled Casnewydd yn ymrwymo'n effeithiol i'r ddarpariaeth bresennol (Blwyddyn 1)	Menter Iaith Casnewydd CDC Bwrdd Sgiliau Cywir
	Datblygu a chreu cyfleoedd i gefnogi pobl i ddefnyddio a datblygu eu Cymraeg yn y gweithle (Blwyddyn 1 - 5)	
	Sefydlu gweithgor sy'n adrodd i'r Bwrdd Sgiliau Cywir i asesu cyfleoedd cyfredol ar draws sefydliadau partner, gwneud a gweithredu argymhellion. I gynnwys ymchwilio ac archwilio cyfleoedd ar draws y sector preifat. (Blwyddyn 1 a 2)	

## C. Addysg

Blaenoriaeth	Cam Gweithredu	Partneriaid Arweiniol / Cyfrifoldeb
<p>Hyrwyddo'r manteision o addysg Gymraeg i holl gymunedau Casnewydd.</p>	<p>Parhau i gyfathrebu a hyrwyddo manteision addysg cyfrwng Cymraeg i rieni (Blwyddyn 1 - 5)</p>	<p>CDC Fforwm Addysg Gymraeg</p>
	<p>Adnabod cymunedau yn nalgylch Ysgol Gymraeg Nant Gwenlli a thargeddu gweithgareddau hyrwyddo amlieithog (Blwyddyn 1 - 5)</p>	
	<p>Rhoi rhagor o gyhoeddusrwydd i'r canolfannau trochi sydd ar gael mewn ysgolion cynradd Cymraeg, yn cynnwys manteision y canolfannau trochi ym Mro Teyrnnon ac Ysgol Gyfun Gwent Is Coed fel rhan o'r pecynnau Dod yn Ddwieithog (Blwyddyn 1 a 2)</p>	
	<p>Gweithio ochr yn ochr ag ysgolion Saesneg i gynorthwyo eu dilyniant drwy achrediadau Cymraeg Campus (Blwyddyn 1-5)</p>	
	<p>Creu adnoddau sy'n hyrwyddo darpariaethau meithrin cyfrwng Cymraeg sydd ar gael yng Nghasnewydd (Blwyddyn 1 a 2)</p>	

	Cefnogi a datblygu darpariaeth Blynyddoedd Cynnar a chyn-ysgol a pharhau i weithio gyda rhanddeiliaid megis Mudiad Meithein (Blynyddoedd 1-5)	
Cefnogi rhieni plant mewn addysg Gymraeg?	Parhau i gyfeirio rhieni at adnoddau sy'n hyrwyddo addysg Gymraeg, datblygu deunyddiau penodol lle bo hynny'n briodol a sicrhau bod y rhain yn apelio at gynulleidfaoedd amrywiol gan gynnwys siaradwyr ieithoedd eraill a rhieni/gwarcheidwaid plant ag ADY (Blwyddyn 1-5)	CDC Fforwm Addysg Gymraeg Coleg Gwent
	Cysylltu â gwasanaethau ESOL i hyrwyddo lefel briodol o adnoddau addysg Gymraeg (Blwyddyn 1 a 2)	
Cefnogi datblygiad gweithlu a fydd yn helpu i gefnogi a chyflawni'r CSCA	Sicrhau bod disgyblion ysgolion uwchradd yn ymwybodol o fanteision dwyieithrwydd/amlieithrwydd a bod ysgolion yn gallu hyrwyddo addysg Gymraeg fel llwybr gyrfa (Blwyddyn1-5)	CDC Fforwm Addysg Gymraeg Gyrfa Cymru Bwrdd Sgiliau Cywir
	Datblygu ymgyrchoedd hyrwyddo ar gyfer y blynyddoedd cynnar cyfrwng Cymraeg a gyrfaoedd addysgu yng Nghasnewydd (Blwyddyn 1 a 2)	
	Sicrhau bod staff presennol yr ysgolion Saesneg yn cael cyfle i ddysgu lefel sylfaenol o Gymraeg (Blwyddyn 1-5)	



## 10. Monitro Cynnydd

Byddwn yn parhau i ddefnyddio'r strwythurau llywodraethiant presennol i fonitro cynnydd ein Strategaeth wrth i ni geisio ymgorffori'r Gymraeg ar draws gweithgareddau busnes fel arfer. Bydd hyn yn cynnwys adroddiadau cynnydd rheolaidd ar gamau gweithredu allweddol yn ein Fforwm Cymraeg mewn Addysg a'n Grŵp Gweithredu'r Gymraeg mewnol.

Bydd Fforwm y Gymraeg hefyd yn chwarae rhan allweddol wrth sicrhau bod partneriaid yn cymryd rhan ac yn gweithio tuag at ein gweledigaeth ar gyfer y Gymraeg yng Nghasnewydd, a'n Bwrdd Sgiliau Cywir wrth ymgorffori ein gwaith o amgylch cyflogwyr a sgiliau.

Bydd adroddiadau blynyddol ar gynnydd yn erbyn ein themâu allweddol yn cael eu hymgorffori yn ein Hadroddiad Blynyddol ar y Gymraeg a gyhoeddir erbyn 31 Mawrth bob blwyddyn fel sy'n ofynnol gan Safonau'r Gymraeg.

## 11. Gweithio Gyda Phartneriaid

Mae llwyddiant y Strategaeth hon yn dibynnu ar weithio mewn partneriaeth effeithiol, ac mae'r adran hon yn nodi ein partneriaid allweddol, a'r rôl y byddant yn ei chwarae wrth gyflawni ein blaenoriaethau. Byddwn yn parhau i ehangu'r ystod o bartneriaid yr ydym yn gweithio â nhw dros oes y strategaeth hon.

### Grŵp Deddf

Rhwydwaith o Swyddogion y Gymraeg o bob rhan o sefydliadau'r sector cyhoeddus sydd â dyletswydd i gydymffurfio â deddfwriaeth y Gymraeg a darparu gwasanaethau Cymraeg yw Grŵp Deddf. Mae ein grŵp De-ddwyrain Cymru yn cyfarfod yn rheolaidd i rannu arfer da ac i ddatblygu cysondeb rhanbarthol.

### Fforwm Iaith / Welsh Language Forum

Mae Fforwm Iaith Casnewydd yn fforwm allanol a fynychir gan amrywiaeth o randdeiliaid allweddol o bob rhan o'r sectorau cyhoeddus a gwirfoddol. Nod y grŵp yw creu fforwm ar gyfer gweithio mewn partneriaeth a lledaenu arfer da. Rydym wedi ymgysylltu ag aelodau'r Fforwm wrth ddatblygu ein CSCA a'r Strategaeth hon.

### Menter Iaith Casnewydd

Mae Menter Iaith Casnewydd yn ceisio cynyddu cyfleoedd i bobl o bob oed a chefnidir ddefnyddio neu ddysgu'r Gymraeg yn eu cymuned leol, eu cyflogaeth a'u hyfforddiant. Mae gan y Fenter Iaith nifer o brosiectau ledled Casnewydd sy'n helpu i ymgysylltu cymunedau â'r Gymraeg.

### Mudiad Meithrin

Mudiad Meithrin yw'r prif ddarparwr o ran gofal ac addysg yn y blynyddoedd cynnar yn y sector wirfoddol drwy gyfrwng y Gymraeg. Y nod yw rhoi'r cyfle i bob plentyn ifanc yng Nghymru gael y cyfle i fanteisio ar brofiadau gofal ac addysg yn y blynyddoedd cynnar drwy gyfrwng y Gymraeg. Mae'r sefydliad yn cyflogi 200 o staff

yn genedlaethol, ac mae 1500 o staff ychwanegol yn gweithio mewn Cylchoedd Meithrin (cylchoedd chwarae Cyfrwng Cymraeg) ledled Cymru.

### **Coleg Gwent**

Coleg Gwent yw coleg addysg bellach Casnewydd a phrif ddarparwr addysg cyfrwng Cymraeg i oedolion yn y sir. Mae'r cyngor yn gweithio mewn partneriaeth â'r coleg i gyflwyno ein dosbarthiadau Cymraeg ac i ddatblygu cyfleoedd pellach i hyrwyddo caffael y Gymraeg.

### **Prifysgol De Cymru / Coleg Cymraeg Cenedlaethol**

Mae Prifysgol De Cymru yn cynnig ystod eang o gyrsiau dros nifer o gampysau, ac mae un ohonynt wedi'i lleoli yng nghanol dinas Casnewydd. Maent yn bartner pwysig o ran helpu myfyrwyr a disgyblion i bontio i'w cam dysgu nesaf a pharhau i ddefnyddio eu Cymraeg.

### **Cymraeg i Blant (CiB)**

Ariennir Cymraeg i Blant gan Lywodraeth Cymru a'i gydgyssylltu gan Mudiad Meithrin. Mae'r prosiect yn canolbwyntio ar gynyddu nifer y plant oedran meithrin sy'n gallu siarad Cymraeg. Mae'n rhannu gwybodaeth, cyngor ac yn cynnig cymorth i rieni ar fanteision dwyieithrwydd, pwysigrwydd cyflwyno'r Gymraeg i blant cyn gynted â phosibl a manteision addysg Gymraeg.

### **Yr Urdd**

Mae'r Urdd, fel mudiad ieuenctid cyfrwng Cymraeg, yn canolbwyntio ar roi cyfle i bobl ifanc ddatblygu yn unigolion cyflawn. Yng Nghasnewydd, mae'r Urdd yn gweithio'n agos gyda'n hysgolion Cymraeg, gan gynnig amrywiaeth o weithgareddau i ddisgyblion gydol y flwyddyn. Yr Urdd yw prif drefnydd yr Eisteddfod flynyddol, ond mae hefyd yn trefnu gweithgareddau preswyl a chwaraeon i bobl ifanc.

### **Bwrdd Iechyd Prifysgol Aneurin Bevan**

Ein nod yw gweithio'n agos gyda chydweithwyr o BIPAB drwy amrywiaeth o sianeli gan gynnwys Fforwm Mwy na Geiriau, ein Bwrdd Sgiliau Cywir Casnewydd yn Un ac yn uniongyrchol gyda'u Huned Gymraeg.

### **Casnewydd Fyw**

Mae Casnewydd Fyw yn cynnig ac yn hwyluso chwaraeon a gweithgareddau celfyddydol o ansawdd uchel i blant, teuluoedd, ysgolion a grwpiau cymunedol ar draws Casnewydd. Mae Glan yr Afon yn ased hanfodol i Gasnewydd, ac yn ogystal â hyrwyddo a chynnal cynyrchiadau a digwyddiadau Cymraeg, mae wedi cynnal a chefnogi Gŵyl Newydd, gŵyl Gymraeg newydd Casnewydd.

### **Heddlu Gwent a Chomisiynydd yr Heddlu a Throsedd (CHT)**

Mae Comisiynydd CHT dros Went a Phrif Gwnstabl Heddlu Gwent yn rhannu ymrwymiad i weithio tuag at ddarparu gwasanaeth cyhoeddus dwyieithog. Mae hyn yn cefnogi gweledigaeth Comisiynydd y Gymraeg i'r Gymraeg fod yn ganolog i fywyd

bob dydd yng Nghymru a chreu cymdeithas lle gellir defnyddio'r Gymraeg mewn nifer cynyddol o gyd-destunau.

### **Rygbi'r Dreigiau**

Mae Rygbi'r Dreigiau yn un o bedwar rhanbarth proffesiynol Cymru ac yn chwarae mewn nifer o gystadlaethau lefel uchel ac yn gartref i nifer o chwaraewyr rhyngwladol. Gan chwarae yn Rodney Parade yng nghanol Casnewydd, maent yn rhan hanfodol o'r gymuned. Yn 2019, arwyddodd Cyngor Dinas Casnewydd Bartneriaeth Gymunedol gyda'r Dreigiau i gefnogi hyrwyddo'r Gymraeg fel iaith fyw ledled Casnewydd.

### **Clwb Pêl-droed Casnewydd**

Mae Clwb Pêl-droed Casnewydd bellach yn rhannu Rodney Parade gyda'r Dreigiau. Mae clwb Casnewydd yn yr Ymddiriedolaeth Gymunedol yn un o 72 o glybiau cynghrair sy'n gysylltiedig ag Ymddiriedolaeth y Gynghrair Bêl-droed, sy'n darparu prosiectau a chynlluniau chwaraeon i bawb yng Nghasnewydd, Sir Fynwy a Thorfaen. Mae'r Cyngor yn gweithio gyda chlwb Casnewydd i geisio codi ymwybyddiaeth o'r Gymraeg ar draws y ddinas fel iaith gymunedol.

## **12. Rhagor o wybodaeth**

I gael rhagor o wybodaeth am ein gwaith iaith Gymraeg yng Nghasnewydd, neu i roi sylwadau ar y Strategaeth hon, anfonwch e-bost at [nccequality@newport.gov.uk](mailto:nccequality@newport.gov.uk)

# Fairness and Equalities Impact Assessment (FEIA)

This is an integrated Impact Assessment which aims to ensure Newport City Council makes decisions which are fair, take account of relevant evidence, and seek to secure the best outcomes for our communities. **An FEIA should be used to inform the first steps of decision-making, at concept stage, not when a decision is already made, or at the point when it cannot be influenced.** This impact assessment considers our legislative responsibilities under:

- The Equality Act (2010), including the Socio-economic Duty
- The Wellbeing of Future Generations (Wales) Act (2015)
- The Welsh Language (Wales) Measure (2011)

The FEIA process is not intended to prevent decisions being made, but to ensure we have considered their potential impact. An FEIA also helps us to focus on how we can reduce any negative impacts, and provides us with evidence that we have met our legal duties.

*For support to complete your FEIA, please contact the [Connected Communities Team](#)*

## What do we mean by Fairness?

The Newport Fairness Commission is an independent body which advises the council on the best use of resources and powers to achieve the fairest outcomes for local people. The Fairness Commission has established four **Principles of Fairness** which should be considered as part of any decisions that the council make – the questions below are useful to reflect on before you start your FEIA.

<b>Equity</b>	Are people being treated in a consistent way, whilst acknowledging their differences (for example, need, barriers to accessing services)?
	Will the gap between those with more, and those with less be reduced?
	Have the interests of different groups affected (including minority or disadvantaged communities) been taken into account?
<b>Priority</b>	Have the needs of the most disadvantaged and vulnerable across the city been given priority?
	Have you considered possible indirect consequences for minority/disadvantaged communities when other priorities are directing decisions?
<b>Inclusion</b>	Will the voices of all those affected by your decision be heard?
	Are people able to participate in and shape a service, as well as receiving it?
	Have you considered the impact of your decision on the relationship between communities, and the spaces they share?
<b>Communication</b>	Are decisions being made transparently and consistently?
	How will decisions be communicated to people who are affected in a clear way, with the opportunity for feedback?

## Part 1: Identification

Name of person completing the FEIA	Hywel Jones/Donald Mutale
Role of person completing the FEIA	Welsh Language Officer/Equalities Officer
Date of completion	13/01/21
Head of Service who has approved this FEIA	Rhys Cornwall

### 1. What is being assessed? *(Please double click on the relevant box(es) (X) and select 'checked' as appropriate)*

- New or revised policies, practices or procedures (which modify service delivery or employment practices)
- Service review or re-organisation proposals which affect the community and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- Decisions affecting service users, employees or the wider community including (de)commissioning or revising services
- New project proposals affecting staff, communities or access to the built environment
- Public events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Service Boards
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services
- Other *please explain in the box below:*

## 2. Please describe the overall aims, objectives and intended outcomes of your decision

The Welsh Language (Wales) Measure 2011 established a legal framework to impose duties on certain organisations to comply with standards in relation to the Welsh language by way of sub-legislation (Welsh Language Regulation (No.1) Standards 2015). The standards issued to Newport City Council are outlined in 'The Newport City Council Compliance Notice – Section 44 Welsh Language (Wales) Measure 2011'.

Newport City Council has a statutory duty to comply with Welsh Language Standards, which under Standard 145 requires the Council to produce and publish a five-year strategy setting out how we will promote and facilitate the use of Welsh.

Welsh Language Standard 145 states:

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

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

This strategy includes a target to increase the number of Welsh speakers within Newport and specific actions to facilitate the use of the language in line with the Welsh Government's Welsh Language Cymraeg 2050: A million Welsh speakers. The target for the percentage of Welsh speakers in Newport will mirror the prescribed targets in the Council's Welsh in Education Strategic Plan (WESP) until a further review in 2022 when key statistics from the 2021 Census for Wales are released. Census statistics will provide current data on Welsh speakers and Welsh language skills in Newport. This data will enable the review of targets and updating of action plans to reflect any changes to the linguistic profile of the city.

**3. Who are the main stakeholders who may be impacted by your decision and what data do you hold on them? Consider communities of place (people who live in the same geographic area) and communities of interest (people who share particular characteristics but may live in different geographic areas). Stakeholders may include residents, local businesses, community groups, staff or partners.**

The main stakeholders who this strategy may impact are:

- Welsh speakers and Welsh Language Stakeholders
- Black, Asian, and other Ethnic Minority people in Newport
- Public Services with the local authority
- External Partners
- All usual residents of Newport

## Part 2: Engagement

When completing this section, you need to consider whether you have sufficient information about the views and experiences of people who your decision will impact upon. If you don't, you may need to undertake a period of engagement/consultation before continuing. An FEIA is a live document, so can be updated with consultation findings, and amended as needed during the decision-making process.

The council has a duty to consult and engage with people who may experience inequalities as a result of your decision. This includes people **who share Protected Characteristics** (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and people who **have lived experience of socio-economic disadvantage**. The council's Youth Promise also requires us to ensure **all young people in Newport are listened to and included in decisions affecting them**.

The council also has a duty to ensure that any consultation is available bilingually (in Welsh as well as English), and you may like to consider any other community languages that are spoken by people who may be impacted by your decision. Below are some questions that should be included in any public consultation relating to a decision which may impact on the use of Welsh language in Newport:

1. Do you believe that the proposed decision/policy will have a positive or negative effect on opportunities to use the Welsh language?
2. If you think it will have a negative effect, what steps could we take to lessen or remove this and improve positive effects?
3. Do you believe that the proposed decision/policy will treat the Welsh language less favourably than the English language?

### 1. How have you engaged with people who may be affected by your decision (the stakeholders you have identified)?

An extensive multi-method consultation process was undertaken in the development of this strategy to increase the impact, range, and input from communities across Newport. These processes involved engagement with stakeholders, members of the public and other relevant parties.

Our "Vision for Welsh in Newport" was created following a workshop and engagement with those responsible for delivering Council services and compliance with those statutory obligations. This vision was then presented for comment to the Welsh Language Implementation Group and used to develop the 3 strategic themes which form the basis of the strategy.

Public Engagement was undertaken via Bus Wifi and SNAP surveys to capture perceptions and attitudes towards the Welsh language across the proposed themes in the Strategy, promoted and shared through the usual Council networks and processes. The consultation focussed on engaging Newport residents who may not already be engaged with the Welsh language and around 600 responses were received.

Stakeholders who form part of the Fforwm Iaith were also sent the link to the SNAP and presented with the proposals for the revised Strategy at the most recent Fforwm Iaith meeting, held in June 2021. The draft Strategy was also published on the council's website for public comment between 24<sup>th</sup> January and 5<sup>th</sup> February.

The Education theme within the strategy is based around the council's Welsh in Education Strategic Plan (WESP), recently approved by Cabinet, and developed following in-depth consultation and engagement with the relevant stakeholders ahead of a period of public consultation.

The Employment and Skills theme has been informed by engagement with the council's Right Skills Board, with a related proposal presented to the Public Service Board for consideration. A smaller working group inclusive of the council, Gwent Police, Aneurin Bevan University Health Board and Coleg Gwent have drafted and been consulted on the Welsh language work programme in this area, alongside other stakeholders and interested parties in Newport.

The Strategy also contains a review of the current position in relation to the Welsh Language profile of Newport, using the data currently available, excluding the Census 2021 figures, as they are yet to be released.

## 2. What do you know about the views or experiences of people who may be affected by your decision?

### Consultation findings

Key findings from the SNAP survey indicated that:

- 55% of respondents could not speak or understand Welsh
- 6% of respondents could speak or understand Welsh
- 14% of respondents indicated that they could speak Welsh but did not think it was good enough to use
- 8% of respondents were learning Welsh
  
- 55% of respondents indicated that nothing could encourage them to learn Welsh
- 30% of respondents indicated that free Welsh lessons could encourage them to learn Welsh
- 18% of respondents indicated that hearing more Welsh in the community, or being given opportunities to use Welsh socially could encourage them to learn Welsh
  
- 25% of respondents had accessed the council's Contact Centre through the medium of Welsh
- 25% of respondents had accessed Education services through the medium of Welsh
- 50% of respondents had accessed another service through the medium of Welsh

- 73% of respondents were aware that the council has statutory responsibilities in relation to the Welsh language
- When asked when and where they saw or heard the Welsh language, most respondents said that they hardly saw Welsh in Newport, and when they did, this was mainly on public signage
- 57% of respondents indicated that they did not think it was important to have opportunities to use or hear Welsh in the community compared to 43% who did
- 84% of people indicated they were not aware of any Welsh speaking community groups or activities in Newport

Key findings from our Bus Wifi survey indicated that:

- 72% of respondents did not speak Welsh
- 28% of respondents did speak Welsh
  
- Around half (54%) of respondents had learned Welsh at school
- Of those who learned Welsh at school, only 16% of respondents still use their language skills
- 28% of respondents who learned Welsh at school indicated they no longer use their skills because they have forgotten, or because they lack confidence
  
- Welsh speaking respondents indicated that they were most likely to use Welsh at college, followed by home, school and work
  
- 48% of non-Welsh speaking respondents indicated that nothing would encourage them to learn Welsh
- 22% of non-Welsh speaking respondents indicated that they may be encouraged to learn Welsh through work
- 19% of non-Welsh speaking respondents indicated that family connections may encourage them to speak Welsh
  
- 32% of respondents indicated that they would choose Welsh medium education for their children, compared to 43% who would not, and 25% who did not know
  
- 50% of respondents did not know that the council has a strategy to promote the Welsh language
- 53% of respondents reported never hearing Welsh in Newport, 29% occasionally, and 18% frequently

The consultation report on our WESP can be found [here](#)

Demographics

Bus Wifi Survey:

Ethnicity	Number of people	Percentage of people
White - Wel / Eng / Sco / NI / British	378	69.36%
White - Irish	24	4.40%
Any other White ethnic background	17	3.12%
Gypsy or Irish Traveller	6	1.10%
White & Asian	19	3.49%
White & Black Caribbean	11	2.02%
White & Black African	9	1.65%
Indian	14	2.57%
Pakistani	7	1.28%
Bangladeshi	7	1.28%
Chinese	0	0.00%
Any other Asian ethnic background	3	0.55%
Black African	12	2.20%
Black Caribbean	3	0.55%
Any other Black ethnic background	3	0.55%
Arab	6	1.10%
Any other ethnic group or background	3	0.55%
Any other mixed or multiple ethnic background	2	0.37%
Prefer not to say	21	3.85%

Age?	Number of people	Percentage of people
Under 18 years old	73	13.39%
18-24 years old	154	28.26%
25-34 years old	109	20.00%
35-44 years old	75	13.76%
45-54 years old	63	11.56%
55-64 years old	35	6.42%
65-74 years old	14	2.57%
75 years or older	11	2.02%
Prefer not to say	11	2.02%

SNAP Survey:

<b>Ethnicity?</b>	<b>Number of people</b>	<b>Percentage of people</b>
White - Wel / Eng / Sco / NI / British	44	89.80%
White - Irish	0	0.00%
Gypsy or Irish Traveller	0	0.00%
Other White	2	4.08%
White & Black Caribbean	0	0.00%
White & Asian	0	0.00%
White & Black African	0	0.00%
Other Mixed	0	0.00%
Indian	0	0.00%
Pakistani	0	0.00%
Bangladeshi	1	2.04%
Other Asian	0	0.00%
Black African	1	2.04%
Black Caribbean	0	0.00%
Other Black	0	0.00%
Arab	0	0.00%
Chinese	0	0.00%
Other ethnic group	0	0.00%
Prefer not to say	1	2.04%

<b>Age?</b>	<b>Number of people</b>	<b>Percentage of people</b>
Under 18 years old	0	0.00%
18-24 years old	0	0.00%
25-34 years old	2	4.26%
35-44 years old	7	14.89%
45-54 years old	6	12.77%
55-64 years old	10	21.28%
65-74 years old	11	23.40%
75 years or older	9	19.15%
Prefer not to say	2	4.26%



## Part 3: Assessment

This section requires you to assess the potential impact of your decision on a range of groups who may experience specific disadvantages. Your assessment should be supported by evidence – either from your own engagement/consultation, similar or previous engagement, what you already know about the people who access your service, or from local and national sources of information.

Useful documents which set out information about how communities are impacted by inequalities include [EHRC – Is Wales Fairer?](#) and the council’s [COVID-19 Community Impact Assessment](#). Your decision may have both positive and negative impacts – if this is the case, please place a cross in both boxes.

### 1. Impact on people that share Protected Characteristics

[Protected Characteristics](#) are defined under the Equality Act 2010, and describe groups of people who are protected from discrimination, either in the workplace, or through the provision of goods and services. The council must consider how decisions may impact on people differently because of a protected characteristic, and how any negative impact could be reduced. National guidance on assessing equality impacts and the Public Sector Equality Duty can be found [here](#). You can also access further advice and examples of positive and negative impacts [here](#).

Protected characteristic	Impact:			<p><b>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</b></p> <ol style="list-style-type: none"> <li>Promote equal opportunity across different groups</li> <li>Promote community cohesion</li> <li>Help eliminate unlawful discrimination/ harassment/ victimisation</li> </ol>
	Positive	Negative	Neither	
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>This strategy aims to increase the awareness, knowledge, and Welsh language skills of everyone in Newport, including people of different age groups. The actions outlined in this plan include activities working across education, employers, and the community that will positively impact people of all ages. Work around the education theme will particularly benefit children of pre-school and school age and their families. A focus on increasing the visibility of Welsh in informal settings, i.e. outside school, college and work, will improve the opportunities for older people who may not be in education or employment to engage with the language.</p>

Protected characteristic	Impact:			<p><b>Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:</b></p> <ol style="list-style-type: none"> <li>1. Promote equal opportunity across different groups</li> <li>2. Promote community cohesion</li> <li>3. Help eliminate unlawful discrimination/ harassment/ victimisation</li> </ol>
	Positive	Negative	Neither	
<b>Disability</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Targets in our WESP include a focus on the increased provision of ALN classes through the medium of Welsh, increasing the opportunities for disabled children, and children with additional needs, to access Welsh medium education.
<b>Gender Reassignment</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
<b>Marriage or civil partnership</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
<b>Pregnancy or maternity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
<b>Race</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	This Strategy aims to increase the awareness, knowledge, and Welsh language skills of everyone in Newport. A number of specific actions relate to increasing engagement with Welsh language across our minority ethnic communities, including refugees, asylum seekers and migrants. Around 10% of Newport's population is from an ethnic minority background, with this rising to nearly 50% in some of our most diverse areas, like Pillgwenlly. During the implementation of this Strategy, Ysgol Gymraeg Nant Gwenlli (YGNG) will move to its permanent location in the Pillgwenlly ward of Newport. The Strategy supports the promotion of Welsh medium education amongst ethnic minority communities, as well as highlighting broader benefits including social inclusion and employment.
<b>Religion or Belief or non-belief</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.

Protected characteristic	Impact:			Provide further details about the nature of the impact in the sections below, considering the Public Sector Equality Duty that the council has to:  <ol style="list-style-type: none"> <li>Promote equal opportunity across different groups</li> <li>Promote community cohesion</li> <li>Help eliminate unlawful discrimination/ harassment/ victimisation</li> </ol>
	Positive	Negative	Neither	
<b>Sex</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.
<b>Sexual Orientation</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no evidence to suggest that this Strategy will have a positive or negative impact on people who share this protected characteristic.

## 2. Impact on Welsh Language

The Welsh Language (Wales) Measure specifies that for all policy decisions, the council must consider the effects (both positive and negative) on the Welsh language. For further guidance on Welsh language considerations see [here](#).

	Impact:			
	Positive	Negative	Neither	
<b>Welsh Language</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The proposed Strategy has a direct positive impact on the Welsh language. This Strategy aims to increase the number of Welsh speakers within Newport and outlines specific actions to facilitate the use of the language in line with the Welsh Government's Welsh Language Cymraeg 2050: A million Welsh speakers.</p> <p>This Welsh Language Strategy will positively impact the Welsh language by:</p>

	Impact:			
	Positive	Negative	Neither	
				<ul style="list-style-type: none"> <li>• Increasing and raising awareness of the Welsh language across all of Newport's diverse communities, ensuring it is inclusive and accessible to all</li> <li>• Increasing the visibility of the Welsh language across Newport in community settings</li> <li>• Encouraging partnership working and consistency between stakeholders in terms of the Welsh language in the workplace and potentially increase economic opportunities</li> <li>• Ensuring communities in Newport are aware of the culture and history of Newport concerning the Welsh language and its importance in modern life; developing a sense of place and ownership,</li> <li>• Increasing partnership work with stakeholders to develop shared learning, resources, and opportunities,</li> <li>• Inspiring children and pupils to learn and use the language both in and out of school, as well as support or encourage parents/caregivers to invest in the language</li> </ul>

**1. Please describe how you have ensured your engagement has considered the view of Welsh speakers in Newport and the impact of your decision on the Welsh language.**

We have engaged and consulted Welsh language stakeholders such as the Welsh Language Forum (Fforwm Iaith Casnewydd) in the development of this strategy to capture the views of Welsh speakers across Newport. The forum is attended by a range of key stakeholders from across the public and voluntary sectors. The group aims to create a forum for partnership working and disseminating good practice. Stakeholders who form part of the Fforwm Iaith were sent the link to the SNAP survey and presented the proposals for the revised Strategy at the most recent Fforwm Iaith meeting. 14% of SNAP survey respondents could speak, or were learning Welsh. 28% of Bus wifi survey respondents stated they could speak Welsh.

The Education theme of this strategy mirrors work set out in the the Welsh in Education Strategic Plan. Newport’s Welsh in Education Forum (WEF) members contributed towards the shaping the Council’s ongoing commitment to developing Welsh-medium education across Newport before the WESP went out to public consultation. There are a large proportion of Welsh speakers as members of the WEF who have been fully involved in sharing their views.

### 3. The Sustainable Development Principle

The Well-being of Future Generations Act puts in place a sustainable development principle which helps organisations consider the impact they could have on people living in Wales in the future, and ensure they are focused on tackling long-term challenges. Below, consider how your decision promotes, advances, or contradicts the [5 ways of working](#) which underpin the sustainable development principle. You can access further guidance on considering the sustainable development principle [here](#).

<p>Long term</p> 	<p><i>The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs.</i></p>	<p>This Strategy will be operational for 5 years (2017 -2022). It includes 5 year targets to increase the number of Welsh speakers within Newport and supports the Welsh Government's commitment to work towards one million Welsh Speakers by 2050 (Cymraeg 2050). The Strategy's focus is on achieving long term improvements to the numbers of Welsh speakers, visibility of, and engagement with the Welsh language across Newport and safeguarding the Welsh language for future generations.</p>
<p>Prevention</p> 	<p><i>Putting resources into preventing problems occurring or getting worse</i></p>	<p>The Strategy identifies key challenges for the Welsh language in Newport, for example, employment and skills gaps, low conversion rates for Welsh learners moving from pre-school to primary school environments, and the perceived lack of visibility of the language across the city. The Strategy sets out how work will develop to prevent these problems from getting worse, and the resources/partnership work which enable this work to happen.</p> <p>We will use existing governance structures to monitor the progress of our Strategy as we look to embed the Welsh language across business-as-usual activities. This will include regular progress reports on key actions into our Welsh in Education Forum and our internal Welsh Language Implementation Group.</p> <p>This plan will be subject to annual reporting on progress against our key themes within our Welsh Language Annual Report, published by the 31st of March each year in line with our Welsh language standards.</p>

<p>Integration</p> 	<p><i>Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.</i></p>	<p>This Strategy supports a number of Wales' wellbeing goals:</p> <ul style="list-style-type: none"> <li>• A prosperous Wales – promoting the Welsh language as a key skill for employers, and maximising employment opportunities for Welsh speakers in areas experiencing skills gaps</li> <li>• A more equal Wales – ensuring that the Welsh language continues to be viewed, and treated on an equal basis to the English language</li> <li>• A Wales of more cohesive communities – establishing the Welsh language as a unifying aspect of Welsh, and Newport identity</li> <li>• A Wales of vibrant culture and thriving Welsh language – the Strategy sets out a clear vision for a city that will see, hear, learn, use and love the Welsh language</li> </ul> <p>The Strategy also supports a number of the council's Wellbeing Objectives in a similar manner:</p> <ul style="list-style-type: none"> <li>• To build cohesive and sustainable communities</li> <li>• To improve skills, educational outcomes and employment opportunities</li> </ul>
<p>Collaboration</p> 	<p><i>Working together to deliver objectives.</i></p>	<p>The success of this strategy depends on effective partnership working with stakeholders to deliver our priorities. Feedback from key partners such as Fforwm Iaith Casnewydd (Welsh Language Forum Newport) and other partners has been critical in developing our WESP and this Strategy.</p> <p>The Strategy sets out the remit and role of our existing partners. We will continue to expand the range of partners that we work with over the life of this strategy to increase collaboration with groups, organisations and communities who may not already be engaged with our Welsh language work.</p>

<p>Involvement</p> 	<p><i>Involving those with an interest and seeking their view - ensuring that those people reflect the diversity of the area.</i></p>	<p>The Strategy, and this FEIA, sets out the consultation and engagement that has been undertaken in developing this Strategy, as well as the way in which partners and communities will play a role in monitoring the progress of our work. The Welsh Language Forum will also play a key role in ensuring partners are engaged and working towards our vision for Welsh in Newport, and our Right Skills Board in embedding our work around employers and skills.</p>
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## 4. Socio-economic Duty

The [Socio-economic Duty](#) is set out in the Equality Act 2010, and requires the council, when making strategic decisions, to pay due regard to the need to reduce the inequalities of outcome that result from socio-economic disadvantage. Inequalities of outcome are felt most acutely in areas such as health, education, work, living standards, justice and personal security, and participation.

A 'strategic decision' is defined by Welsh Government as a decision **which affects how the council fulfils its statutory purpose over a significant period of time and does not include routine 'day to day' decisions**. Strategic decisions include:

- Corporate plans
- Setting wellbeing, equality and other strategic objectives
- Changes to, or development of public services
- Strategic financial planning
- Strategic policy development

If you do not think your decision meets this definition, and you do not plan on carrying out a Socio-economic Duty Assessment in this section, please provide your rationale below. Any decision which is presented to a Cabinet Member, at Cabinet or Council will be viewed as a strategic decision.

N/A

If your decision does meet the definition, please consider the impact of your decision on the socio-economically disadvantaged groups, and areas of inequality that may arise from socio-economic disadvantage contained in the matrix below. The groups listed are not exhaustive and you should consider any additional groups relevant to your decision who may experience socio-economic disadvantage in the following ways:

- **Low Income/Income Poverty** - cannot afford to maintain regular payments such as bills, food, clothing, transport etc.
- **Low and/or no Wealth** - enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provisions for the future
- **Material Deprivation** - unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, hobbies etc.)
- **Area Deprivation** - where you live (rural areas), where you work (accessibility of public transport)
- Socio-economic Background – for example, parents' education, employment and income

Indicate a positive or negative impact, or both where they apply, and the severity of this impact by coding the sections of the grid based on the below. *If there is no/neutral impact, please leave blank.*

Negative Impact		Positive Impact	
N1	Negative impact – mild	P1	Positive impact – mild
N2	Negative impact – moderate	P2	Positive impact – moderate
N3	Negative impact – significant	P3	Positive impact – significant
N4	Potential for negative impact (but unsure)	P4	Potential for positive impact (but unsure)

Areas of inequality that may arise from socio-economic disadvantage – definitions
<b>Education</b> :The capability to be knowledgeable, to understand and reason, and to have the skills and opportunity to participate in the labour market and in society
<b>Work</b> : The capability to work in just and favourable conditions, to have the value of your work recognised, even if unpaid, to not be prevented from working and to be free from slavery, forced labour and other forms of exploitation
<b>Living Standards</b> : The capability to enjoy a comfortable standard of living, in appropriate housing, with independence and security, and to be cared for and supported when necessary.
<b>Justice, Personal Security and Community Safety</b> : The capability to avoid premature mortality, live in security, and knowing you will be protected and treated fairly by the law
<b>Health</b> : The capability to be healthy, physically and mentally, being free in matters of sexual relationships and reproduction, and having autonomy over care and treatment and being cared for in the final stages of your life
<b>Participation</b> : The capability to participate in decision making and in communities, access services, know your privacy will be respected, and express yourself

Groups	Areas of inequality						
	Living Standards	Work	Health	Education	Justice and community safety	Participation	Physical Environment
Children living in poverty				P2		P1	
Low income households without dependent children		P2				P1	
Unemployed young people		P2		P2		P1	
Long term unemployed		P2				P1	
Homeless households						P1	
Refugees, migrants and asylum seekers		P1		P1		P1	
Deprived neighbourhoods - WIMD rank in 10% most deprived LSOA		P1		P2		P1	

People on Universal Credit / income related benefits		P2				P1	
Adults with no qualifications or low qualifications		P1		P1		P1	
People living in low quality housing or in Houses of Multiple Occupation						P1	

### 1. What evidence do you have about socioeconomic disadvantage and inequalities of outcome in relation to this decision?

The Strategy is anticipated to reduce inequalities of outcome for several groups that are likely to experience socio-economic disadvantage against the areas of education, employment and participation.

The Strategy will reduce potential inequalities of outcome in participation by creating, supporting and developing opportunities for individuals to see, hear, use and learn the Welsh language across a number of activities, in formal settings like work and education, but also in local communities. The aim of the Strategy is to increase the inclusivity of the Welsh language and engage and increase participation, particularly for non-traditional Welsh language audiences. This includes people living in those areas of the city that may experience socio-economic disadvantage. Our work with partners and investment in Welsh language projects should also increase opportunities that are available for little, or no cost.

The Strategy will reduce potential inequalities of outcome in education by increasing opportunities for pupils to learn Welsh, practice their language skills and hear / see the language in Newport outside an educational setting across the city. With more than half of Britain's Black children living in poverty, and Pillgwenlly being our most ethnically diverse, and deprived ward, the opening of our new Welsh medium school in Pillgwenlly demonstrates a commitment to making Welsh language investments which provide opportunities to those experiencing multiple disadvantages. We have also committed to improve Welsh language provision for children with additional learning needs. Evidence suggests that these children are more likely to also experience socio-economic disadvantage.

The Strategy will reduce potential inequalities of outcome in work by supporting people to upskill, learn or develop their Welsh language skills. It will increase the number of potential employees for organisations looking to grow their Welsh language workforce, and open new opportunities for those children and adults learning Welsh. Being bilingual, or multi-lingual has been shown to have cognitive benefits, increase employability and potential earnings.

The Welsh Language Strategy and its strategic themes are deliberately aligned with Newport's wellbeing objectives, to build cohesive and sustainable communities, and to improve skills, education and employment opportunities. The Strategy contributes to the Wellbeing Goals of a prosperous Wales, a more equal Wales, a Wales of cohesive communities and a Wales of vibrant culture and thriving Welsh language.

**2. Please describe how you have ensured your engagement has considered the views of people living in Newport who are affected by socio-economic disadvantage.**

This strategy has been informed by the people living in Newport, Welsh language stakeholders and feedback from internal and external partners. In 2021 we launched community surveys to find out more about what people in Newport thought about the Welsh language. Public engagement and consultation were undertaken via a Bus WIFI survey and a SNAP survey, promoted and sent through the Council's networks. These activities captured perceptions and attitudes to the Welsh language from a wide range of people, including people living in those areas of Newport which experience socio-economic disadvantage. Survey results were used to inform the focus of our strategic themes in the Welsh Language Strategy.

**3. Does this decision contribute to a cumulative impact?**

This decision does not contribute to a negative cumulative impact as all outcomes will be positive.

**Part 3: Actions and Outcomes**

Considering any negative impacts that you have identified, indicate below how you will reduce these, increase the potential for positive impacts, and how you will monitor those impacts. Further guidance on how to complete your action plan can be found [here](#).

IMPACT ON PEOPLE THAT SHARE PROTECTED CHARACTERISTICS			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner
IMPACT ON WELSH LANGUAGE			
Summary of impact	Action to reduce negative impact / opportunities to increase positive impacts	How this impact will be monitored	Owner

<b>SOCIO-ECONOMIC IMPACTS</b>			
<b>Summary of impact</b>	<b>Action to reduce negative impact / opportunities to increase positive impacts</b>	<b>How this impact will be monitored</b>	<b>Owner</b>
<b>SUSTAINABLE DEVELOPMENT PRINCIPLE</b>			
<b>Summary of impact</b>	<b>Action to reduce negative impact / opportunities to increase positive impacts</b>	<b>How this impact will be monitored</b>	<b>Owner</b>

Once your FEIA is complete, please forward to [nccequality@newport.gov.uk](mailto:nccequality@newport.gov.uk)



# Report

## Council

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### Part 1

Date: 1 March 2022

**Subject** Regional Population Needs Assessment (PNA)

### Purpose

- To seek approval of the PNA from Newport City Council prior to submission to Welsh Government
- To receive comments from members on the highlighted need in the PNA and if this need reflects Newport City area.
- To demonstrate how the PNA aligns to the regional Wellbeing Assessment required Wellbeing of Future Generations Act.

**Author** Philip Diamond

**Ward** All

**Summary** As set out in the Social Services and Wellbeing (Wales) Act 2014 local authorities and local Health Boards must enter into a partnership to produce one population assessment report per local government electoral cycle. The latest PNA has been developed and the Regional Partnership Board are seeking sign off from NCC.

**Proposal** To agree PNA following consultation and engagement including NCC scrutiny

**Action by** Full council

**Timetable** Agreement and sign off by 31<sup>st</sup> March 2022

This report was prepared after consultation with:

- Performance Scrutiny committee (21<sup>st</sup> Jan 2022)
- Cllr Paul Cockeram, Cabinet Member Social Services
- Sally Ann Jenkins Director Social Services

**Signed**

## Background

As set out in the Social Services and Wellbeing (Wales) Act 2014 local authorities and local Health Boards must enter into a partnership to produce one population assessment report per local government electoral cycle. The Act also stipulates:

- the Regional Partnership Board is required to produce the Population Needs Assessment (PNA) and
- local authorities and local health boards are required formally to approve the PNA report and make available on their websites.

A copy of the population assessment report must be completed by April 2022 and also be sent to Welsh Ministers at the time of publication.

The first regional Population Needs Assessment (PNA) was overseen by the Gwent Regional Partnership Board (RPB) in April 2016. The PNA aligned to Wellbeing Assessment completed by Public Service Boards as required under the Wellbeing of Future Generations Act. The 2022 PNA report will also align, integrate and cross reference the Gwent Wellbeing Assessment to avoid duplication and create a joint population wellbeing assessment for the region (this section can be read alongside the regional Wellbeing Assessment or as an individual document).

The first PNA was approved assigned off across the region on 1st April 2017(follow link to RPB website Population Needs Assessment [Home - Gwentrpb](#))

The identified need was used to develop the regional Area Plan. Following the publication of the regional report each local authority and health board required to prepare and publish a plan setting out the range and level of services they proposed to provide, or arrange to be provided, in response to the population needs assessment. The plans are formally referred to as Area plans and a statutory requirement under the SSWB Act. The first regional Area Plan was published 1st April 2018 and set out the partnership working and delivery of services in response to each core theme identified in the population assessment.

In March 2021, Welsh Government released supplementary advice for Regional Partnership Boards to support development of Population Needs Assessments (PNAs). There were no changes to the guidance, however, some additional information and definition of core themes were included but the statutory PNA themes have not changed and are set out below.

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

In Gwent we took an approach to produce a separate Area Plan section for autism, and WG have advised that separate PNA sections should be produced for the next PNA. An additional section in relation to Housing is also appropriate and can provide a clear link to the national strategies and partnership working with Registered Social Landlords (RSLs).

The PNA has identified and reinforced existing areas of need and priorities for action including:

- Continued support to children looked after and reduction of out of county placements
- Ageing population, loneliness amongst older people and increase in people living with dementia
- Carers and the need for access to information, respite and mental health support
- The need for emotional wellbeing and mental health support across the region
- To mitigate impact of the Covid-19 pandemic and long covid
- Support to vulnerable groups including people living with learning disabilities, physical disabilities and autism

It will be unrealistic for the PNA to include all the identified needs across health and social care but the regional report will highlight the joint priorities to be progressed across public services, the health board and voluntary sector.

Engagement with citizens is a key requirement under the SSWB Act and the PNA has been developed and includes qualitative data from a range of citizen groups.

As required with the first PNA, the Regional Partnership Board will have to develop a regional Area Plan – publication 1st April 2023 – and will set out how the identified need will be met through partnership working and collaboration. The RPB will once again work alongside Public Service Board partners to ensure alignment with Wellbeing plans required under the Wellbeing of Future Generations Act, as well as linking to LA Corporate Plans and ABUHB Integrated Medium Term Plan.

### **Financial Summary (Capital and Revenue)**

There are no direct financial implications to developing and approving the PNA, but maximising public service budget and reinvesting into preventative programmes is a key requirement under the SSWB Act.

### **Risks**

If the PNA is not approved, joint working and collaboration will be undermined and NCC will not be able to fulfil their statutory duty under the SSWB Act.

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

Corporate Improvement Plan 2017/22

### **Options Available and considered**

To agree the PNA and set out requirement to align priorities and work programmes with the regional Wellbeing Plan required under the Wellbeing of Future Generations Act.

### **Preferred Option and Why**

To agree with priorities in the PNA to meet statutory requirements under the Social Services and Wellbeing Act (2014).

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

There are no direct financial implications in producing the PNA itself but the assessment will be a key document in driving services and their developments over the next few years to meet the specific needs identified by the PNA and should provide a focus for all relevant public bodies.

### **Comments of Monitoring Officer**

The Council and the Health Board have a statutory duty under section 14 of the Social Services and Well-Being (Wales) Act 2014 to carry out a joint assessment of people who are in need of care and support and to identify the range and levels of social care services required to meet those needs. The joint assessment must be carried out at least one every electoral cycle and, as the last social needs assessment was completed in April 2017, then there is a requirement to undertake a further needs assessment before May 2022. This joint regional population needs assessment has been overseen by the Gwent Regional Partnership Board and has been undertaken in accordance with Welsh Government guidance and in consultation with all partners and key stakeholders. It now needs to be formally signed-off and agreed by each of the partners, so that it can form the basis of the joint regional action plan, to meet the assessed social care needs through partnership working and collaboration. The social care assessment process has been aligned to the regional well-being assessment undertaken by the Gwent PSB and is also consistent with the Council's corporate plan objectives.

## **Comments of Head of People, Policy and Transformation**

The regional PNA has been developed in collaboration with partnership officers across the region who are developing the new regional Wellbeing assessment and plan for the Gwent Public Services Board (PSB). Partners across the PSB and RPB will work together to ensure that the priorities identified by the PNA and those identified as part of the Wellbeing Plan are aligned and provide the best opportunities for joint working.

There are no direct HR implications arising from the report.

## **Scrutiny Committees**

The draft PNA was considered by Performance Scrutiny committee on 22<sup>nd</sup> January 2022 and comments were accepted and incorporated.

## **Fairness and Equality Impact Assessment:**

- **Wellbeing of Future Generation (Wales) Act**

The Social Services and Wellbeing Act 2014 is predicated on nearly identical principles to the principles of working in WFG Act and 5 ways of working. These shared principles are the foundation for the PNA

- **Equality Act 2010**

The PNA has set out the need and impact to groups identified in the Equality Act. The Area Plan produced following the PNA will have a full impact assessment based on priorities in the PNA.

- **Socio-economic Duty**

Workforce and recruitment is an emerging priority in the PNA and considerations of the Socio-Economic Duty will be considered when developing the Area Plan.

- **Welsh Language (Wales) Measure 2011**

The Area Plan will set out how services and support will be delivered through the medium of Welsh.

## **Consultation**

The PNA sets out where citizens and partners have provided comments through a robust engagement process.

## **Background Papers**

**Dated: 22 February 2022**



**Gwent Regional Partnership Board Population Needs Assessment**

## Introduction

As set out in the Social Services and Wellbeing (Wales) Act 2014 local authorities and local Health Boards must produce one population assessment report per local government electoral cycle. The first regional Population Needs Assessment (PNA) was completed by the Gwent Regional Partnership Board (RPB) in April 2016 and aligned to Wellbeing Assessment completed by Public Service Boards as required under the Wellbeing of Future Generations Act. This PNA report will also align, integrate and cross reference the Gwent Wellbeing Assessment to avoid duplication and create a joint population wellbeing assessment for the region (this section can be read alongside the regional Wellbeing Assessment or as an individual document).

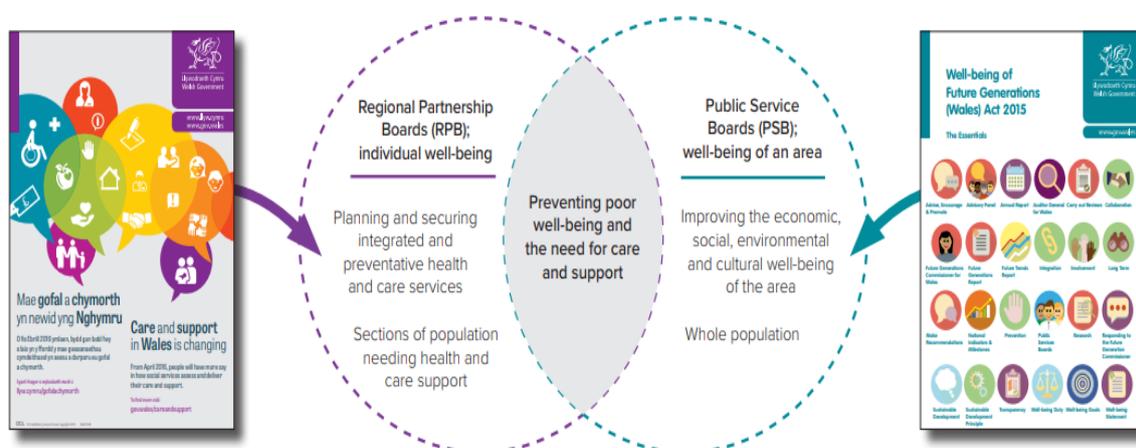


Fig 1: Relationship between RPBs and Public Service Boards.

As set out in Welsh Government’s SSWB Act Part 2 Code of Practice, this population assessment comprises of (1) an assessment of need the (2) range and level of services required. It will also jointly assess:

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

Policy Areas included and within this Population Needs Assessment (PNA).

- National Health Service (Wales) Act 2006 and children and young people’s plans as required by the Children Act 2004.
- Integrated Medium Term Plans produced by Local Health Boards as required by the NHS Finance (Wales) Act 2014,
- Part 2 of the Housing (Wales) Act 2014 including local homelessness strategies
- United Nation Convention on the Rights of Persons with Disabilities, United Nation Convention on the Rights of the Child, and the United Nation Principles for Older Persons

- Equality Act 2010 Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion and Beliefs, Sex and Sexual Orientation.
- National Outcomes Framework
- Welsh language strategic framework More than just words
- Socio -Economic Duty

### Engagement - a culture not a process

The voice of citizens, third sector partners and service providers are key to developing this PNA and the guidance on effective citizen engagement, set out in *'National participation Standards, Participation Cymru's National Principles for Public Engagement in Wales'* and the Older People's Commissioner's Best Practice Guidance for *'Engagement and Consultation with Older People on Changes to Community Services in Wales'*, have been considered. Citizen voices have been included in each PNA section and coordinated through the regional Citizen Panel and Chair who sits on the RPB. This also includes populations from the secure estate in order to fulfil the requirements of section 11 of the Act.

There has been extensive engagement across the region using various methodologies such as Snap surveys, social media and established forums (Carers forum, Youth Council, Dementia Friendly cafes etc). An online survey was distributed across the region and the Public Service Board have analysed comments to identify themes; and there were over 1500 individual comments in relation to health and social care.

#### ***Social Care – “Affordable social care and good support for carers”***

The need for increased social care provision was a regular theme that emerged through the survey, especially in regard to providing adequate social care for older people. Other comments include:

***‘More funding for those with learning difficulties will help provide more support and better quality respite for children and adults with learning difficulties’***

***A need for improved services for older people within the community and just want somebody to talk to***

***Elderly people are feeling isolated- More day centres need to be available as many services have closed during the pandemic***

#### ***Local Authorities - “The Council is doing more to help residents than ever”***

There is a mixed view on the local authorities across Gwent from residents. Many commented that their local council has provided more support than ever during the pandemic whereas other residents have expressed concern regarding a lack of involvement from their local council, finding difficulties in knowing what is available within their community as a result of this. When asked what we could do to help improve on this, one resident noted how we

could introduce well-being ambassadors to help improve cohesion between local communities and their council.

***Health – “Fair and equal access to support when needed”***

Health and wellbeing are important to residents across Gwent and many individuals commented on the importance of mental health services and improving access to them for both adults and children. Residents commented on the importance of exercise and the ability to maintain a healthy lifestyle, access to sports centres and green spaces were felt to be key to this.

***‘Need for a more efficient Mental Health and well-being service- Concerns around waiting times and responses from health and well-being advisors’***

There were multiple positive comments on health services in the region however a number of residents noted the importance of having access to face to face appointments with their local GP. Difficulties in being able to access appointments for dentists and GPs were raised. Residents also highlighted the importance of given local communities the skills to be able to manage their own health and wellbeing so that there isn’t as much need for services.

***‘Waiting list to access all services are high, housing, GPs, social services’***

***Schools – “There is a sense of community- good schools and facilities”***

Throughout the feedback on what we can do to improve wellbeing in Gwent in the future, schools are highlighted as a tool that can be utilised by local communities for groups to meet and more community classes to be held. Schools are very much seen as a positive way to engage with our local residents too.

***More Youth activities – Help improve mental well-being of teenagers***

**Focussed work with minority groups**

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

- *Military veterans*
- *Gypsy travellers*
- *Black And Minority Ethnic groups*
- *Asylum seekers and refugees*
- *Lesbian Gay Bisexual Transgender (LGBT) community*
- *People in secure estates and their families*
- *Children and young people in contact with the Youth Justice System*
- *Looked After Children and young carers*
- *Homeless people*

### **Veterans**

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

In 2017 the Ministry of defence estimated 2.4 million UK Armed Forces Veterans in the UK, making up an estimated 5% of household residents aged 16 and over. There are approximately 140,000 veterans living in Wales and Veterans aged above working age (65+) are estimated at 82,000. The majority of Service Leavers transition from the Armed Forces well and integrate back to community life with the right support at the right time. Studies identify that most veterans in general view their time in the Services as a positive experience and do not suffer adverse health effects as a result of the time they have served. However, for a minority, adverse physical and mental health outcomes can be substantial and can be compounded by other factors – such as financial and welfare problems. Key health issues facing the veteran population relate to common mental health problems (but also include Post traumatic Stress Disorder (PTSD)) and substance misuse – including excess alcohol consumption and to a much lesser extent - use of illegal drugs. In addition, time in the Services has been identified to be associated with musculoskeletal disorders for some veterans.

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

- depression
- anxiety
- alcohol abuse (13%)

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

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

The Strategy for Our Veterans (MOD, 2018) has a 10-year scope to 2028. The strategy addresses the immediate needs of older Veterans as well as setting the right conditions for society to empower and support the newer generation.

The key themes that emerged as affecting Veterans lives were:

- Community, relationships and integrating into their community.
- Employment, education, and skills to continue to enhance their careers through their working lives.
- Finance and debt. Veterans have sufficient financial education, awareness, and skills to be financially self-supporting and resilient.
- Health and Wellbeing. All veterans enjoy a state of positive physical and mental health and wellbeing, enabling them to wider aspects of society.
- Making a home in civilian society. Veteran have a secure place to live either through buying, renting or social housing.
- Veterans and the law. They leave the Armed Forces with the resilience and awareness to remain law abiding civilians.

During the pandemic there were challenges of loneliness and isolation in Veterans with Welsh Government funding provided to address this issue.

There are a range of services across Gwent to support Veterans and The Armed Forces Covenant has been recognised in Law from December 2021, meaning that Housing, Education and Health services will have to pay 'due regard' when implementing policies.

### **Gypsy Travellers**

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

The 2011 Census showed the following people identified as Gypsy/Traveller or Irish Traveller (this excludes Roma). However, it is likely that many households would not have completed the census – both because they were living on 'unauthorised sites' or encampments and as such did not appear on official records or because of a mistrust of the purpose of the census. Where people did receive forms, potential lower than average literacy levels may have meant that some households would not have completed them, and where they were completed some households would have chosen not to identify as Gypsies/Travellers or Irish Travellers. The largest Gypsy & Traveller (G&T) population is in Torfaen, however Nantyglo in Blaenau-Gwent also has a large population, many now living in 'bricks and mortar' in close proximity to a long established site. Newport also has a significant G&T population in unofficial sites around the periphery of the city centre and Newport is very often the unofficial unauthorised site for travellers in transit heading east/west from Ireland to England.

The Gypsy, Roma and Traveller people have the worst outcomes of any ethnic group across a huge range of areas including education, health, employment, criminal justice and hate crime (House of Commons 2019). It has been found that:

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

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

### **Black And Minority Ethnic (BAME) groups**

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

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

Public Health Wales have found that ethnicity is an important issue because, as well as having specific needs relating to language and culture, persons from ethnic minority backgrounds are more likely to come from low income families, suffer poorer living conditions and gain

lower levels of educational qualifications. In addition, certain ethnic groups have higher rates of some health conditions. For example, South Asian and Caribbean-descended populations have a substantially higher risk of diabetes; Bangladeshi-descended populations are more likely to avoid alcohol but to smoke and sickle cell anaemia is an inherited blood disorder, which mainly affects people of African or Caribbean origin. Raising the Standard: Race Equality Action Plan for Adult Mental Health Services aims to promote race equality in the design and delivery of mental health services in order to reduce the health inequalities experienced by some ethnic groups. People don't always access support that is available as they are often unaware the support exists or it doesn't meet their needs. Language barriers can also cause difficulties for engagement and supporting people. Raising awareness of services and support within BAME communities is crucial to improve uptake of support. It has also been highlighted that although costly, the information needs to be accessible within areas of the community and also accessible in different formats and languages.

It is clear is that coronavirus has had an adverse and disproportionate impact on people from BME communities. A Government enquiry took place to identify why people from BME backgrounds appear to be disproportionately affected and further work is needed to ensure we can improve health outcomes.

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

Until 2001, relatively low numbers of asylum seekers and refugees decided to settle in Wales compared to some parts of the UK. The numbers of asylum seekers and refugees increased when Wales became a dispersal area. The number of asylum applications in 2016 has seen an increase of 8% compared to the year before. Service provision to refugees and people seeking asylum by non-government organisations (NGOs) has decreased significantly in recent years. This has an adverse impact on people's health and Well-being. No recourse to public funds and safeguarding issues such as honour based violence and trafficking are key emerging themes for service providers. For service users the lack of, or limited access to information and tenancy support appear to be the key emerging themes. Various reports acknowledge that data collection systems for the number of migrants have weaknesses, which puts limitations on their reliability. There is no agreed definition for 'migrants' which further exacerbates reliable data collection.

The 2011 census found that the top ten countries of origin of people born outside the UK, in order of highest numbers first were: Pakistan, India, Bangladesh, Poland, Philippines, Germany, South Africa, Nigeria, Italy and Zimbabwe. Feedback from Education and Social Services indicate that people from Roma background have very specific needs in addition to those of the general new-migrant population. Good communication with migrants is essential. Determining the language and suitability of format (e.g. written, audio, face to face, telephone) and support available, such as advocacy and interpretation are critical elements to ensure effective communication. This will in turn benefit budgets and customer care as it contributes to determining the appropriate service. In addition, other issues highlighted for both migrants and asylum seekers include the need for more advocacy and floating support for migrants, lack of a strategic approach to information and service provision for new migrants and lack of coordination between services for migrants, asylum seekers and refugees.

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

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

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

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

HMP Usk/Prescoed is situated in Monmouthshire and social care staff support inmates in line with the Act. The prisons have a combined population of 527. (MoJ, 2108) ABUHB also provide primary healthcare services to offenders in HMP Usk/Prescoed, in partnership with the National Offender Management Service (NOMS). In addition to the prison population it is likely that ex-offenders will require additional care and support to prevent needs arising, particularly those who misuse drugs and/or alcohol or have mental health problems. A recent 'Prison Health Needs Assessment in Wales' report was published by Public Health Wales and highlighted a number of key areas to address:

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

During the pandemic we know that there were serious concerns to everyone living and working in prisons, resulting in restrictions put in place to limit the spread of the virus (HM Inspectorate of Prisons 2021) Prisoners have identified a decline in emotional, psychological and physical wellbeing at this time, due to chronic boredom and exhaustion of spending hours locked in their cells. They lacked enough day to day interaction and support from other prisoners, staff and family and friends.

### **Children and young people in contact with the Youth Justice System**

Children and young people in contact with the youth justice system may have more health and well-being needs than other children of their age. They have often missed out on early attention to these needs. They frequently face a range of other, often entrenched, difficulties, including school exclusion, fragmented family relationships, bereavement, unstable living conditions, and poor or harmful parenting that might be linked to parental poverty, substance misuse and mental health problems. Many of the children and young people in contact with

the youth justice system in Gwent may also be known to children's social care and be among those children and young people who are not in education, employment, or training. For vulnerable children and young people, including those in contact with the youth justice system, well-being is about strengthening the protective factors in their life and improving their resilience to the risk factors and setbacks that feature so largely and are likely to have a continuing adverse impact on their long-term development. Well-being is also about children feeling secure about their personal identity and culture. Due attention to their health and well-being needs should help reduce health inequalities and reduce the risk of re-offending by young people. Across the region the Youth Offending Service (YOS) & partners are:

- Developing a health pathway in partnership with ABUHB for young people involved/in contact with the youth justice system.
- Testing the Youth Justice Board (YJB) Enhanced Case Management - a therapeutic approach towards addressing a child's offending behaviour
- Identifying, screening, and responding to Speech, Language & Communication Needs (SLCN) via the provision of a dedicated Gwent YOS Speech & Language Therapist.
- Commissioning a Substance Misuse Service for Children and Young People within Gwent.

## **(1) CHILDREN AND YOUNG PEOPLE**

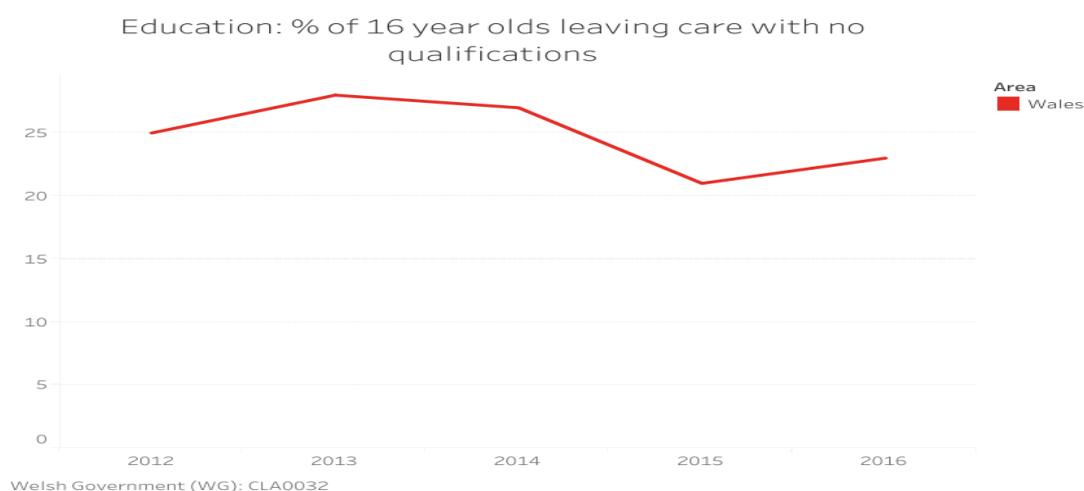
### **Key themes**

- Children with Complex Needs, including seamless transition of care and support needs, for example between Childrens Continuing Care and Continuing NHS Healthcare.
- Safe accommodation for children with complex, high end emotional and behavioural needs. This is a new Welsh Government priority for 2021-22 and aims to both prevent individuals being unnecessarily escalated to, and facilitate de-escalation from, secure or inpatient care.
- Looked After Children and the increasing numbers going into care/adoption (Local Authorities have a specific duty under Section 75 of the Act to ensure they have sufficient accommodation to meet the needs of looked after children).

### **Policy Areas**

- Amendments to Part 9 of the SSWB Act including revisions to the definition of Children and Young People (CYP) with complex needs to include children and young people: with disabilities and/or illness, care experienced, in need of care and support, at risk of becoming looked after, and those with emotional and behavioural needs.
- Children’s Commissioner for Wales ‘No Wrong Door’ recommendations and annual reports.
- Together for Children and Younger People
- National Commissioning Board guidance for Integrated Commissioning of Services for Families, Children and Young People with Complex Needs.
- The NEST (Nurturing, Empowering, Safe, Trusted) Early Help and Enhanced Support National Framework
- United Nations Convention on the Rights of the Child

### **(1.1) Percentage of 16-year-olds leaving care with no qualifications**

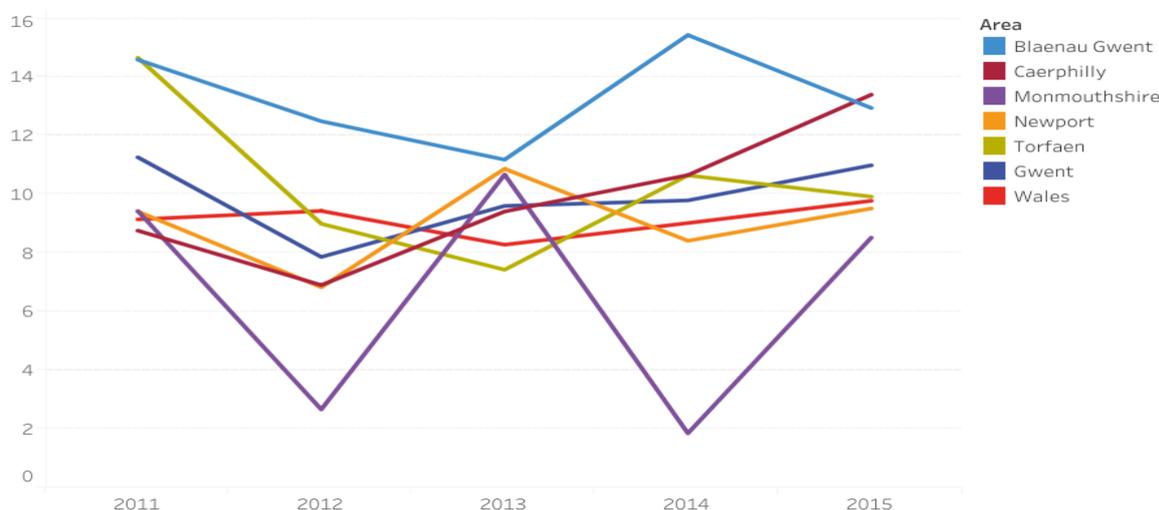


Care leavers will face a large number of personal and emotional challenges when family relationships breakdown and understandably education and aspirations will be affected. Attitudes to school, authority and adults will be indifferent and if a young person feels that

they have been 'given up on' it will be very easy said young person to give up on their selves. Schools will closely monitor the number of CLA and treat as vulnerable learners to ensure additional support and understanding are afforded to CLA. The availability of data is not consistent across the region, but the national data is stark with between 1 in 4 to 5 CLA leaving with no qualification which should not be accepted for any group of young people. The RPB includes statutory membership from education colleagues to ensure issues can be discussed and raised as well as planning actions across multi-agency partners and accessing preventative and transformation funding opportunities. Covid-19 has affected schooling for all young people and education achievements and accessing further education with additional emotional support and housing solutions will remain a priority.

**(1.2) Looked after Children with 3 or more placements**

Looked after children: SCC/004 - Looked after children with 3 or more placements (%)

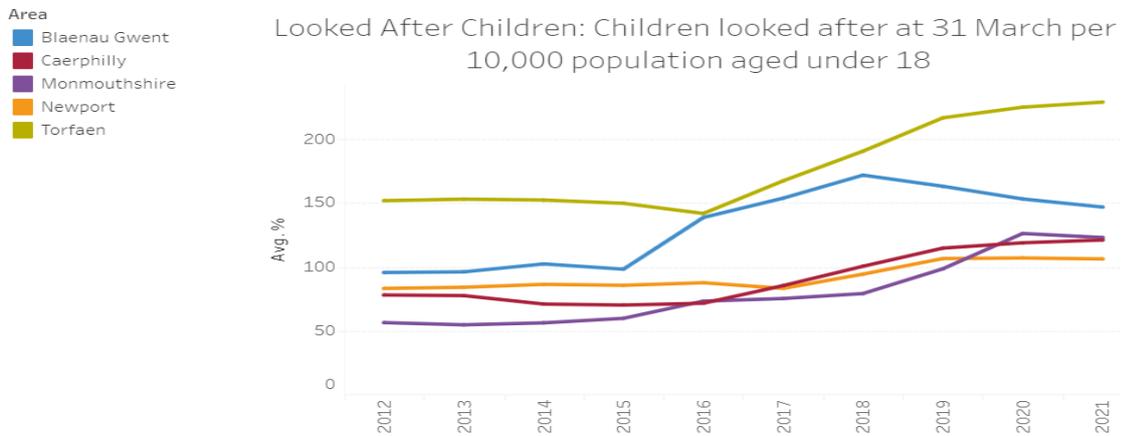


Welsh Government (WG): SCC004

Stability for CLA is key to supporting young people to develop positive relationships, trust, emotional wellbeing and access to education. A change of circumstances can often be unsettling and lead to lack of trust in support organisations as well disengagement, with comments from young people that 'people have given up on them'. A safe, stable home environment is a priority for any young person but especially CLA and even though the numbers seem relatively low, we know outcomes will be affected with increased number of placements. Partner and third sector organisations prioritise the need for remedial actions to avoid placement breakdown, with respite for carers and children a solution to help secure long-term placements. National Youth Advocacy Service (NYAS) offer an independent advocacy service for CLA to ensure the voice and views of young people are heard and greater support and working with third sector partners is key to partnership working through RPB. Covid-19 has affected the face-to-face opportunities for advocacy, but online sessions have been facilitated.

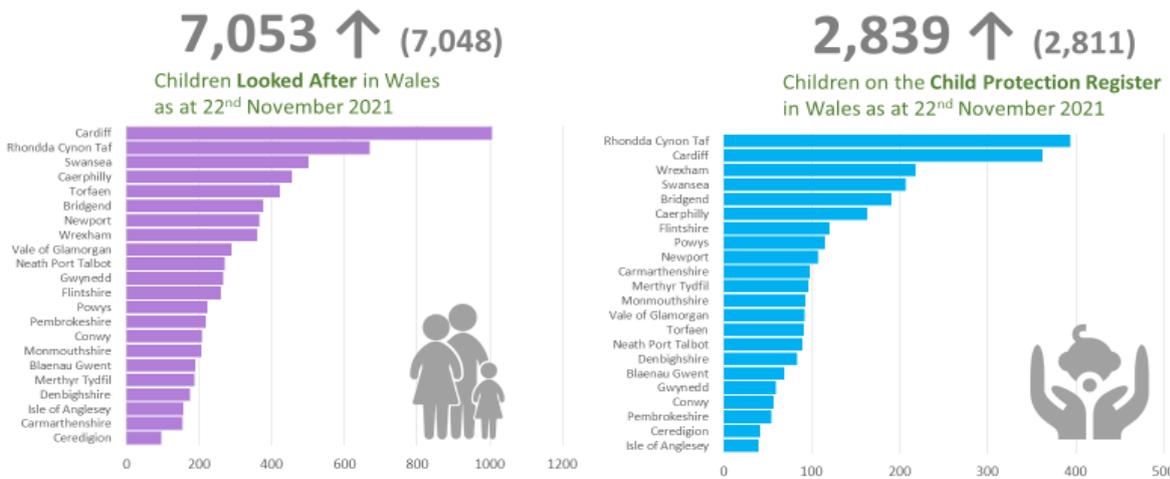
# Gwent Population Needs Assessment

## (1.3) Rate of Children Looked After per 10,000 population



The number of Children Looked After (CLA) and percentage 10,000 still remains high across all local authority areas. We know that CLA face some of the most complex and challenging of circumstances amongst their peers and Welsh Government has prioritised support at a local and regional level through Integrated Care Funding guidance and legislation. Multi-agency partnership approaches under the RPB have been established such as MYST project and SPACE Wellbeing Panels. However, there have been large costs for emergency and out of county placements incurred across the region which has led to the development of capital projects in Gwent such as Windmill Farm, through ICF capital funding, where savings can be redistributed into preventative programmes. The impact of covid-19 pandemic will have exacerbated circumstances for CLA, and support and prevention will still remain a priority going forward especially the need to develop services and provision that mean young peoples' care and support needs can be met close to home

## Children's Social Care - Safeguarding



\*One authority was unable to provide data due to issues following WCCIS upgrade

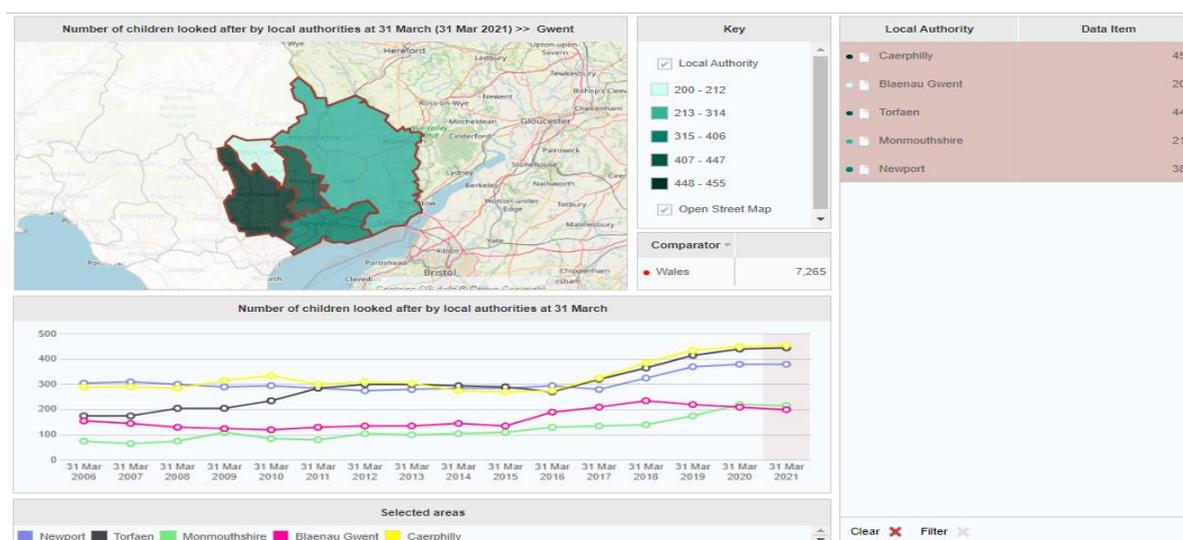
↑↓↔ denotes change from previous week (previous week's figures) Source: Local Authority Covid-19 Data Collections – 24 November 2021

## Gwent Population Needs Assessment

There are additional data graphs relating to young people in the Social Wellbeing section (Baby and children's health and development) of the Wellbeing Assessment including

1. % of low birthweight live single births
2. Teenage conceptions
3. Breastfeeding
4. Flying Start children reaching or exceeding developmental milestones
5. Healthy weight and obesity
6. Immunisations
7. Oral health
8. Adverse Childhood Experiences

In addition to the data included in the Wellbeing Assessment there are a number of national data portals outlining need across the region including Social Care Wales Data Portal [Home - Social Care Wales Data Observatory \(socialcaredata.wales\)](#) and below is the data relating to Children Looked After. This PNA will not duplicate the information but reference where necessary.



### Emerging Themes, Future trends, and challenges

The most recent Welsh Government data (as of 31 March 2020) shows that there are 16,580 children who receive care and support from children's services across 22 local authorities. Of those children being supported, 7,180 are looked after. Of those children, 17% live with their families or with other family members through kinship care arrangements, 70% live with foster carers, 8% live in residential care, 3% of children are placed for adoption and 2% of older children live independently with support. Welsh Government have prioritized the need for safe accommodation for children with complex, high end emotional and behavioural needs. This is a new Welsh Government priority for 2021-22 and aims to both prevent individuals being unnecessarily escalated to, and facilitate de-escalation from, secure or inpatient care.

**Emerging Priorities**

- 1. To improve outcomes for children and young people with complex needs through earlier intervention, community based support and placements closer to home.**
- 2. To ensure good mental health and emotional well-being for children young people through effective partnership working especially mitigating long term impact of Covid-19 pandemic.**

## **(2) OLDER PEOPLE INCLUDING DEMENTIA**

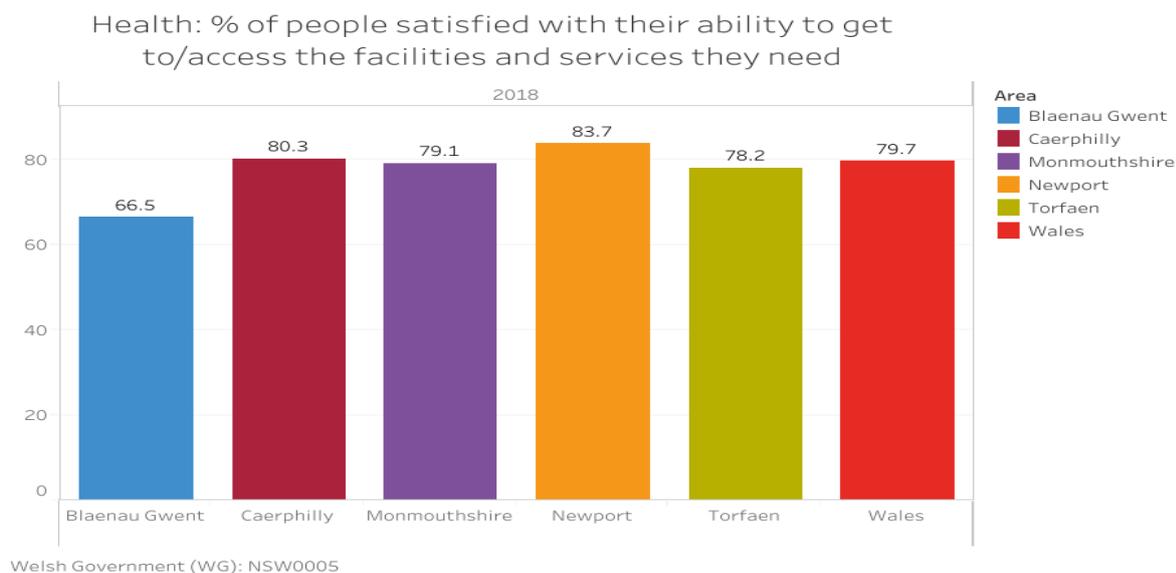
### **Key Themes**

- Improve emotional wellbeing for older people to reduce loneliness and isolation with early intervention
- Improve life outcomes for people living with dementia and their carers.
- Protect the rights for older people as enshrined in the United Nation’s Principles for Older Persons, and the SSWB 2014 Act.

### **Policy Areas**

- United Nation’s Principles for Older Persons, and the SSWB 2014 Act
- Dementia Action Plan 2018-2022
- Older People’s Commissioner ‘Making Wales the best place in the world to grow older: Strategy 2019-22
- Strategy for Older People in Wales: Living Longer, Ageing Well. (2013 -2023)

### **(2.1) Percentage of people satisfied with their ability to get to/access the facilities and services they need**

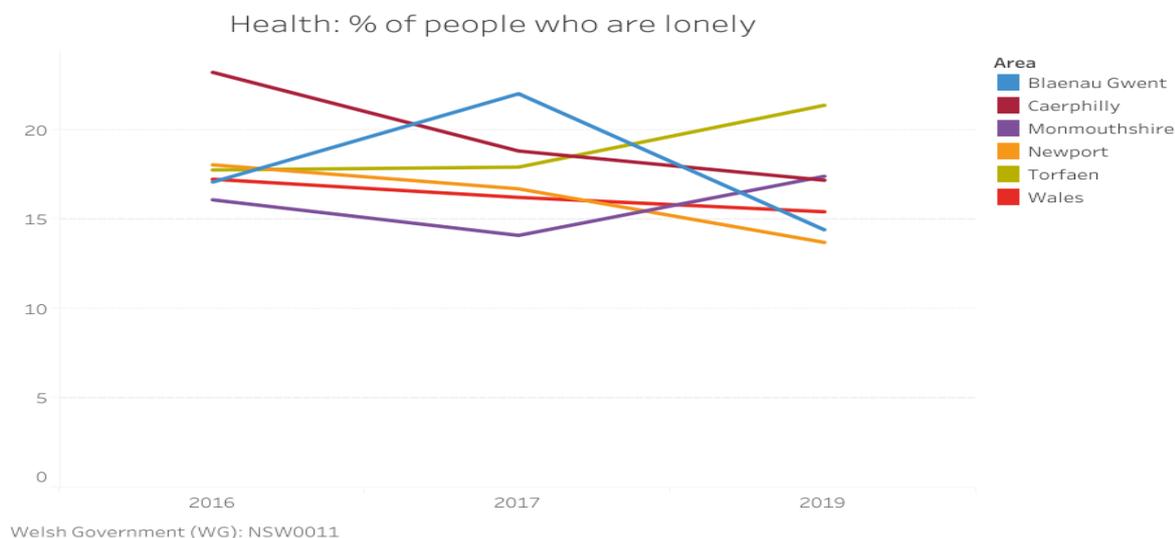


A large percentage of people are generally satisfied with access to facilities across the region. This percentage is within the Wales average for Monmouthshire despite the rurality and access to bus services. This data is from 2018 and Blaenau Gwent figure is quite low in comparison to other local authorities, however since 2018 ABUHB have committed to building a new Health & Wellbeing Centre in Tredegar which was built on the former site of Tredegar General Hospital and Brynmawr Medical Practice has been built to improve access to services. There has been a big shift to digital technologies through the recent Covid-19 pandemic and recognition that a number of people would not have accessed services during lockdown and

## Gwent Population Needs Assessment

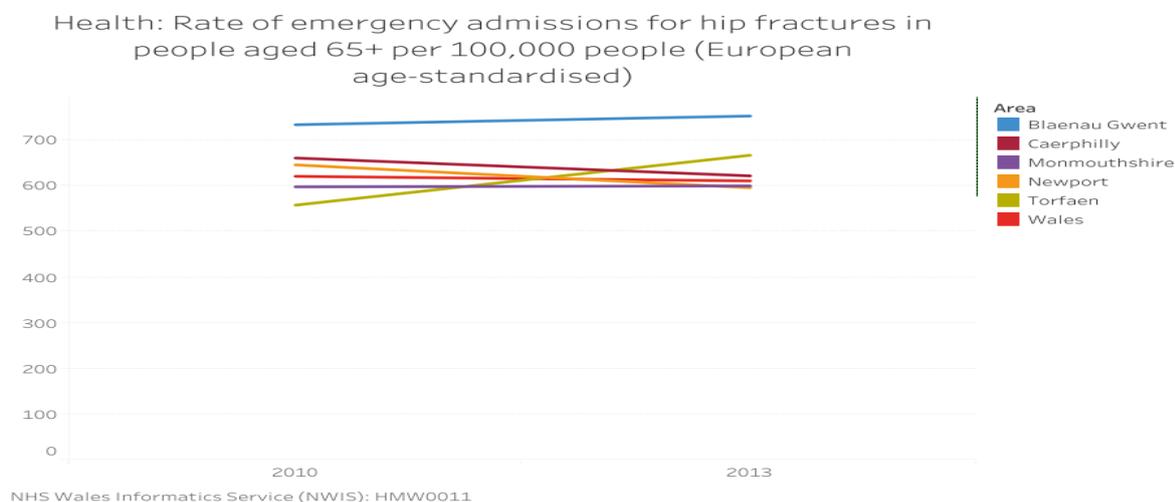
therefore the RPB will still need to ensure an equitable access to services across the region, especially for older people who may not be confident with the use of technologies.

### (2.2) Percentage of people who are lonely



We recognise that loneliness is an issue across all local authority areas and highlighted in the previous PNA; and this will have been exacerbated recently through the Covid-19 pandemic where a number of vulnerable people will have been shielding. The data varies across the region but is generally high and between 15-20% (1 in 5 people) which is a considerable number of people susceptible to poor emotional and mental health and deterioration in physical help. Loneliness may be perceived as an older person's issue – recognised by Older People's Commissioner for Wales – but given that the percentage is approximately 20% it is likely that younger people will be affected too, especially given virtual working arrangements. Solutions are generally low cost/no cost and important for RPB to promote networks, access to information and local groups, particularly through Dewis portal.

### (2.3) Rate of emergency admissions for hip fractures in people aged 65 plus per 100,000 people



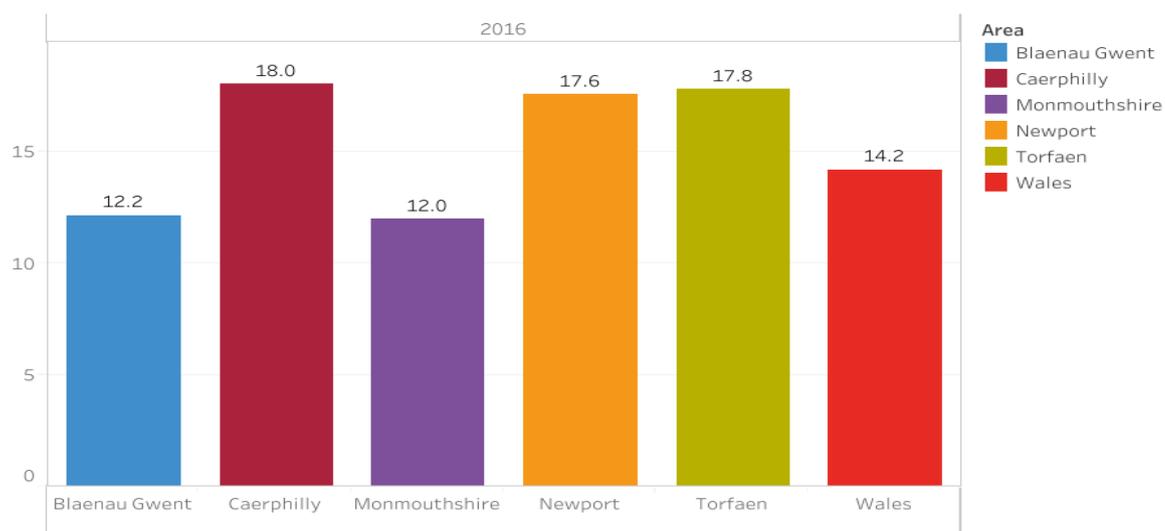
It is widely accepted that falls amongst older people are one of the biggest factors in hospital admissions and calls for ambulance assistance. Hip fractures data can be inferred and indicate level of falls amongst older people and subsequently hospital admissions.

1 in 3 people aged 65+ (over 3 million) fall in the UK every year and 1.2 million people are treated in Accident and Emergency Departments (A&E) after a fall, costing the NHS £1.6 billion each year (CSP, 2015; Tinetti, 1988). The Economic Model for Falls Prevention (CSP, 2016) suggests that mild falls (those that don't require any additional treatment on discharge from A&E) represent 47.2% of the total number of falls. Falls account for approximately 10% of 999 emergency calls received via the Welsh Ambulance Service NHS Trust (WAST) across Wales (WAST, 2016). There has been an emphasis on preventing falls and dedicated studies, roles and services within the ABUHB as well as wider public information and awareness. Gwent Frailty is a multi-disciplinary service within the Primary Care and Community Services Division in Aneurin Bevan University Health Board, centred on providing patients with care and/or treatment closer to home and promoting patient independence; and falls prevention is a core function of the service.

We have seen recently during the pandemic and during the winter periods the impact on WAST and hospitals, falls can have and along with progressed dementia, the predominant factor in 999 calls for ambulances. The data included is a conservative indication of falls given that not all older people will require surgery after an accident. However, the data when totalled is approximately 3000 people during 2013 and will not simply reflect hospital admissions but also the large number of rehabilitation services required and subsequent impact on independent living. Given the impact on health and social care, falls prevention will still remain a priority for RPB consideration.

### (2.4) Percentage of people who called for an ambulance in the last 12 months

Health: % of people who called for an ambulance in the last 12 months

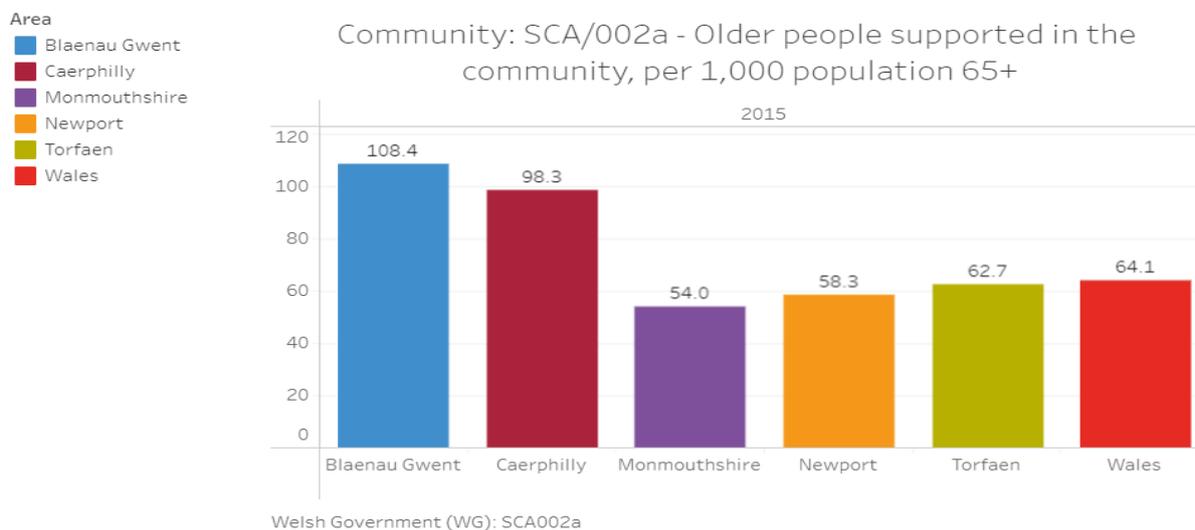


Welsh Government (WG): NSW0037

## Gwent Population Needs Assessment

The data can highlight the acute needs of some local authority areas when compared to the rest of Wales. The 3 areas higher than Wales average are valley communities and could point to wider health detriments in those areas.

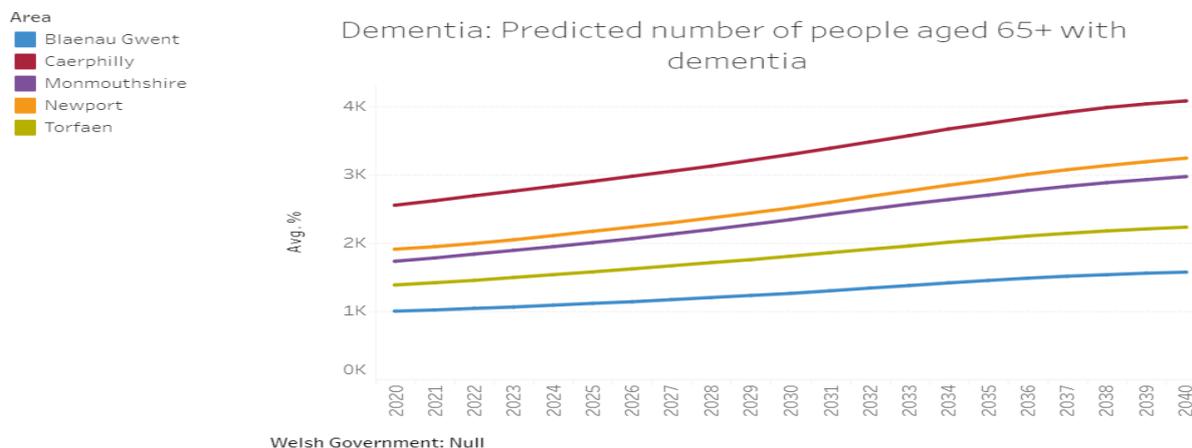
### (2.5) Older people supported in the community, per 1,000 population 65+



Remaining at home is at the heart of many peoples view of being independent. People have told us they would like help and support to move around and maintain their own home, go out as they please and not have to depend too much on others. We also know that many older people with long term health conditions are caring for a family member, friend or neighbour and need to be supported to continue to do so. These unpaid carers contribute significantly to the Gwent economy and potential health and social care costs.

Older people need good, timely and accurate information to be able to understand what support is available to them and this can be important to maintaining independence. This also needs to be provided in a range of ways so people can access it. Small things can be quite significant – such as size and type of fonts in leaflets or background colours to aid readability. Information is now often provided digitally and so access to online information for older people is dependent on skills and resources. Greater consideration should be given to supporting older people to develop the necessary skills and confidence to access information online. Public access areas such as GP Surgeries, public transport and community libraries can act as access points for information but in some areas of Wales these are underutilised and overlooked. We have valuable community library resources across Gwent which provide information, advice, and guidance for both older people and those living with dementia.

**(2.6) Predicted number of people with dementia 65 plus**

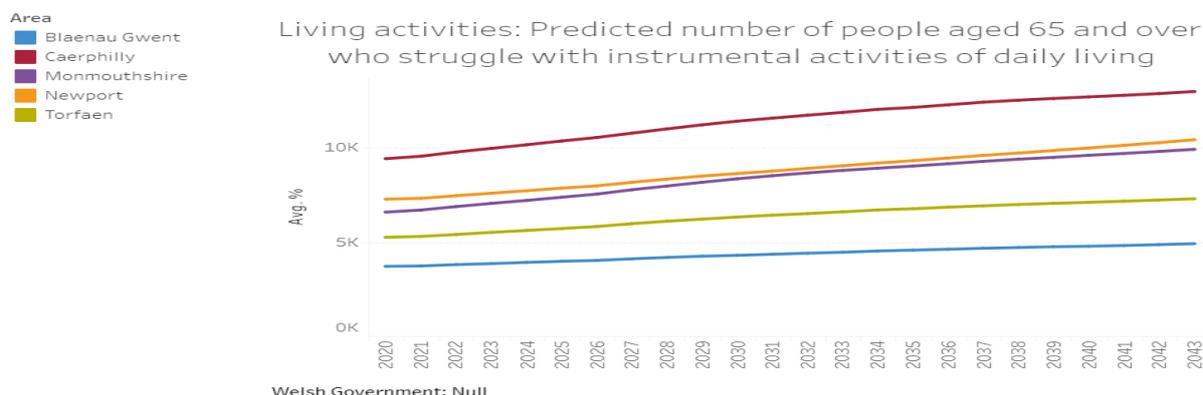


Approximately 42,000 people are living with dementia in Wales, and it is most common in older people, affecting 1 in 20 people over the age of 65 and 1 in 5 over the age of 80. It is predicted that 1 million people in the UK will have dementia by 2025 and this could increase to 2 million by 2050 (Alzheimer’s Research UK). Above figures are from 'Dementia UK: A report into the prevalence and cost of dementia' prepared by the Personal Social Services Research Unit (PSSRU) at the London School of Economics and the Institute of Psychiatry at King's College London, for the Alzheimer's Society, 2007. The prevalence rates have been applied to population projections of the 65 or older population to give estimated numbers of people predicted to have dementia, to 2035.

Across all local authority areas in the Gwent region, an increase in the number of people living with dementia is predicted. The increases range from 62.1% in Blaenau Gwent to 97.1% in Monmouthshire over the period 2013 to 2035. The RPB are working to support more timely diagnosis and are developing a consistent clearly understood diagnosis, care and support pathway which incorporates standards of care and outcome measures. Living with dementia can have a big emotional, social, and psychological impact on a person, their families, and carers. This can affect the relationships a person has with their environment and the support that they receive. It is important to people living with dementia that people develop awareness and understanding of the condition so they can be supported to maintain quality of life. As an RPB we provide development and learning opportunities jointly with our key partners to the workforce and communities to raise awareness, understanding and highlight risk factors and preventative measures. We also work with partners and continue to develop and build on the strengths of our Dementia Friendly Communities, working in collaboration of Age Friendly Community groups.

We are aware of the impact of the pandemic on people living with dementia and professionals within health and social care have been working hard to support people through assistive technology, online support and telephone calls where face to face visits could not be provided. We have also been supporting people living with dementia their family and carers through the Get There Together National project, working with partners to create a series of films aimed to reduce concerns and reassure anyone who is anxious about getting beyond the front door as well as dealing with the stresses of Covid-19.

**(2.7) Predicted number of people struggle with at least one domestic task 65 plus**



Healthy life expectancy is increasing over time, which is positive, however when the time comes where the oldest population develop care and support needs, those needs are more intensive and expensive as people live longer. People over the age of 65 are more likely to need extra support to remain independent in their own homes and across all local authorities in Gwent it is predicted there will be an increase in people unable to manage at least one domestic task on their own.

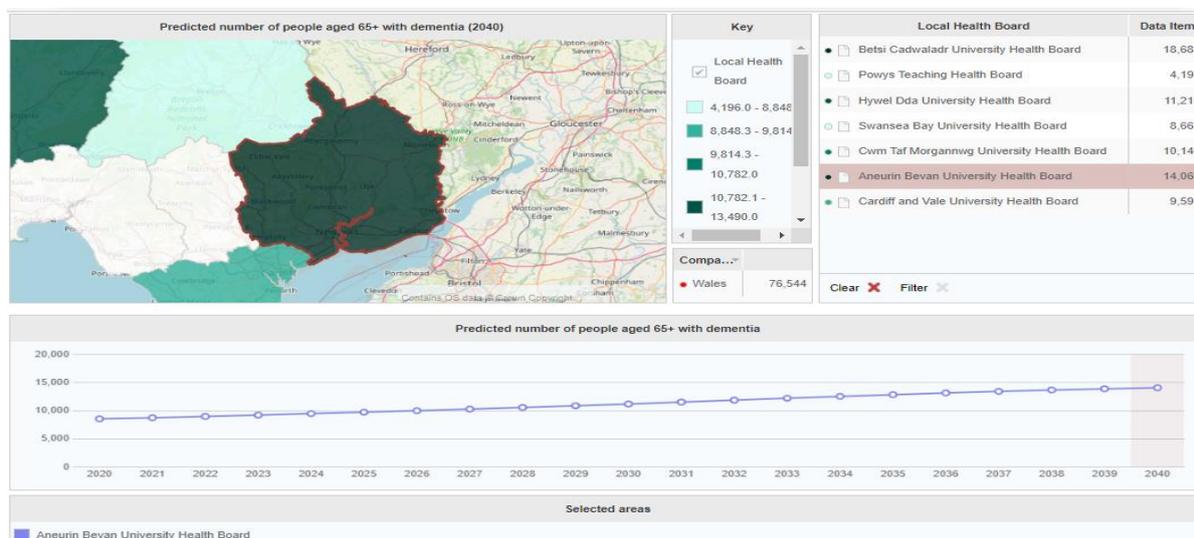
Predicted number of people aged 65 or over that will be unable to manage at least one domestic task on their own (household shopping, wash and dry dishes, clean windows inside, jobs involving climbing, use a vacuum cleaner, wash clothing by hand, open screw tops, deal with personal affairs, do practical activities). Figures are taken from *Living in Britain; Results from the 2001 General Household Survey, Supplementary report: People aged 65 and over, table 37, ONS*. The predicted increases range is from 44.9% in Blaenau Gwent to 71.6% in Monmouthshire. As an RPB we have a range multi-disciplinary reablement and care services in place to provide long and short-term support to help people live independently in their own homes. We also have been using grant funding from the Integrated Care Fund to promote digital and mobile assistive technology solutions to support the prevention of falls.

There are additional data graphs relating to adults in the Social Wellbeing section of the Wellbeing Assessment including

1. Life expectancy and health inequalities
  2. Cancer registrations
  3. Deaths due to cancer
  4. Deaths due to cardiovascular disease
  5. Delayed transfers of care
- Healthy lifestyles including
6. Physical activity
  7. Healthy diet
  8. Alcohol
  9. Smoking
  10. Individuals who are overweight or obese
  11. Overweight/obesity
  12. Diabetes

## Gwent Population Needs Assessment

In addition to the data included in the Wellbeing Assessment there are a number of national data portals outlining need across the region including Social Care Wales Data Portal [Home - Social Care Wales Data Observatory \(socialcaredata.wales\)](#) below is information relating to number of people predicted to be living with dementia. This PNA will not duplicate the information but reference where necessary.



### Emerging Themes, Future trends, and challenges

Wales has an ageing population and many people stay healthy, independent, and well into old age, however as people age, they are more likely to live with complex co-morbidities, frailty, and disability. By 2030 it is projected that there will be over 1,008,000 older people in Wales (33% of the population) (ONS 2017/2018). Older people have lots of skills, knowledge, and experience to contribute to society and are a valuable resource to us in Gwent, with many volunteering and sharing their skills in communities. A whole system approach is needed between health and social care and other partners to help people remain independent and as healthy as possible so they can continue to live at home.

### What people have told us

Remaining at home is at the heart of many peoples view of being independent. People have told us they would like help and support to move around and maintain their own home, go out as they please and not have to depend too much on others. We also know that many older people with long term health conditions are caring for a family member, friend or neighbour and need to be supported to continue to do so. These unpaid carers contribute significantly to the Gwent economy and potential health and social care costs.

**“I want to remain in my own home for as long as I can. It’s where all my memories are”.**

**“I am scared of being in contact with people as don’t want to get covid, but I am also isolated so feel really down. It’s confusing!”.**

### **What are the gaps in understanding of well-being?**

The number of older people with unmet care and support needs is increasing substantially due to challenges in the health and care system. Effective solutions are needed to address these needs including addressing delayed discharges in hospitals that can lead to worsening health outcomes and complications around care and support needs. It is clear that most people desire to cope with their illnesses and remain independent at home and care models need to reflect the needs of the person as part of their care and support.

The public health restrictions put in place to keep people safe during the pandemic, meant that older people saw big changes to their normal activities and routines. It also meant spending time apart from family, friends, volunteering roles, jobs and communities and creating loneliness and isolation. These changes have meant some people are nervous and anxious to return to normality and are unsure of what the future holds.

Connecting through digital platforms became a valuable resource to many people in Gwent so they could stay in touch with family and friends, access health services, shopping, advice, guidance, and entertainment. However digital exclusion still remains across Wales where some older people have a number of barriers to getting connected such as lack of confidence in using digital technology, financial barriers, costs of broadband services or lack of broadband due to rurality of area. Some people also said that healthcare appointment had been cancelled and they were now struggling as had to wait for health procedures and were unsure of how long they would have to wait. This will impact future waiting lists for procedures and appointments and currently the total Outpatient waitlist position is 111,239, reduced from 116,336 as at October 2021. The Inpatient waitlist is currently 17,703 and as of December 2021, the Referral to Treatment Time position is: 4818 open pathways are over 104 weeks, 22,984 over 52 weeks and 34,254 over 36 weeks.

The pandemic has also brought to light positives about life in Gwent, with communities coming together to support each other, people volunteering and responding to calls for help. There has been a wave of solidarity during this time and the commitment and dedication of our health and social care workforce during this time and continues to be incredible. Also:

- We have key assets in Gwent such as our network of unpaid carers and volunteers and a passionate multi-agency workforce. We also have a very good relationship with our independent/third sector partners and Dementia Supportive Communities.
- There are roughly four million unpaid carers (for all service user groups), of whom one quarter provide more than 50 hours a week of care, giving practical help, companionship, and general supervision. Nearly 90% of older people with dependency problems receive some informal care (some alongside formal care). There is likely to be a fall in the future supply of such carers, arising from changes in the population age structure, rising divorce rates, decline in family size, rising childlessness, growing employment among married women, changing household composition of older people, and changing preferences of older people. (SCIE)

- Volunteers also play a major part in providing social care. It has been estimated that their contribution represents the equivalent of 221,000 full-time employees, or roughly one in every five hours of formal caring. Many such volunteers are older people themselves.
- There are pressures on social care services arising from the needs and preferences of older people increasing.
- Recruitment and retention of employees is challenging for services for older people. High levels of stress and dissatisfaction are reported by staff, and although low pay is an issue, the introduction of the national minimum 4 wage should have eased recruitment. This has been exacerbated by the pandemic.

#### **Emerging Priorities**

- 1. To improve emotional well-being for older people by reducing loneliness and social isolation with earlier intervention and community resilience.**
- 2. To improve outcomes for people living with dementia and their carers**
- 3. To support older people to live, or return following a period of hospitalisation, to their own homes and communities through early intervention and integrated care models.**

### **(3) HEALTH / PHYSICAL DISABILITIES & SENSORY IMPAIRMENT**

A person with a ‘health or physical disability including sensory impairment’, may have difficulty carrying out everyday activities, as their movement and senses may be limited. Sensory impairment is reduced or loss of sight, hearing, or both. Those included are the blind, partially sighted, deaf, and hard of hearing. A disability may be present from birth or occur during a person's lifetime. Health disabilities can include chronic conditions such as obesity or an individual might have had a stroke and have long term effects with movement, speech, hearing, and sight. Equipment and adaptations can help a person to live more independently and confidently at home. Prevention, early identification and providing practical and emotional support and easier accessibility to services can have a real positive impact on life outcomes.

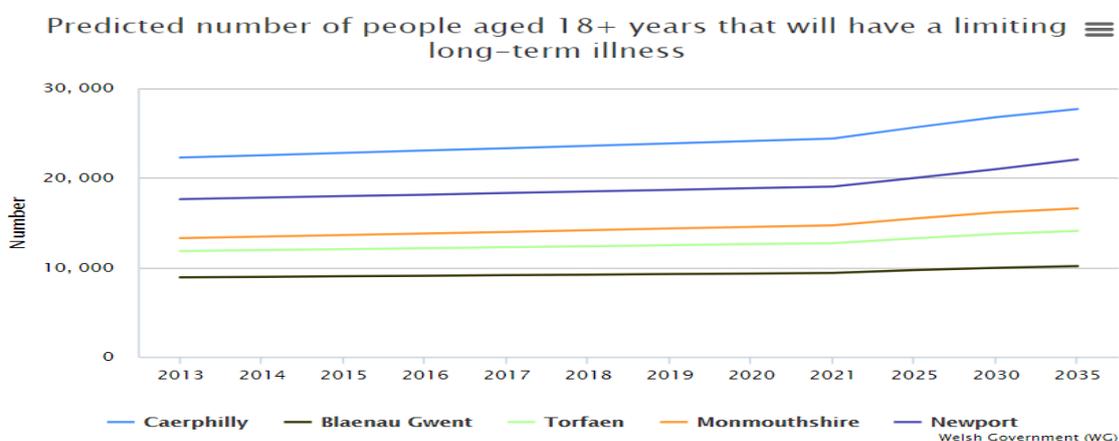
#### **Key Themes**

- Supporting disabled people through an all-age approach to live independently in appropriate accommodation
- Support access to community-based services, including transport.
- Help people reduce the risk of poor health and well-being through earlier intervention and community support.
- Ensure people are supported through access to accurate, timely information and assistance and ‘rehabilitation’ where required.
- Improve emotional well-being particularly through peer-to-peer support.

#### **Policy Areas**

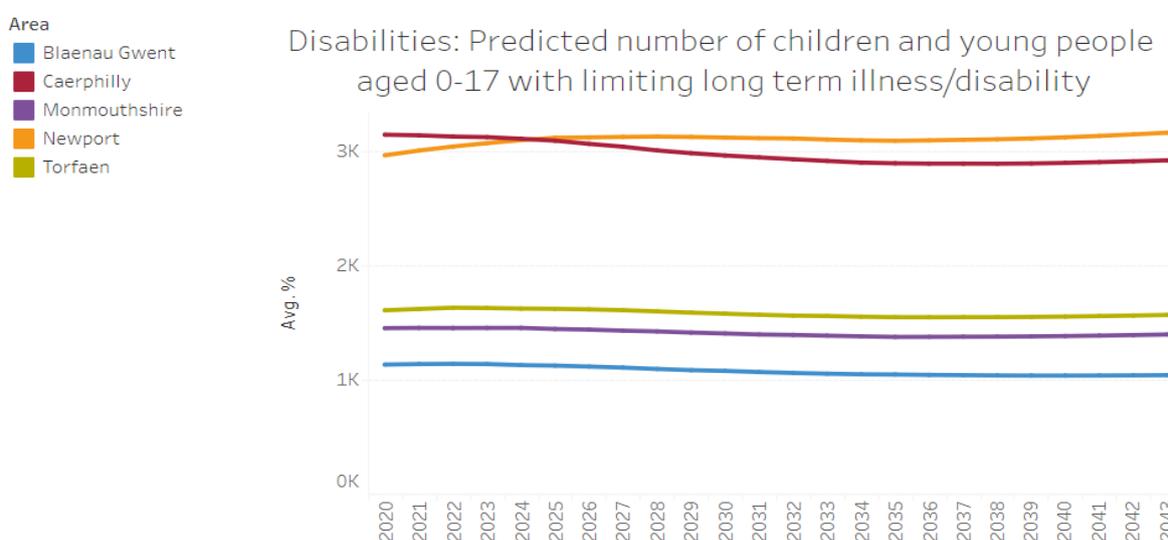
- Welsh Government’s Disability Equality Forum Impact of Covid-19 on disabled people in Wales and ‘Action on Disability’ framework
- Wales Council of the Blind. Rehabilitation Officers for Visual Impairment, Addressing a workforce crisis in Wales
- All Wales Deaf Mental Health and Wellbeing Group. Deaf People Wales: Hidden Inequality.

#### **(3.1) Predicted number of people aged 18+ years with a limiting long-term illness**



The impact of chronic conditions on peoples lives and services in Wales is of growing concern. Wales has the highest rates of long-term limiting illness in the UK, accounting for a large proportion of unnecessary emergency hospital admissions (NHS Wales). Figures are taken from the *Welsh Health Survey 2012, table 3.11 Adults who reported having illnesses, or being limited by a health problem/disability, by age and sex*. Adults who reported having a limiting long-term illness were asked to specify the illness which was the main cause of their limitation. All local authority areas across the Gwent region are predicted to see an increase in the number. The predicted increases range from 14.1% in Blaenau Gwent to 25.1% in Newport

**(3.2) Predicted number of people aged 0 - 17 that will have a disability according to Disability Discrimination Act definitions 2035**

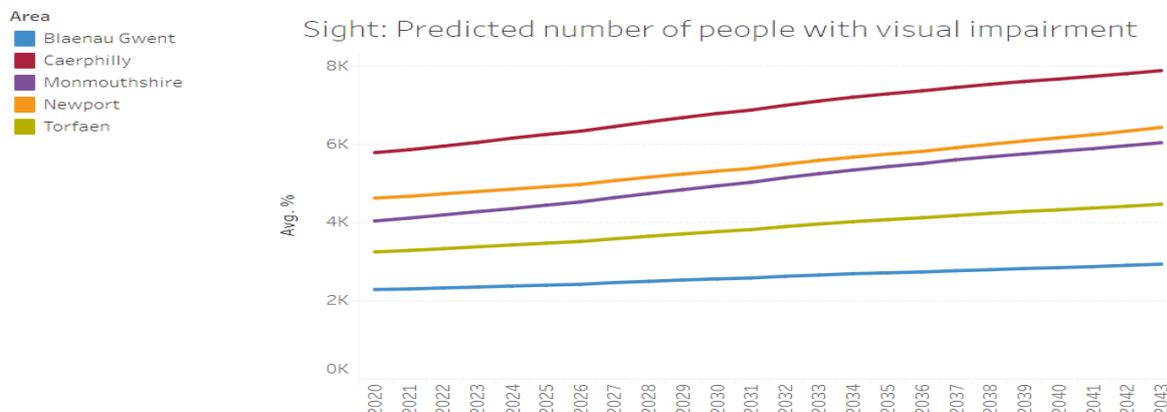


This figure is taken from the study *Prevalence of childhood disability and the characteristics and circumstances of disabled children in the UK, Blackburn et al, BMC Paediatrics 2010*. Children were defined as disabled if they met the Disability Discrimination Act criteria for a disabled person. Disability Discrimination Act definitions mean that the child has significant difficulties with any of the following areas: mobility, lifting/carrying, manual dexterity, continence, communication (speech, hearing, eyesight), memory/ability to concentrate or understand, recognise if in physical danger, physical coordination, or other problem or disability.

The number of young people living with a disability is predicted to be relatively stable over the next 10 years but will still remain significant in terms of multi-agency partnership support required to ensure outcomes. Transition arrangements between primary and secondary education is key to ensuring outcomes as well as effective planning between partners. Parents often highlight the number of different partners requesting information and the RPB has invested in an Integrated Service for Children with Additional Needs (ISCAN) to coordinate services for children and families in one place. ISCAN has been key to reducing multiple ‘hand

offs' to partners and supported parents with caring of children with disabilities especially during Covid-19 pandemic.

**(3.3) Number of sight impaired people 65 plus**



The above data has been taken from the registers of people with physical or sensory disabilities, data includes all persons registered under Section 29 of the National Assistance Act 1948. However, registration is voluntary, and figures may therefore be an underestimate of the numbers of people with physical or sensory disabilities. Registration of severe sight impairment is, however, a pre-condition for the receipt of certain financial benefits and the number of people in this category may therefore be more reliable than those for partial sight impairment or other disabilities. These factors alongside the uncertainties about the regularity with which local authorities review and update their records, mean that the reliability of this information is difficult to determine and so it cannot be thought of as a definitive number of people with disabilities. People with sight impairment are registered by local authorities following certification of their sight impairment by a consultant ophthalmologist. The Certificate of Vision Impairment (Wales) formally certifies someone as partially sighted or as blind (now using the preferred terminology 'sight impaired' or 'severely sight impaired', respectively) so that the local authority can register him/her. Registration is voluntary and access to various, or to some, benefits and social services is not dependent on registration. If the person is not known to social services as someone with needs arising from their visual impairment, registration also acts as a referral for a social care assessment.

The majority of local authority areas in the Gwent region have experienced a decrease however this data will need to be explored further to ascertain if this is a registration issue and if people are aware of services.

Rehabilitation Officers for Visual Impairment (ROVI) provide early intervention support, helping people to remain independent and contribute to their community. There is a concern that in some areas some people are being signposted away from this support however we don't have the full data on this. The role has been identified across Wales as needing a clear pathway for referral to address unmet need and further promotion of the role which has been taken forward in Torfaen. The RPB work closely with third sector partners and will continue to support people with sight impairment through multi-agency partnership approaches and access to new technologies.

It is estimated that there are around 2000 children and young people aged 0-19 with a visual impairment in Wales. At least 20 per cent of these will have additional disabilities and/or additional learning needs; a further 30 per cent have very complex needs (Vision2020UK: Shared statistics and key messages about sight loss 2013). Wales Council for the Blind have highlighted that *'Partnership working is the only way to provide services that will ensure that Welsh CYPVI achieve their full potential and have the skills to be ready for adult life. This can only be achieved with early intervention by the right people at the right time.'* The report can be downloaded here [http://www.wcb-ccd.org.uk/wales\\_vision\\_forum.php](http://www.wcb-ccd.org.uk/wales_vision_forum.php).

### Emerging Themes, Future trends, and challenges

More than **600,000** people in Wales have hearing or sight loss (NHSWales2015) with the number increasing due to demographic trends and increases in chronic health conditions, amongst other causes. The effects of living with multiple health conditions can be profound, affecting quality of life, daily activities, poor physical and mental wellbeing and finding and maintaining employment, leading to financial hardship. This can then exacerbate inequalities, with loss of income and worklessness contributing to further declines in health. There is a danger that, without action, worsening socioeconomic inequalities will further concentrate this trend among the most disadvantaged.

Disability is extremely diverse and although some people might have extensive health care needs others might not, however all people with a disability need to access mainstream healthcare services. Almost everyone is likely to experience some form of disability during their lifetime, which could be temporary or permanent, having a dramatic impact on quality of life. There have been many improvements through the years, however the UK Disability Survey (2021) identified that public perception of disabled people is still a significant barrier to participation in areas, including employment and education and unhelpful perceptions and stigma.

People living with disabilities have been disproportionately impacted by the Covid 19 pandemic. They have had potentially higher risk of catching the virus due to underlying health conditions and had difficulty in engaging in preventative measures and experienced disruptions to health services they usually rely on. People with sensory loss have found it extremely challenging as their communication needs have not been met leaving them increasingly isolated. Although health and social care have worked hard across Gwent to reach out and support people during this time, we need more specific actions going forward, to recognise the impact there has been for people with health, physical and sensory disabilities.

There is an urgent need to improve the data we collect on disability, to further improve equality for disabled people and increase emotional wellbeing within health and social care.

### **What are the gaps in understanding of well-being?**

Adults and children with disabilities have struggled both physically and mentally throughout the pandemic with the loss of services and support during this time. Some people previously found comfort in their daily routines which were removed with cancelled appointments and lockdown of education and activities.

Some people who are blind and visually impaired felt lonely prior to the pandemic but during this challenging time they have had to face more physical and psychological barriers. Social

distancing rules have been difficult, as this cannot be observed along with directional arrows, screens etc. In community settings and trying to follow the rules has caused anxiety, stress, and exhaustion. Rehabilitation in sight loss is key in preventative approaches to support new ways to accomplish essential tasks and to introduce a range of equipment and techniques to avoid injuries and falls and mitigate or defer the need for longer term care. There is a scarcity of ROVIs which needs to be anticipated and addressed in the Gwent area to support eye conditions, orientation and mobility, independent living and communication skills. During the pandemic the ROVI in Torfaen has provided training to social care colleagues on the ROVI role and referral pathways and the benefits they bring. This has resulted in more referrals.

Visual impairment is strongly associated with falls and hip fractures. The rate of falls in older people with visual impairment is 1.7 times higher than other older people of the same age, with hip fractures 1.3 - 1.9 times higher

The new normal is for people to wear facemasks to prevent transmission of disease. As a result of this deaf and hearing-impaired people feel excluded from the world. Deaf people who rely on sign language still need facial expressions for full communication, so this has been difficult.

### **What people have told us**

Some people feel isolated and excluded and have been struggling with mental and physical health. Some people feel there is lack of multi-agency support and they don't always know who to contact. Some people also struggle with accessibility of certain buildings, pavements and using public transport.

**“I have just applied for a guide dog and am on the ‘awaiting training list’ I can’t wait to get my confidence back and be able to go out and have my independence back”.**

Some people have hidden disabilities which are not visible but are just as challenging. They have faced discrimination as their disability can't be seen. There needs to be more positive attitudes towards disabled people. It is important for us to have a more inclusive future that focuses on our strengths.

- People are living longer; however future trends indicate that on average a quarter of people after age 65 will live with some form of health disability. This needs to be considered when developing service models with a particular focus on effective prevention interventions. There are estimated to be about 9 million deaf and hard of hearing adults in the UK, that is about 18% of the total population. About 640,000 of these are profoundly or severely deaf. As people grow older the changes of becoming deaf increase: 7 out of 10 people over 70 will have developed a significant hearing loss. This could have a significant impact on health and social care services.
- Sensory impairment can be a significant life limiting condition and its incidence increases with age. This means the challenges associated with the condition are likely to grow over

coming decades. People with sensory impairment have a range of care and support needs. There is a scarcity of ROVI workers who can provide the necessary assessment and delivery of interventions including a lack of adequate supervision to support the workforce which also needs addressing.

- Early identification is vital, as is prevention, support to reduce loneliness, isolation and promote mental health and well-being. Offering effective care and support is likely to reduce other risks associated with age and frailty, such as falls. A focus is needed on further development of generic and specialist services and improving the access to other services for people with a sensory impairment. This will require a multi-agency approach.
- The prevalence of physical disability is much wider than those who need or want help from social care however this could change in the future if needs increase.
- Sight loss in the UK is estimated to double over the next 40 years, which will have a significant impact on the UK's health and social care system and damage the quality of life for millions of people. (RNIB 2009)
- Hearing loss is a common health issue in the armed forces. Many veterans will have had prolonged exposure to loud noise from small arms fire, artillery, engines, and other machinery during service, causing permanent hearing damage. The Veterans Gateway website provides information, advice and support for Veterans and their families on support and services currently available.

It is important that people with sight loss are signposted to support services within their communities and the sight loss sector in Wales recognises *Perspectif* as the tool to identify these services and it is available at <http://www.wcb-ccd.org.uk/perspectif/index.php>. Sight Cymru also provide a range of services across Gwent. Another critical service is Low Vision Service Wales – provided by Optometrists or Dispensing Optometrists accredited as Low Vision Practitioners in a Primary Care setting. People accessing the Service are able to receive low vision aids to support with day-to-day activities and are also offered advice and guidance. Practitioners will also be able to signpost service users to third sector providers for further support. There are currently 41 practices that provide the Low Vision Service to patients in Gwent.

### **Emerging Priorities**

- 1. To support disabled people through an all age approach to live independently in appropriate accommodation and access community based services, including transport.**
- 2. Ensure people are supported through access to accurate information, assistance and 'rehabilitation' where required.**
- 3. Improve transition across all age groups and support services**

#### (4) LEARNING DISABILITIES

There are approximately 54,000 people in Wales living with a learning disability (ONS, 2019). A learning disability affects the way a person learns new skills throughout their lifetime. This can affect communication, understanding new or complex information and coping independently. A learning disability can be mild, moderate, or severe. Some people with a mild learning disability might be able to communicate well and look after themselves independently but might need a bit longer to embrace new skills. Other people might not be able to communicate and have more complex needs, needing further support. It very much depends on the persons abilities and the level of care and support they receive.

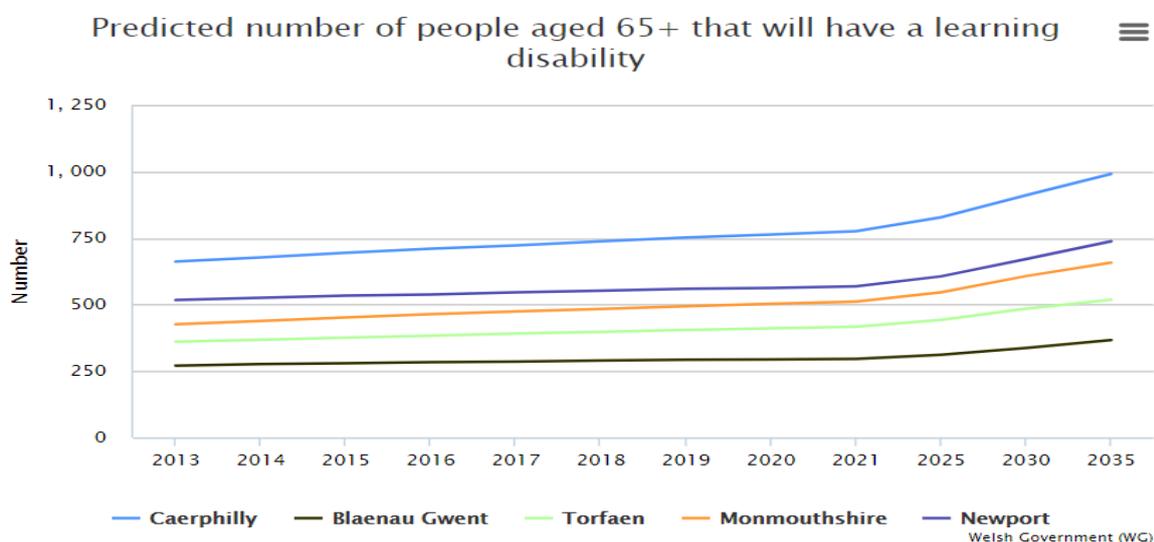
##### Key Themes

- Support people with learning disabilities to live independently with access to early intervention services in the community.
- Provide greater public awareness and understanding of people with learning disabilities needs.

##### Policy Areas

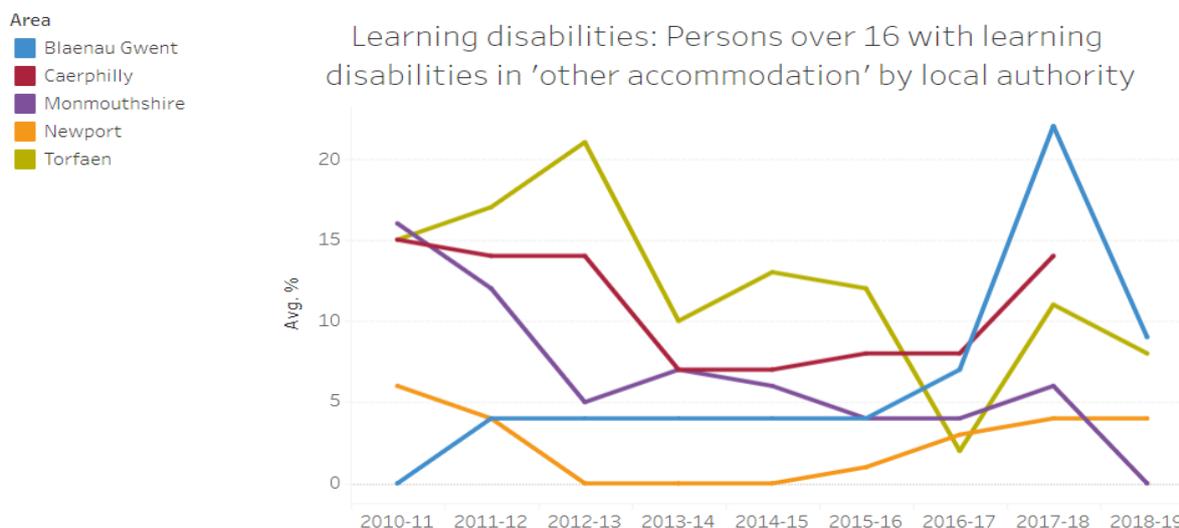
- Learning Disability Improving Lives Programme
- Children’s Commissioner Report ‘No Wrong Door’ in relation to adult services for children with learning disabilities.

#### (4.1) Predicted number of people 65 plus with Learning Disabilities



The data is taken from the Register of persons with learning disabilities (SSDA901). The data may be an underestimate of the total number of people with learning disabilities as registration is voluntary. Local authorities submit numbers of those identified as having a learning disability currently known to the authority and included in a register for the purpose of planning or providing services. All local authority areas across the region are predicted to see an increase in the number. The predicted increases range from 35.4% in Blaenau Gwent to 54.5% in Monmouthshire.

**(4.2) Number of placements for persons aged 16 years or older with learning disabilities**



**Emerging Themes, Future trends, and challenges**

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
106	205	80	153	129

There are a total of 673 people with learning disabilities known to ABUHB with average life expectancy increasing over the last few decades. However, the impact of the pandemic has had a negative impact on people with a learning disability, where they have felt isolated at being separated from family and friends and daily routines disrupted. People have said that stress, anxiety, feeling isolated and changes to their normal routine has had a negative impact on mental health. Also, some people felt their health had deteriorated as they weren't as active and had put on weight due to not going out and about.

Communication and information was felt to be confusing surrounding Covid-19 which saw lots of organisations adapting the way they worked and providing more innovative ways to support people. Social media, websites and online platforms were used so people could connect and also telephone support calls as well as easy read resources so people could feel informed.

A reduction in community-based support due to restrictions has left some people feeling unsupported which has had a detrimental impact on mental health and physical wellbeing. There was also confusion over Government guidelines with people needing further advice and reassurance, which saw lots of people not wanting to visit a health professional even if this was needed. Organisations across Gwent adapted the way they worked and provided more innovative ways to support people. This was done through providing activities and services through social media, websites, and online platforms, so people could connect. Telephone check in calls were also provided by some organisations to help people stay connected, as well as easy read resources so people could keep informed.

**Emerging Priorities**

- 1. To support people with learning disabilities to live independently with access to early intervention services in the community; and greater public awareness and understanding of people with learning disabilities needs.**

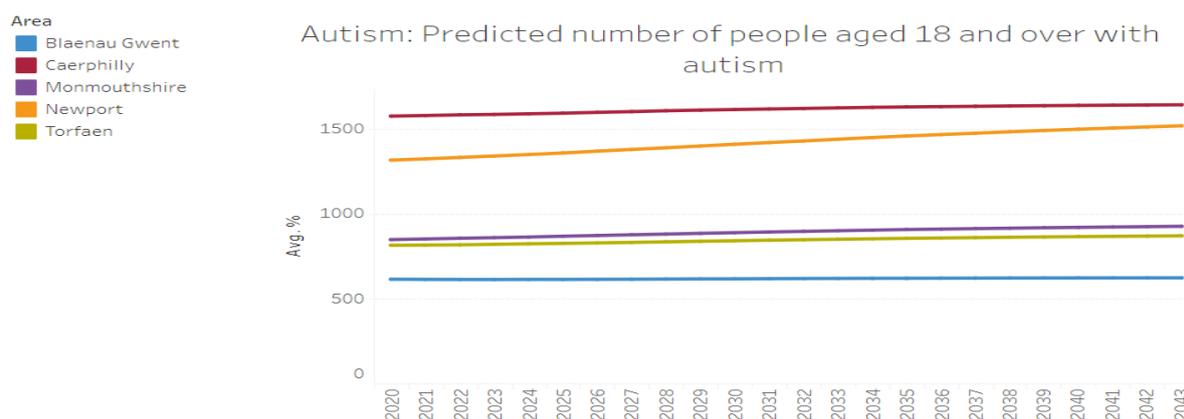
## **(5) AUTISM**

Autism or Autism Spectrum Disorder (ASD) is a lifelong neurodevelopmental condition which affects how people communicate and interact with the world. One in 100 people are on the autistic spectrum and there are around 700,000 autistic adults and children in the UK (NAS). Each person living with autism has a distinct set of strengths and challenges and the way in which people learn with autism can range from highly skilled to severely challenged. Autism means that the way a person thinks about and experiences the world is different to most people. Autism is different for everyone and some autistic people need little or no support. Others may need help from a parent or carer on a daily basis. These figures are taken from the study Prevalence of disorders of the autism spectrum in a population cohort of children in South Thames: The Special Needs and Autism Project (SNAP), Baird et al, the Lancet, 2006.

### **Policy Areas**

- Part 2 of the Code of Practice within the SSWB Act
- Autism Delivery Plan 2021-2022

### **(5.1) Predicted number of people aged 0-17 with Autistic Spectrum Disorder (ASD).**



Across local authorities in the Gwent region, with the exception of Blaenau Gwent, all local authority areas are predicted to see an increase in the number. Across the remaining local authority areas in the Gwent region predicted increases range from 2.1% in Monmouthshire to 17.7% in Newport. Autistic people often have difficulty in accessing community activities, leisure facilities and other services. The RPB has supported the embedding of the Integrated Autism Service and raising awareness of autism in schools through a children’s story book – ‘Moli the Cow who Moo she was Different’.

### **Emerging Themes, Future trends, and challenges**

#### **What people have told us**

People want help to plan their life the way they want with the right support and services to help. Person centred planning can help people to make their own choices and achieve life goals so people can reach their potential.

There is also a need for more meaningful activities that are fun but also help people to grow and learn. Although volunteering is considered important to learn new skills, more opportunities are needed for paid employment, training, and education. Organisations adapted through the pandemic with some activities being held on Zoom. This created barriers for some organisations to join, due to data protection laws. Many people appreciated the online support and to have options to connect on zoom but have now said they have 'zoom fatigue'.

Independent living is important and the opportunity to live in suitable housing, in a suitable location with the right individual support. One size does not fit all. Some people with autism said they felt that some professionals did not know enough about autism and had a very 'stereotypical view' and felt more training was needed for not just awareness but acceptance of difference.

"My autism is unique to me. I want people to have not just a greater awareness of autism, but also an acceptance of it. My brain works differently to other people, but I have my own unique skills to offer so don't see my diagnosis, see me".

- People have felt isolated and feel nervous so could need emotional and practical support to return to normality.
- Children and young people with a disability need an improved transition support programme to improve outcomes.
- There have been difficulties with some people accessing suitable health provision so this need addressing for effective future support.
- Improved post diagnostic support is needed for adults as some feel since having their diagnosis they are left "to get on with it".
- People with autism have struggled through the pandemic with loneliness and want more meaningful activities that inspire and support learning.
- Increased Autism Awareness training for the workforce and communities and how each person is unique with their own strengths and abilities.

#### **Emerging Priorities**

- 1. To provide more timely diagnosis of Autistic Spectrum Disorder and access to support services and information and advice.**

## **(6) MENTAL HEALTH**

Mental health affects everyone as it includes emotional, psychological, and social well-being. It affects how we think, feel, and act. It helps determine how we handle stress, relate to others, and make life choices. Mental health is important at every stage of life, from childhood and adolescence through to adulthood. A quarter of people will experience mental health issues or illness at some point during their lifetime, often facing discrimination and stigma and affecting the people around them.

- 1 in 10 children between the ages of 5 and 16 have a mental health problem and many more have behavioural issues. There is evidence this is increasing.
- Approximately 50% of people with enduring mental health problems will have symptoms by the time they are 14 and many at a much younger age, demonstrating that mental illness can affect people across the course of their lives.
- Between 1 in 10 and 1 in 15 new mothers experience post-natal depression.
- 1 in 16 people over 65, and 1 in 6 over the age of 80, will be affected by dementia. Current estimates are that approximately 43,000 people in Wales are experiencing dementia and this is predicted to increase by over 30% in the next 10 years.
- 9 in 10 prisoners have a diagnosable mental health and/or substance misuse problem
- 295 people took their own life in Wales in 2020 (Samaritans)

### **Key Themes**

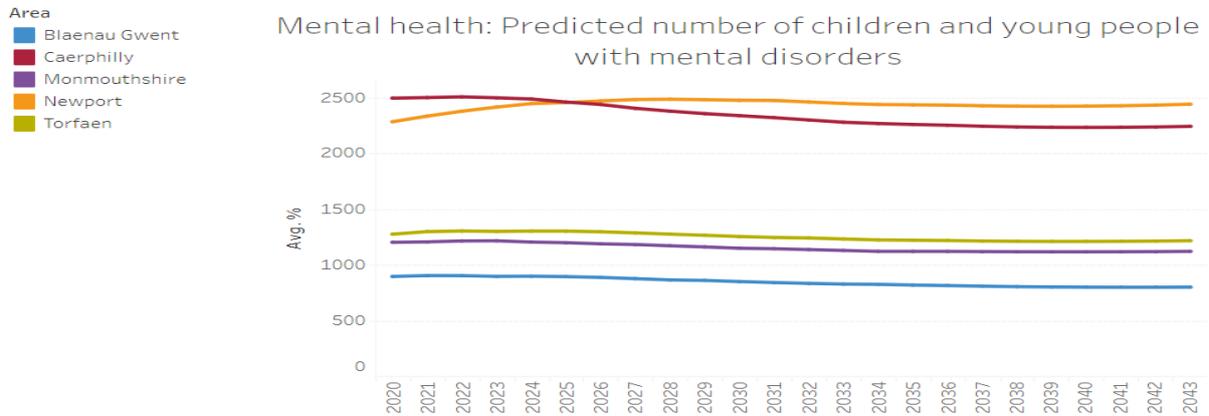
- Increased understanding and awareness of mental health amongst the public to reduce stigma.
- Improved interventions to help people to seek support earlier.
- To improve emotional well-being and mental health for adults and children through early intervention and community support.

### **Policy Areas**

- Together for Mental Health Delivery Plan 2019-2022
- Together for Children and Young People Plan Together for Children and Young People, NHS Wales Health Collaborative
- Covid-19 in Wales: 'the mental health and wellbeing impact' by Cardiff University
- Talk to Me 2, Suicide and Self-Harm Prevention Strategy for Wales 2015-2020 [talk-to-me-2-suicide-and-self-harm-prevention-strategy-for-wales-2015-2020](#)
- National Mental Health Covid survey

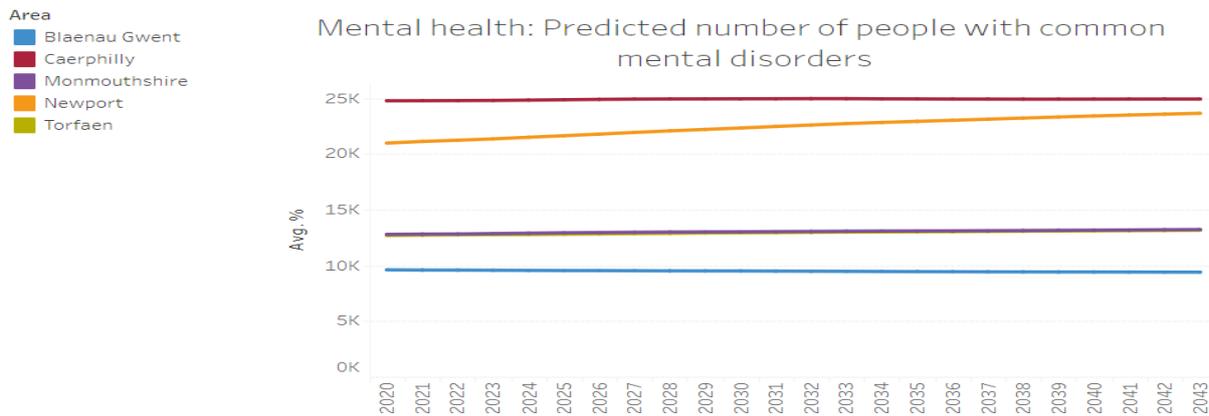
## Gwent Population Needs Assessment

### (6.1) Predicted number of people aged 5-15 that will have a mental disorders



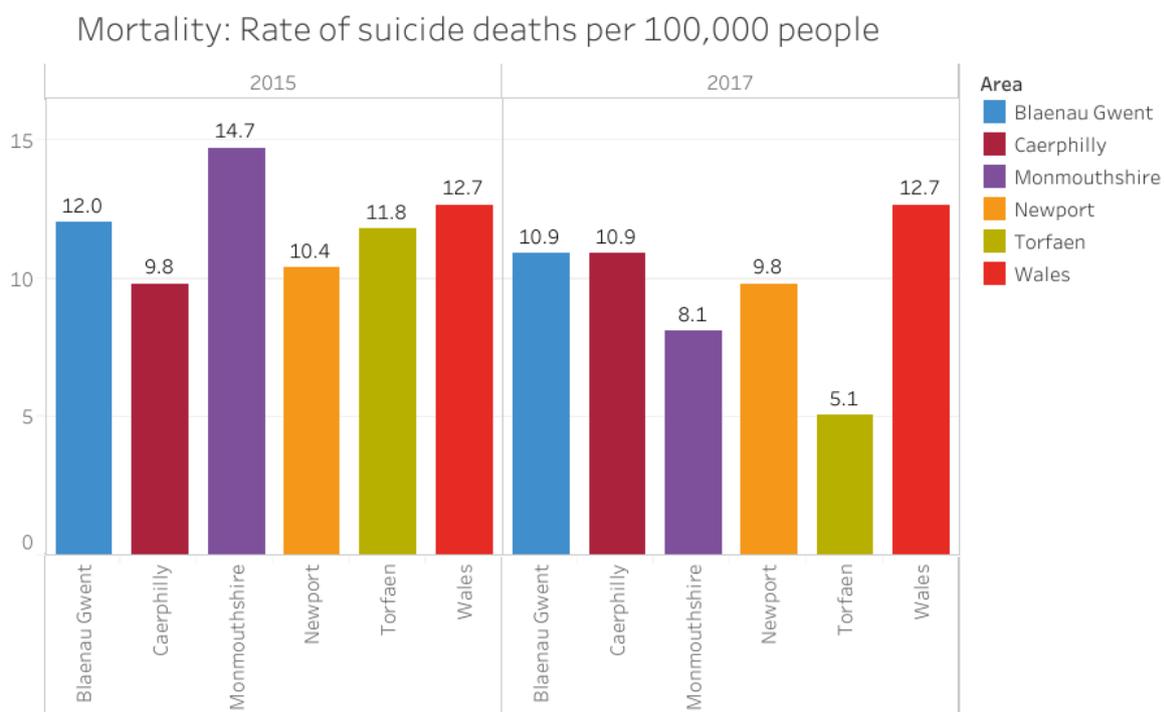
The percentage ranged from 66% in Blaenau Gwent to 78% in Monmouthshire. This compares with 72% of people aged 16 years or older free from a common mental disorder for Gwent and 74% for Wales.

### (6.2) Number of people aged 16 plus free from a common mental disorder



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

**(6.3) Rate of suicide deaths per 100,000 people.**



Office for National Statistics (ONS): SUI0003

Suicide is a major cause of death amongst the 15 to 44 age group. In Wales over the period 2010 – 2012 it accounted for almost one in five deaths in males aged 15 to 24 years and just over one in ten deaths amongst women of that age. Suicide (intentional self-harm and events of undetermined intent) accounted for 27% of external causes of death (transport accident, suicide, other accidental injury, other external causes) in all ages (15 and over) between 2010 and 2012. This exceeded deaths from road traffic accidents which account for 9.1% (an average of 107 per year) in the same age group and time period.

Research was completed in 2020/2021 by a range of partners from ABUHB, Swansea and Cardiff University, *‘The influence of the COVID-19 pandemic on mental wellbeing and psychological distress: A comparison across time’*. This research highlighted the impact the pandemic has likely had on psychological wellbeing and the mental health of many people. It was found that there was an increase in clinically significant levels of psychological distress in Wales, particularly in younger adults, women, and those from areas of greater deprivation. These findings can be used to prepare and plan for the wave of psychological distress that has been predicted to hit mental health support services due to the pandemic. ‘There is a need to balance the efforts to stop the spread of the virus against the mental health problems being caused by the virus’.

In Gwent we have established the multi-agency Gwent Suicide and Self-Harm Prevention Steering group to develop our local plan to be responsive to the needs of the population. We hold biannual workshops to ensure we engage and take account of evidence and local data. Suicide and self-harm prevention are everyone’s business and requires a collaborative

approach and we have a passionate proactive partnership to take this work forward. The Gwent Suicide and Self-Harm prevention plan reflects the national Talk to Me 2 strategy, setting our aims and objectives to prevent and reduce suicide and self-harm in Gwent and the workshops are used to discuss priorities for the year ahead.

There are additional data graphs relating to adults in the Social Wellbeing section of the Wellbeing Assessment including

1. Mental health
2. Loneliness
3. Suicide and self-harm

NHS Wales in conjunction with Cardiff and Swansea Universities developed a national survey to assess levels of mental health during the recent pandemic. This research examined the psychological wellbeing and mental distress of the population of Wales during the first and second national lockdown periods – June to July 2020 and Jan to March 2021 respectively.

- Survey 1 (June – July 2020): 12,989 completed the survey and of those, 2,470 (20%) indicated they lived in ABUHB region.
- Survey 2 (Jan – March 2021): 10,428 completed the survey and of those 3,486 (33%) indicated they lived in ABUHB region

**(6.4) Research Findings: Variations across Wales – Percentage of respondents reporting moderate to severe psychological distress**

Local Authority	Survey 1	Survey 2	Change from 2020 to 2021
Blaenau Gwent	43%	49.1%	+ 6.1
Caerphilly	37.8%	48.2%	+ 10.4
Monmouthshire	23.4%	34.9%	+ 11.5
Newport	38.6%	44.8%	+ 6.2
Torfaen	32.0%	46.8%	+ 14.8

**More respondents were experiencing severe psychological distress in survey 2, compared to survey 1**, and the RPB will need to keep the mental health and wellbeing of our population central to our medium/long whole system Covid-19 recovery policy and planning. The RPB will consider further actions at both a local and national level to mitigate the risk factors, and enhance the protective factors, associated with poor mental wellbeing and psychological distress; as well as exploring what further actions need to be taken to meet an increased need for mental health support across all tiers of service provision.

Emerging Themes, Future trends, and challenges

- Poor mental health and mental illness have a significant impact on individuals, society, and the economy overall. To respond to the mental health emergency, we need to work collaboratively to support more preventative and early interventions and encourage inclusivity.
- We need to promote the mental wellbeing of people in Gwent and ensure that the workforce is supported to be able to provide people with the support they need at the right time.
- Although progress has been made through previous strategies there is still work to do to improve life outcomes for people and address stigma.
- We need to improve information available to the public, to create more understanding of mental health and encourage people to talk to gain early support. It is also crucial we meet the needs of Welsh language, other languages, Easy Read and Braille; and other accessible formats so mental health information is accessible to all.
- There is a need for more meaningful activities to promote wellbeing and improve life outcomes.
- There is a need to tackle loneliness and isolation.
- In Gwent we need to look at ways of improving job opportunities for people with mental health issues to get people into work and out of poverty.
- The need to adopt the principles of consent, choice and inclusiveness, and respect for delivering care, within the least restrictive measure under the umbrella of **mental capacity Act 2005 and the amended 2019 act**. This will mean commitment to implementing the newly amended MCA 2019 act when it finally becomes law

**What are the gaps in understanding of wellbeing?**

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
316	758	324	567	378

There are a total of 2,343 people supported with mental health services through ABUHB but there are also signs that the pandemic is driving a worrying rise in mental health in Wales. Two thirds of people in Wales have said the pandemic has had a negative impact on their wellbeing. People have gone through adverse experiences such as losing their jobs, falling into debt, worrying about their health, and been isolated from friends and families. For most people, the symptoms of Covid-19 pass within a few days or weeks, but for some people the effects can last for weeks or months. This condition is called long Covid and can impact mental health causing depression and anxiety as well as sleep issues, extreme tiredness and a range of other debilitating symptoms.

Research was completed in 2020/2021 by a range of partners from ABUHB, Swansea and Cardiff University, ‘The influence of the COVID-19 pandemic on mental wellbeing and psychological distress: A comparison across time’. This research highlighted the impact the pandemic has likely had on psychological wellbeing and the mental health of many people. It was found that there was an increase in clinically significant levels of psychological distress in

Wales, particularly in younger adults, women, and those from areas of greater deprivation. These findings can be used to prepare and plan for the wave of psychological distress that has been predicted to hit mental health support services due to the pandemic. 'There is a need to balance the efforts to stop the spread of the virus against the mental health problems being caused by the virus'.

### **What people have told us**

People have said they are struggling with poor mental health due to their early life experiences, financial issues, housing, long term illness, family worries, employment issues, bereavement or feeling burnt out from workloads and caring roles. Many people feel worse emotionally since the pandemic however it is worth noting that some people in Gwent also said they feel more relaxed in some ways; as life has slowed down for them and they don't have to go out of the house to access some services.

Some people felt they had to fight for support and had been pushed into financial difficulty as they had to give up work as unable to cope. Also, people from BAME communities said their mental health had been affected by racism, inequalities, and mental health stigma with added stress of the challenges of accessing services. There can also be language barriers and not knowing where to turn for help.

Waiting lists for mental health services can be lengthy due to the level of need and during this time an individual's emotional wellbeing can decline further. Some people also felt that there was not enough crisis support.

**"I wish people viewed mental health differently I used to work but had to give up as I was not emotionally well enough and started having physical problems. That could happen to anyone at any time, People still judge and there is still a stigma to mental health".**

### **Emerging Priorities**

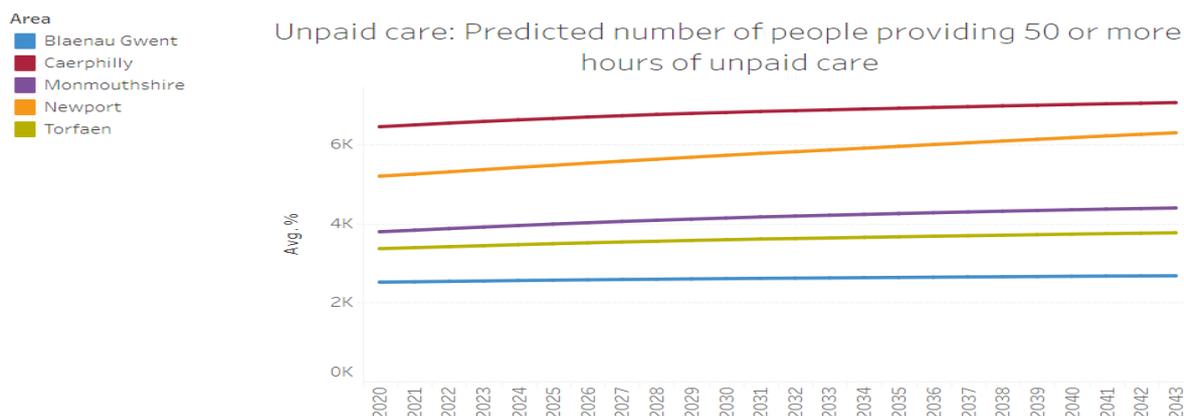
- 1. Increased understanding and awareness of mental health amongst the public to reduce stigma and help people to seek support earlier.**
- 2. To improve emotional well-being and mental health for adults and children through early intervention and community support.**

**(7) CARERS WHO NEED SUPPORT**

**Policy Area**

- Welsh Government’s Strategy for Unpaid Carers

**(7.1) Predicted number of people providing 50+ hours of unpaid care**



Figures are taken from the Census 2011 reference CT0224 - Sex by age by provision of unpaid care by general health. This dataset provides estimates that classify usual residents of England and Wales by provision of unpaid care and by age and by general health. All local authority areas across the Gwent region are predicted to see an increase in the number. The predicted increases range from 35.6% in Blaenau Gwent to 58.9% in Monmouthshire over the period.

A survey by Carers UK of over 8,000 people currently caring unpaid for family or friends, the majority of whom provide well over 50 hours of care every week, reveals the huge personal and financial cost of caring for a loved one. Nearly one in four carers (23%) do not have enough money to cover their monthly expenses. Many carers are worrying about how they will cope this winter face rising energy prices and increases in the cost of living. As well as providing significant levels of care themselves, almost two thirds (63%) of carers are also using their own income or savings to cover the cost of care, equipment or products for the person they care for. On average carers spend an estimated £1,370 a year on services or equipment for the person they care for.

The situation has got worse during the pandemic with over one in three carers (36%) saying that their financial situation has worsened since the start of the COVID-19 pandemic and a quarter (25%) are spending more on equipment or products for the person they care for. As a result many are struggling financially and unable to save for their own retirement. Almost two-thirds of carers (65%) say they are worried about their ability to save and plan for the future. The financial strain is also damaging carers’ mental health with over half (52%) reporting they feel anxious or stressed about their finances, and over one in three carers (35%) providing more than 35 hours of care a week said they have been or are in debt.

## Gwent Population Needs Assessment

Carers are still having to take on more hours of care for the person they care for, with 55% of carers having reduced or no access to day services and a third of carers reporting reduced or no access to paid care workers.

### (7.2) Number of young carers known to Social Services during the year 2016

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen
17	45	38	51	49

A young carer is someone aged under 18 who takes responsibility for someone who is ill, disabled, elderly, experiencing mental distress or affected by substance misuse, or has substantial responsibility for caring for a sibling. A young carer may be from any family. They may be the person providing all of the care but may also help someone else to provide the care.

### (7.3) Number of schools engaging in Young Carers in School Programme

	Number of Primary Schools	Engaging Primary schools	Number of Secondary Schools	Engaging secondary schools	Engaging PRS 1/5
Blaenau Gwent	23	3	4	3	
Caerphilly	78	8	12	7	
Monmouthshire	30	1	4	4	1
Newport	46	3	9	8	
Torfaen	26	6	6	5	
<b>Total</b>	<b>203</b>	<b>21 (10%)</b>	<b>35</b>	<b>27 (77%)</b>	<b>1 (20%)</b>

The RPBs commitment to supporting young/young adult carers in education remains high especially identifying hidden carers. We have seen a changing climate for young carers balancing their caring roles, alongside coping with firstly school closures and managing online learning and then reopening of schools further exacerbated by outbreak quarantines. It has become ever more important that systems are in place to understand, inform, identify, support and listen to young carers. We have been raising awareness with school staff and students about young carers and the challenges they may face and encouraging parents and young people to identify themselves to receive tailored support with their education. This has been done in a range of ways to take account of Covid restrictions which has made it difficult to offer face to face visits including: staff training is offered every 6-8 weeks virtually to schools in Gwent; assembly videos can be shared with students and staff of all ages; letters sent to families with information on how to access young carer services and carers assessments locally.

The Young Carers in schools programme delivered by CTSEW has seen an increase in demand. In Gwent, a total of 49 primary/ secondary schools are engaging with the programme. Originally this programme funded one Schools Development Worker with support from the Young Carers Manager. This year it has become necessary to review this, to take account of support and engagement needed with primary schools with an additional Young Carers in Schools Programme Officer to focus on primary schools in Gwent.

**(7.4) Predicted number of people aged 16 - 24 that will provide 1 - 19 hours of unpaid care in 2035**

<b>Blaenau Gwent</b>	<b>Caerphilly</b>	<b>Monmouthshire</b>	<b>Newport</b>	<b>Torfaen</b>
<b>266</b>	<b>904</b>	<b>236</b>	<b>740</b>	<b>464</b>

Figures are taken from the Welsh Health Survey 2008: Health of Carers. The prevalence rates have been applied to population projections to give estimated numbers predicted to provide unpaid care, to 2035.

**(7.5) Number of carers accessing regional Carers Hub**

	<b>Number of Carers Accessing Gwent Carers Hub</b>	<b>Number of Referrals Received</b>	<b>Number of Referrals from Professionals</b>
<b>April 2020 – March 2021</b>	<b>1105</b>	<b>530</b>	<b>187</b>
<b>April 2021</b>	<b>283</b>	<b>42</b>	<b>3</b>
<b>May</b>	<b>239</b>	<b>85</b>	<b>8</b>
<b>June</b>	<b>323</b>	<b>70</b>	<b>3</b>
<b>July</b>	<b>310</b>	<b>58</b>	<b>12</b>
<b>August</b>	<b>303</b>	<b>48</b>	<b>3</b>
<b>Sept</b>	<b>191</b>	<b>50</b>	<b>6</b>
<b>Total</b>	<b>1649</b>	<b>353</b>	<b>35</b>

The Gwent Carers Hub is available to all carers in the Gwent region. During 2020/21, 1105 carers accessed the Gwent carers hub. We have already seen a significant increase this year; in the period April 2021- September 2021 up to 24th September 2021, 1649 carers accessed the service. The Carers Hub provide accesses to information as well as wellbeing activities, first aid training for carers, legal clinics, coffee morning, complimentary therapies and drop in services.

**Emerging Themes, Future trends, and challenges**

Carers UK report that:

- There are 370,230 carers in Wales according to the 2011 census
- The Office of National Statistics indicated that there are 487,000 carers in Wales in a 2019 survey
- Every year in Wales 123,000 people become carers
- Carers save the Wales economy £8.1 billion per year
- Nearly 3 million people in the UK juggle caring with holding down a job
- The main carers' benefit is worth just £64.60 for a minimum of 35 hours - £1.85 per hour
- 103,594 people in Wales provide over 50 hours of care per week

- People providing high levels of care are twice as likely to be permanently sick or disabled
- Over 1 million people in the UK care for more than one person
- 58% of carers across the UK are women; 42% are men
- By 2037 the number of carers in the UK will have increased to 9 million

On 1st October 2021, the **Older Persons Commissioner reported on her findings in their 'State of the nation' report**. This highlighted that unpaid care had increased significantly with 80% providing more care than before the pandemic, 72% had not had a break from their caring roles since the pandemic and reported loneliness of older people had increased from 49% to 75%.

In **2021/22 Welsh Government reaffirmed its commitment to carers with the announcement of £1 million nationally for Local Health Boards** to work collaboratively with partners to address four national priorities to improve support for carers by:

- identifying and valuing carers;
- providing information, advice and assistance
- supporting life alongside caring and
- supporting unpaid carers in education and the workplace.

In January 2022 the commitment was confirmed further but with a single focus of supporting hospital discharge.

Public Health Wales research *'Unpaid carers in Wales: The creation of an e-cohort to understand long-term health conditions amongst unpaid carers in Wales'* was the first study in Wales providing a comprehensive assessment of the prevalence of physical and mental long-term health conditions and multimorbidity as managed in primary care amongst unpaid carers, and compared to a matched comparison group of non-carers in Wales. The study highlights the health needs of unpaid carers are often overlooked due to the focus on the health of those being cared for. Understanding the health and wellbeing needs of unpaid carers themselves is of key importance, to ensure support is in place to maintain their own good health whilst they also care for others. The research also found:

- Routinely collected primary care data and National Survey for Wales data were used to identify 62,942 unpaid carers in Wales since 2011; this electronic-cohort **of unpaid carers were more likely to be female, of older age and live in deprived areas**, compared to the general population in Wales.
- Thirty-six out of thirty-seven physical and mental long-term health conditions recorded in primary care were more prevalent among unpaid carers than non-carers. The most **prevalent condition for both unpaid carers and non-carers was anxiety and/or depression, with standardised rates of 248 and 137 per 1,000 population respectively**.
- For some conditions, there was evidence to suggest onset at a younger age amongst unpaid carers such as anxiety and/or depression, irritable bowel syndrome and musculoskeletal disorders.
- **Unpaid carers were more likely to be living with multiple long-term health conditions (308 per 1,000 population amongst unpaid carers compared to 187 per 1,000 population**

**amongst non-carers**), and the difference in prevalence was greater at a younger age (e.g. for those aged 25-34yrs, 205 per 1,000 population amongst unpaid carers compared to 79 per 1,000 population amongst non-carers). In older age, the proportion of unpaid carers managing multiple long-term conditions exceeded 550 per 1,000 by the age of 65 years and above, whereas amongst non-carers this proportion was only exceeded at 75 years and above.

### **What Carers have told us?**

During Cares week 2021, over 700 carers were involved in activities and information awareness including over 100 young carers. Carers week is an opportunity to raise greater awareness of the caring role and provide information to the public. One local authority used this an opportunity to all gather feedback on services.

*There were 466 webpage views during Carers Week, an average of 1,684 people saw each daily Facebook carers posts between 3 and 13 June 2021 which resulted in 102 clicks for further information. The highest numbers of people who saw individual posts was on 8 June with a reach of 2,093 people. There was an average of 1,669 Twitter impressions across the week. The most popular post was on 3 June which detailed the lighting of the Civic Centre clock tower in blue to mark Carers Week 2021.*

State of Caring 2021 in Wales: each year, Carers UK carries out a survey of carers to understand the current state of caring in the UK. This report contains a snapshot of what caring in Wales is like in 2021, capturing the impact that caring has on carers' lives and evidencing the policy recommendations that would improve this.

**Finances:** caring often brings with it additional costs, from equipment and care costs to increased expenditure on fuel and transportation. When asked to describe their current financial situation, 36% of carers in Wales said they were struggling to make ends meet. A further 23% are or have been in debt as a result of caring and 8% cannot afford utility bills such as electricity, gas, water or telephone bills. When asked about how their financial situation had changed since the start of the COVID-19 pandemic, 36% of carers said that their financial situation had got worse since the start of the pandemic. Caring can be expensive and 65% of carers are spending their own money on care, support services or products for the person they care for. The average monthly spend for carers in Wales is £109.75 and with high rates of inflation and a rising cost of living, this extra spend is likely to further disadvantage carers financially.

**Support and Services:** carers often need practical and emotional support to enable them to care safely for people with complex needs, and too often they struggle to get the support they need. When asked about barriers to accessing support, the largest issue for Welsh carers was that they did not know what services were available in their area with 40% of carers reporting this as a barrier. In addition, 30% of carers were concerned about the risk of catching COVID-19 and 32% say that the care and support services did not meet their needs. Considering the future of services, 51% of carers were uncertain about what practical support

they may be able to access in the next twelve months and 66% were worried that services will be reduced.

**Health:** Caring can have a detrimental impact on someone's physical and mental health. 26% of carers described their physical health as bad or very bad. 34% of carers rated their mental health as bad or very bad. Looking at wider indicators of wellbeing, 36% of carers reported that they are often or always lonely, otherwise known as being 'chronically lonely'. Carers also rated their overall satisfaction with life at an average of 4 out of 10 and their level of anxiety at 6 out of 10. Carer's assessments The Social Services and Well-being (Wales) Act 2014 gives Welsh carers the right to a carer's needs assessment. Despite carers' rights to assessments only 21% of Welsh carers reported having an assessment in the last 12 months. Of those, 28% waited more than six months for their assessment. Of those who hadn't requested a carer's assessment, 37% stated that this was because they didn't know what it was and 20% stated it was because they didn't think it would be beneficial. 10% of carers said their assessment had been postponed or they were still waiting.

**Technology:** When asked about their current use of digital technology, remote healthcare such as online GP appointments was the most popular technology listed with 37% of carers stating that this made their caring role easier. Looking to the future, 31% of Welsh carers would like to continue accessing support services digitally in the future and 44% stating they would like to continue accessing health and social care services digitally.

**Work:** Working carers represent a significant proportion of the working population and 196 respondents were in paid work. The pandemic is continuing to have an impact on working experiences, with 51% of working carers are working from home part or full time. The limited return of services continues to have an impact. 30% of working carers in Wales stated that if care services did not return, they would either need to reduce their working hours or give up work entirely.

Respite is continually highlighted as the highest support need for carers across Gwent.

### Emerging Priorities

1. Support carers to care through flexible respite, access to accurate information, peer to peer support, effective care planning and through an increased public understanding.
2. Improve well-being of young carers & young adult carers and mitigating against the long term impact of Covid-19 pandemic

## **(8) HOUSING**

Housing needs include specialist housing and accommodation needs of the core priority groups, including supported accommodation, such as extra care housing, supported living for adults with a disability, and small unit residential care for children with higher needs. Also included are additional investment in adaptations to support people in the priority groups to continue to live independently and safely in their own home.

### **Policy Areas**

- The Housing (Wales) Act 2014
- Well-being of Future Generations (Wales) Act 2015
- Renting Homes (Wales) Act 2016
- Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015
- Substance Misuse Delivery Plan 2019 – 2022
- Together for Mental Health: A Strategy for Mental Health and Wellbeing in Wales
- Equality Act 2010
- Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness 2016
- Housing Support Grant Guidance March 2021
- Programme Plans and Objectives (PPO) being undertaken for the ICF Capital Funding programme.
- Local Housing Market Assessments (LHMAs)
- Welsh Government Strategy for Preventing and Ending Homelessness
- Ending Homelessness in Wales: A high level action plan 2021-2026

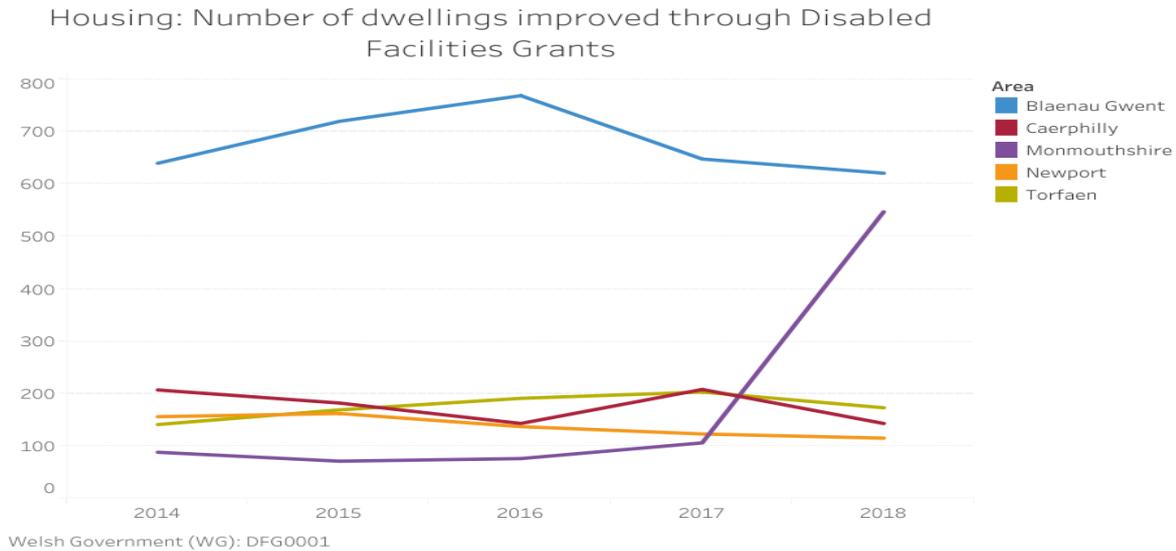
### **(8.1) Rate of all other accommodation for persons aged 16+ with a learning disability per 10,000 population**

<b>Blaenau Gwent</b>	<b>Caerphilly</b>	<b>Monmouthshire</b>	<b>Newport</b>	<b>Torfaen</b>
<b>3.8</b>	<b>6.6</b>	<b>9.4</b>	<b>7.6</b>	<b>5.1</b>

The data is taken from the Register of persons with learning disabilities (SSDA901). The data may be an underestimate of the total number of people with learning disabilities as registration is voluntary. Local authorities submit numbers of those identified as having a learning disability currently known to the authority and included in a register for the purpose of planning or providing services.

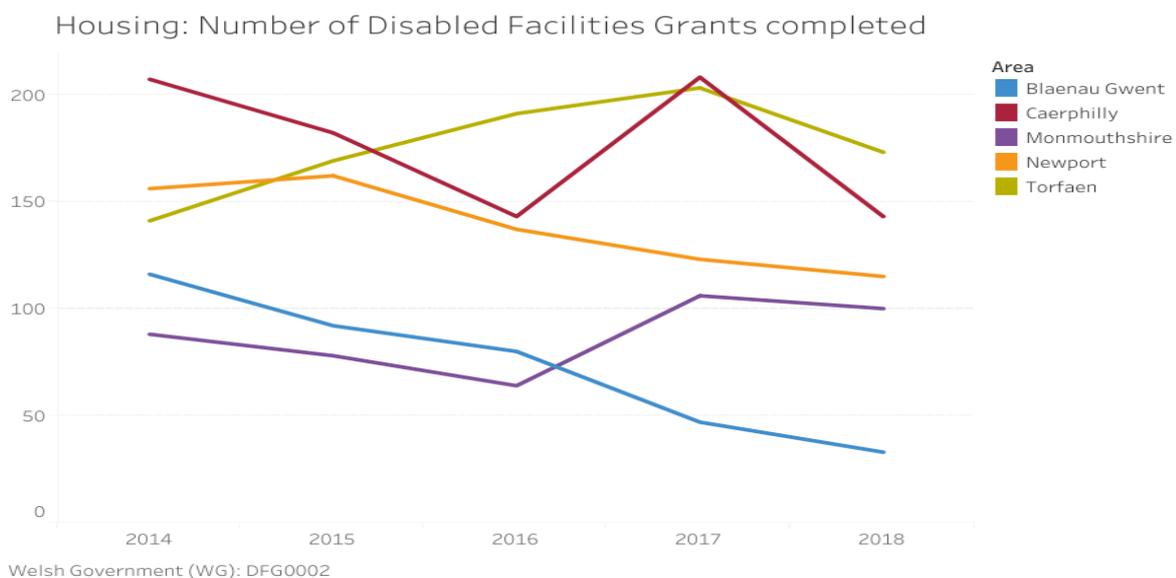
## Gwent Population Needs Assessment

### (8.2) Number of dwellings improved through Disabled Facilities Grant



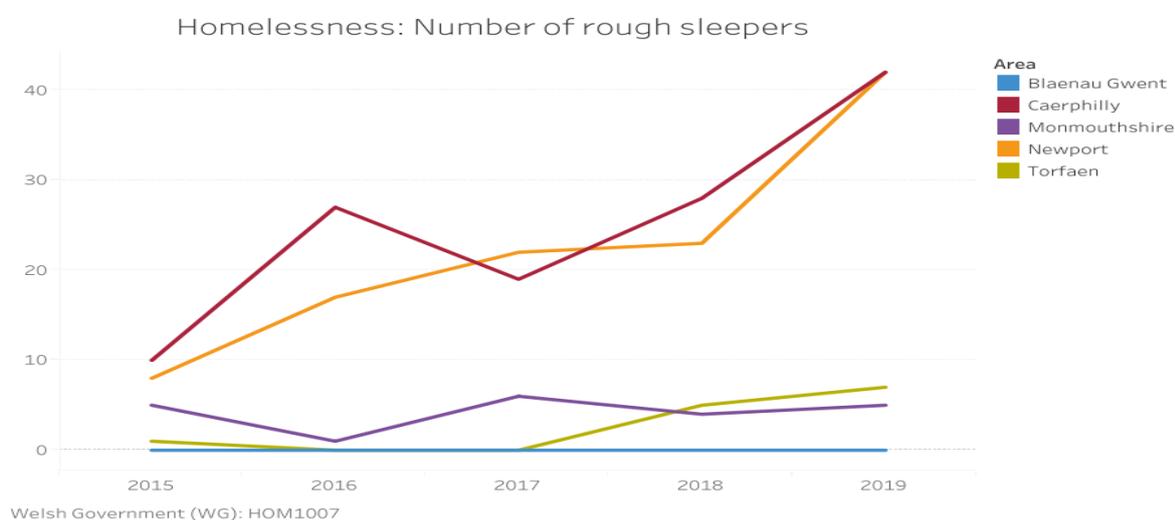
The DFG is a mandatory council grant that helps to meet the costs of adapting a disabled person's home so that they can continue to live there as independently as possible. Tenants, owner occupiers and landlords who have a disabled tenant can apply for a DFG. The DFG is a means tested grant to disabled adults (means testing does not apply to parents of dependent disabled children or young people under 19). This means depending on your income, savings and outgoings, you might have to make a contribution towards the cost of the works. In Wales, the maximum DFG award is currently £36,000. There is growing concern amongst LAs given budget pressures and introduction of financial assessments, that a number of people are pulling out of the process and exacerbating original issues.

### (8.3) Number of Disabled Facilities Grants completed



Examples of the sorts of adaptations the DFG covers include: Widening doors and installing ramps or stairlifts, Kitchen and bathroom adaptations for eg. walk in showers, Extensions (possibly for a downstairs bathroom and/or bedroom), Installing a suitable heating system that meets the disabled person’s needs, Adapting the controls on the heating system or lighting so they are easier to use. Before a formal DFG application is considered, a social services department’s occupational therapist (OT) will usually need to assess the disabled person’s needs, including whether the works are “necessary and appropriate”. The OT’s recommendations are normally put to the Housing Department who administers the DFG. The council will then have to decide whether it is “reasonable and practicable” to do the works. Given the challenges and lack of recruitment into OT posts, there is a real concern that the number of DFG completed will decrease. The RPB are currently assessing the potential impact across the 5 LAs.

### (8.4) Number of rough sleepers



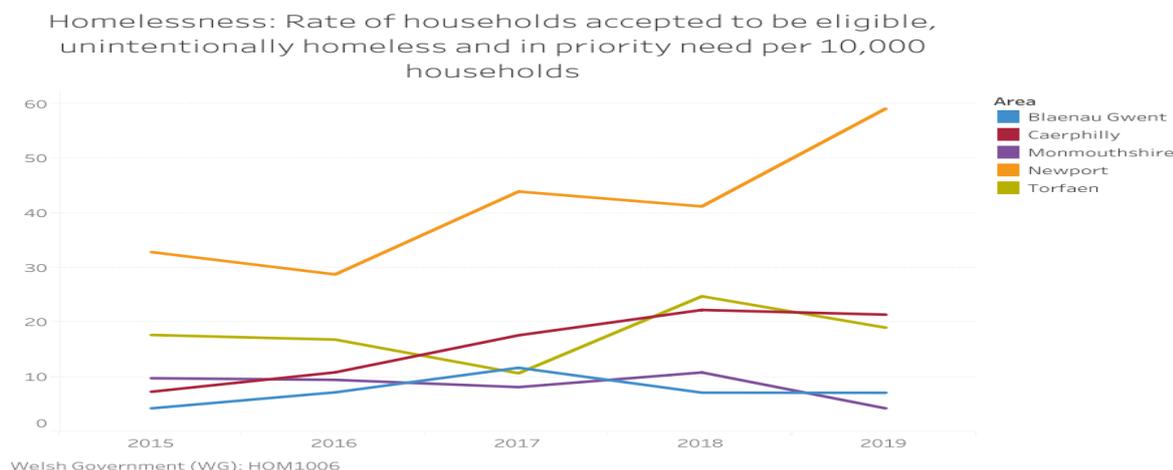
Homelessness is where a person lacks accommodation or where their tenure is not secure. Rough sleeping is the most visible and acute end of the homelessness spectrum, but homelessness includes anyone who has no accommodation, cannot gain access to their accommodation or where it is not reasonable for them to continue to occupy accommodation. This would include overcrowding, ‘sofa surfing’, victims of abuse and many more scenarios. A person is also homeless if their accommodation is a moveable structure and there is no place where it can be placed. Homelessness, or the risk of it, can have a devastating effect on individuals and families. It affects people’s physical and mental health and well-being, and childrens’ development and education, and risks individuals falling into a downward spiral toward the more acute forms of homelessness. The impacts can be particularly devastating if a stable, affordable, housing solution isn’t achieved and people end up having to move frequently. The average age of death for people experiencing homelessness is 45 for men and 43 for women. People sleeping rough are 17 times more likely to have been the victims of violence. Homeless people are 9 times more likely to take their own life than the general population Ref: [About Homelessness | Crisis UK](#)

## Gwent Population Needs Assessment

Implementation of Part 2 of the Housing (Wales) Act 2014 by local authorities across Wales has done much to prevent individuals and families from becoming homeless – over 23,673 households since 2015. However, whilst prevention rates remain high at 68% in 2018-19, there are still far too many whose homelessness is not prevented and who are falling through the net. The demand on local authority services under the 2014 Act duties is increasing. In 2018-19 over 10,000 households presented to local authorities as at risk and a further 11,500+ presented as homeless and owed a duty.

Rough sleeper numbers in Wales are estimated to be 128 in September 2021, with numbers increasing slightly over the summer period. The data available is more accurate and current than it has ever been and provides a clearer understanding of all forms of homelessness in Wales, which would otherwise be masked through sofa surfing, living in overcrowded homes or unconventional types of dwellings.

### (8.5) Rate of households accepted to be eligible, unintentionally homeless and in priority need per 10,000 households.



At the start of the first lockdown in March 2020, an emergency homelessness response was put in place. This involved additional funding, together with both statutory and non-statutory guidance to ensure that no-one was left without accommodation, together with the support they need, to stay safe during the pandemic. The inclusive ‘no-one left out’ approach has been in place continuously since then and to date has resulted in local authorities and their partners supporting over 15,300 people into temporary accommodation since March 2020. Latest data shows there were 6,935 people in temporary accommodation at the end of September 2021, of which 1,742 were dependent children.

Whilst the pressure on homelessness services remains high, with around 1,000 people presenting a month, understanding the true scale of homelessness presents us with a unique opportunity to make the radical change required to address it. It increases the urgency and importance of preventative work to stop people ever experiencing the destabilising impact of homelessness. It increases the urgency and understanding of the housing capacity required, both in the social and private sector, to make the transformational shift required to end homelessness. Latest figures for 2021

Blaenau Gwent	Caerphilly	Monmouthshire	Newport	Torfaen	Wales
8	24	4	58	33	28

### (8.6) Temporary Accommodation

The table below shows the number of homeless households in temporary accommodation in Gwent at 31<sup>st</sup> March 2021 and to allow for comparison the table following shows the number of households in temporary accommodation in Gwent as at 31<sup>st</sup> March 2020 and number of households in temporary accommodation in Gwent as at 31<sup>st</sup> March 2020 is also provided. Ref: [Households in Temporary Accommodation \(gov.wales\)](#)

Authority	No of households in temporary accommodation at 31 March 2021	Mid-year 2020 household estimates	Rate per 10,000 households	No of households in temporary accommodation at 31 March 2020
Blaenau Gwent	38	31,371	12.1	27
Caerphilly	224	77,242	29.0	123
Monmouthshire	131	40,712	32.2	21
Newport	346	66,543	52.0	153
Torfaen	88	40,813	21.6	60
Gwent	827	N/A	N/A	384
Wales	3,730	1,378,226	27.1	2,325

Newport reported the second highest number of households in temporary accommodation as at 31<sup>st</sup> March 2021 in Wales and saw the biggest increase during this collection period (April 2020 – March 2021). Following a Gwent regional snapshot collection that was collated during September 2021 through the Regional Housing Support Collaborative Group, we can see that the trajectory of people accommodated in temporary accommodation has since increased again to 936 households. Additionally, waiting list figures were also collected as part of this snapshot exercise and as of 10<sup>th</sup> Sept 2021 there were 452 households on the waiting list for temporary accommodation.

### (8.7) Provision of accommodation for 16 and 17-year-old young people who may be homeless

Supporting children and young people to remain with their families is in the best interest of most children. This fundamental principle also applies to 16 or 17 year olds, unless it is not safe or appropriate to do so or where there are other responsible adults in their wider family and friends network that can care for the young person. Gwent Local Authorities explicitly recognise this principle, with services commissioned to work pro-actively with young people and their families to identify and resolve the issues which have led to the homelessness crisis. This could involve family support such as family mediation or family group conferences.

Where a young person approaches for housing assistance, their needs for accommodation are clearly assessed taking into consideration their welfare and ability to continue to live in their current accommodation or family home. If a young person is eligible for assistance the accommodation must be suitable. B&B accommodation is not normally considered to be a suitable option and therefore is only used by Gwent Local Authorities as an emergency short term provision.

The following information is collected by Welsh Government in order to establish the number of placements made by Local Authorities into Bed and Breakfast accommodation to meet the

## Gwent Population Needs Assessment

immediate housing needs of all young people aged 16/17, and also 18-20 year olds (up to 21st birthday) who have previously been in care.

### ***Total placements in bed and breakfasts during the quarter, by length of stay and whether the provision is through Homelessness or Social Services legislation - Period (2020-21 January –March)***

	Total		Total of which are single person household: Aged 16 to 17	Of which are care leavers only, aged 18 to 21, accommodated by the current Homelessness legislation
	Of which are single person household: Aged 16 to 17, accommodated by the current Homelessness legislation	Of which are single person household: Aged 16 to 17, Accommodated by Children's Social Services		
Wales	75	42	120	69
Gwent	30	21	54	18

### **Emerging Themes, Future trends, and challenges**

Each year local authority Housing Support Grant teams will distribute a Gwent Housing Support annual service user survey and the survey has become an important and established element of the needs mapping process. It is the responsibility of the local authorities in the region to ensure that engagement is undertaken with those who have used services. Those who have needed to use services funded through the Housing Support Grant come from a wide range of backgrounds and receive support on a range of different issues; the support they receive is person centred and aims to help people to secure and maintain sustainable housing and to develop the skills needed to help them thrive. Consultation with stakeholders happens with face to face meetings and forums taking place at a local level and regionally through an annual survey and quarterly regional provider forum meetings.

During 2020/21, a total of 262 responses were received to the questionnaire with engagement in the consultation exercise across all Gwent Local Authorities. There are approximately 7000 people receiving support across Gwent at any one time from services funded through the Housing Support Grant; finding ways to encourage people to engage in the survey continues to be an important consideration going forward. A number of key messages were highlighted through the survey and included

- access to technology as part of the support planning process
- closer links need to be made with digital inclusion projects delivered across the region
- access to digital inclusion services and projects to improve their skills and develop their learning in this area and this should be clearly identified in their support plan.

A stakeholder survey is also shared with the service user questionnaire and 31 partners provided feedback and includes

- Scope out exactly what is available
- Long term planning, partnership working and communication is key
- Develop assessments of need

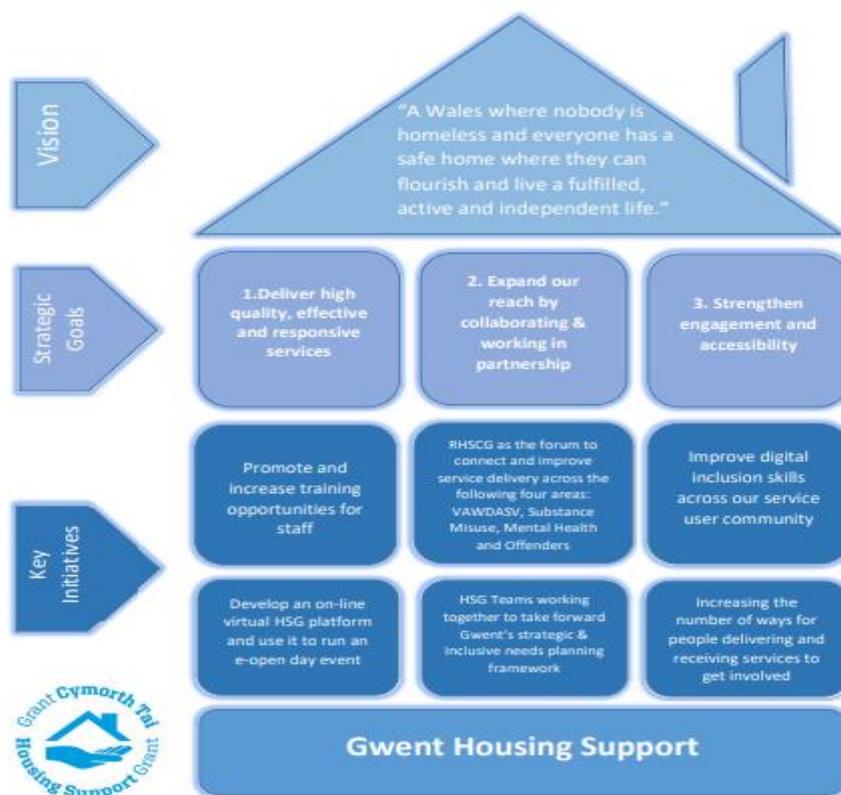
## Gwent Population Needs Assessment

- Lack of suitable affordable accommodation and not enough single units as there are not the properties available and we need to develop and bring online more accommodation
- Young people being placed in accommodation that does not meet their needs
- Great vision but stock needs to be there in order for it to be successful.

Following the Housing Support needs planning and consultation processes completed during 2021; the following regional strategic objectives have been developed and agreed with partners and the Regional Housing Support Collaborative Group:

- Deliver high quality, effective and responsive services
- Expand our reach by collaborating and working in partnership
- Strengthen engagement and accessibility

Key initiatives are being developed to deliver against these strategic goals and these will be reviewed on an annual basis (*– the attached pic captures the above responses – workforce development –training, promotion, collaboration and partnership working, digital inclusion and engagement*).



### Homelessness

A change in circumstances or a significant life event such as a relationship breakdown or losing employment, has the potential to unexpectedly push any one of us towards the experience of homelessness; a devastating, dangerous, isolating and potentially life changing and

threatening experience. Some people are more at risk of homelessness and these include those who are leaving home for the first time or leaving care, being pregnant and having nowhere to stay, living on a low income, leaving prison, or from being an asylum seeker or refugee.

The Welsh Government definition of homelessness:

*'Homelessness is where a person lacks accommodation or where their tenure is not secure. Rough sleeping is the most visible and acute end of the homelessness spectrum, but homelessness includes anyone who has no accommodation, cannot gain access to their accommodation or where it is not reasonable for them to continue to occupy accommodation. This would include overcrowding, 'sofa surfing', victims of abuse and many more scenarios. A person is also homeless if their accommodation is a moveable structure and there is no place where it can be placed.'*

Homelessness, or the risk of it, can have a devastating effect on individuals and families. It affects people's physical and mental health and well-being, and children's development and education, and risks individuals falling into a downward spiral toward the more acute forms of homelessness. The impacts can be particularly devastating if a stable, affordable, housing solution isn't achieved, and people end up having to move frequently.

#### Impact and response during pandemic

The vision in Gwent is for everyone to have a home to live in and the right support if they need it to lead a fulfilling life. Since the onset of the Coronavirus (COVID-19) pandemic, an emergency homelessness response has been in place and the approach to homelessness has been transformed with the introduction of a 'no-one left out' approach, this involved additional funding, together with both statutory and non-statutory guidance to ensure that no-one was left without accommodation, together with the support they need, to stay safe during the pandemic. Many households were supported into emergency temporary accommodation and as at 31 March 2021, there were 3,729 households placed in temporary accommodation across Wales. This is an increase of 60% on 31 March 2020, and is the highest figure recorded since the introduction of the current legislation in April 2015.

This inclusive "no-one" left out approach has been in place continuously since then and resulted in over 15,000 people being supported into temporary accommodation across Wales between March 2020 and the end of September 2021. The scale of what may once have been considered hidden homelessness and inequality within Wales has become evident. Latest data shows there were 6,935 people in temporary accommodation across Wales at the end of September 2021, of which 1,742 were dependent children.

Whilst the pressure on homelessness services remains high, with around 1,000 people presenting a month, understanding the true scale of homelessness presents us with a unique opportunity to make the radical change required to address it. It increases the urgency and importance of preventative work to stop people ever experiencing the destabilising impact of homelessness. It increases the urgency and understanding of the housing capacity required,

both in the social and private sector, to make the transformational shift required to end homelessness.

The publishing of the “Ending Homelessness in Wales: A high level action plan 2021-2026 sets out that Welsh Government sees being homeless as simply intolerable and their vision to make homelessness

- **“Rare”** - Ensuring homelessness is rare means preventing people from becoming homeless in the first place
- **“Brief”** – How a national focus on rapid rehousing will lead to a Wales where homelessness is brief
- **and “Unrepeated”** – Ensuring we have a system which places the right people in the right homes in the right communities with the right support, in order for people to succeed and thrive

The above sets the direction of travel for the work of Welsh Government and its partners to end homelessness in the next five years and the responsibility for ending homelessness to extend beyond dedicated homelessness and housing teams and demanding an “all public services” response.

There were a number of principles set out in the Welsh Governments Strategy for Ending Homelessness 2019 that underpin the approach to homelessness prevention and going forward are expected to underpin the work of delivery partners and are to be reflected across public services.

- The earliest preventions are most effective and most cost effective and should always be the interventions of first choice.
- Tackling and preventing homelessness is a public services matter – rather than a ‘housing matter’.
- All services should place the individual at the centre and work together in a trauma informed way.
- The duties in Part 2 of the Housing (Wales) Act 2014 should be the last line of defence – not the first - and all services should work to the spirit not simply the letter of the law.
- Policy, service delivery and practice should be informed and shaped in a co-productive manner and by those with lived experience.

*Ref: Homelessness in Wales 2020-2021 Statistical First Release, Ending Homelessness in Wales; A High Level Action Plan 2021-2026*

### Emerging Priorities

1. A multi agency partnership approach to ensure appropriate housing and accommodation for older people and vulnerable citizens
2. Homelessness requiring a collaborative response from public services
3. Non use of B&B accommodation for young people

### **(9) Violence against women, domestic abuse and sexual violence (VAWDASV)**

Domestic violence and abuse is a serious health and social care issue and has escalated through the pandemic, with access to services curtailed due to the covid 19 outbreak. It impacts on all services including adult and children's social service, health services, housing, criminal justice, education, police, and voluntary and community organisations; so, needs a collaborative approach. Anyone can be affected by domestic abuse and sexual violence including women, men, children, and young people. This can happen regarding of sex, age, ethnicity, gender, sexuality, disability, religion or belief, income, geography, or lifestyle. A significant number of people who experience VAWDASV will have one or more 'protected characteristic' under the Equality Act 2010 and will face additional vulnerabilities and have increased barriers to support.

Gwent has been working in partnership as the first region in Wales for strategic coordination of VAWDASV services, where we pioneer new ways of working. We have a range of early intervention and prevention services through Supporting People, Flying Start, Families First and also specialist sector services, recognising that survivors are the experts. There are a number of data sources available to the regional VAWDASV Board including

- Rate of sexual offences per 1,000 people
- Number of sexual offences
- Number of domestic violence offences
- Number of sexual and domestic violence offences
- Number of MARAC (domestic abuse) cases
- Number of recorded incidents of domestic abuse (DACC)

The RPB works alongside the VAWDASV Board and does not replicate the information monitored.

#### **Emerging Themes, Future trends, and challenges**

The pandemic has highlighted the dangers faced by victims and survivors. In Wales during the lockdown period calls to the Wales national helpline Live Fear Free, rose by 49% and call times trebled with those contacting the helpline often reporting more frequent abuse with shorter escalation periods. (Social Care Wales 2021) There has also been a surge in calls and website visits to specialist domestic violence services and emergency services have experienced an overstretched workforce tackling the pandemic.

As lockdown restrictions ease it is expected there will be a demand in services as individuals and

**"I have spent most of the pandemic living with daily anxiety for fear something will kick off and have been trying to avoid conflict at all costs with my partner. It has been a scary depressing time for me, and I have felt like I can't breathe".**

families look for support. We need to build back better, investing in prevention and early intervention so people can access the right support at the right time. We also need to deliver a whole system approach to tackling abuse and ensuring the safety of both young people and adults through access to safe, effective, trauma informed support.

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Gwent Population Needs Assessment

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**Emerging Priorities**

- 1. TBC by VAWDASV Board**

**(10) GWENT WORKFORCE AND DEVELOPMENT**

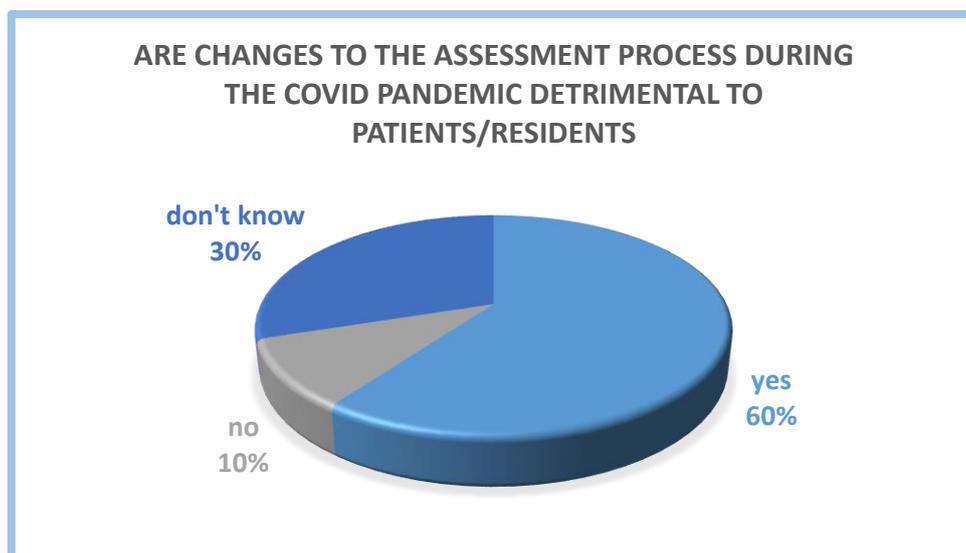
The RPB have established a regional Workforce and Development Board with a delivery plan which is monitored by the Board. Workforce Development managers and the regional Partnership Team meet regularly, prior to the board to ensure consistent developments across the workforce, joint training and continuous development of the regional training plan.

The health and social care workforce has come under an increased focus during the pandemic and with huge recognition amongst the public given the commitment of staff to support vulnerable citizens across the region. Recruitment and levels of pay have proven to be challenging issues across the UK, Wales and in the region. This will require national solutions and an area for RPB focus going forward given that workforce will be the foundations for all health and social care support going forward.

Local Workforce Development Managers and the regional Transformation team form part of a National Social Services and Well-being Act Workforce Development Group. The group ensures coordinated development across Welsh Government, Care Council for Wales and regional and Workforce Development teams and ensures there is a focus on raising the profile of the care sector as a career path and raising standards through commissioning.

**(10.1) A survey of the experiences and views of Mental Health assessors and Deprivations of Liberties process during the COVID-19 pandemic.**

The Deprivation of Liberty Safeguards (DoLs) provides a legal framework to protect vulnerable adults, who may become, or are currently being deprived of their liberty in a care home or hospital setting and who lack mental capacity to consent to their care arrangements. Measures introduced to manage the spread of COVID-19 by the UK and Welsh Government have impacted upon the assessment process for Deprivation of Liberty safeguards and Best Interest Assessors, Mental health Assessors and DoLs Signatories working in Gwent were asked to complete a survey in relation to their views and experiences during the COVID pandemic.



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## Gwent Population Needs Assessment

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It is clear from practitioners that the virtual and online form of assessment, although necessary at the time, has not been as seamless as other assessments. Barriers to completing DoLs assessments due to the COVID pandemic need further examination and an area of focus for Welsh Government as well as the RPB.