

Agenda



Governance and Audit Committee

Date: Thursday, 27 October 2022

Time: 5.00 pm

Venue: Council Chambers- Hybrid Meeting

To: Mr. G.Chapman, (Chair), Mr D. Reed (Deputy Chair), Dr N. Barry, Councillors R Mogford, J Jordan, S Cocks, J. Harris and G. Horton.

Item

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes of the Last Meeting (Pages 3 - 18)
- 4 Call In the Director of Social Services and Head of Service re the Internal Audit of Adoption Allowances resulting in a Second Unsatisfactory Opinion (Pages 19 - 32)
- 5 Annual Corporate Well-being Self Assessment Report 2021/22 (Pages 33 - 102)
- 6 Treasury Management Report 2022/23 (Pages 103 - 124)
- 7 Internal Audit - Progress against Audit Plan 2022/23 Quarter 2 (Pages 125 - 140)
- 8 Work Programme (Pages 141 - 144)
- 9 Action Table (Pages 145 - 148)
- 10 Date of Next Meeting
26 January 2023 at 5pm- Hybrid Meeting

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Date of Issue: Thursday, 20 October 2022

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Draft Minutes

Governance and Audit Committee

Date: 29 September 2022

Time: 5:00pm

Venue: Council Chambers- Hybrid Meeting

Present: Mr G. Chapman (Chair), Dr. N. Barry, Mr D. Reed.
Councillors J. Jordan, G. Horton, R. Mogford and S. Cocks

In attendance: Andrew Wathan (Chief Internal Auditor), Dona Palmer (Audit Manager), Jan Furtek (Audit Manager), Gareth Lucey (Audit Wales), Paul Flint (Performance & Risk Business Partner), Tracy McKim (Head of People, Policy and Transformation), Janice Dent (Policy and Partnership Manager), Robert Green (Assistant Head of Finance), Rhys Cornwall (Strategic Director – Transformation & Corporate Centre), Meirion Rushworth (Head of Finance), Mark Bleazard (Digital Services Manager), Bridie Edwards (Complaints Resolution Manager).

Councillor Dimitri Batrouni- Cabinet Member for Organisational Transformation (observing re Complaints Item)

Anne Jenkins (Governance Team Leader), Pamela Tasker (Governance Support Officer)
Councillor John Harris joined for the last 15 minutes of the committee.

1. Apologies for Absence

None received.

2. Declarations of Interest

None received.

3. Minutes of the last meeting: 28 July 2022

The Minutes of the previous meeting were accepted subject to the following:

Dr N Barry asked for her thanks to be noted for having an action list at the end of the minutes and also highlighted that two actions were missed: Item 7 SO24/Waiving of Contract SOs - 1) The Chief Internal Auditor would come back to the Committee once the system was reviewed by the service area on the new way of commissioning and, 2) To ensure that checking was in place for all contracts to be on the corporate contracts register.

4. Annual Report on Compliments, Comments and Complaints Management 2022

Mark Bleazard (Digital Services Manager) and Bridie Edwards (Complaint Resolution Manager), introduced the report to Committee Members.

In May 2021 the Council's Cabinet agreed the new Compliments, Comments and Complaints policy for the Council. As part of the requirements of the Governance and Audit Committee it was now responsible to make reports and recommendations in relation to the Authority's ability to handle complaints effectively.

This was the fourth annual report presented to Cabinet and second presented to Governance and Audit Committee; previously, the Audit Committee. The Team had moved from City Services to People, Policy & Transformation. There had been relatively new members to the team and training modules would be undertaken in the next financial year.

This report therefore provided an overview of all Corporate and Social Services compliments, comments and complaints during 2021/22. Complaints about schools were reported separately as they were subject to a distinct statutory framework; however, complaints about Education services such as administrative processes i.e., not receiving timely invites to Governor meetings were included.

The details within the report were broken down by service areas and complaint types. The report highlighted key trends and themes drawn from the data for consideration. In 2021/22 the Council received 208 compliments, 4267 comments and 321 complaints. 96% of complaints were resolved through the Council's complaints process. The Public Service Ombudsman for Wales (PSOW) intervened with 4%. The PSOW expressed that the focus was not on keeping complaints to a minimum but giving customers various platforms in which to raise their concerns.

The report reflected on lessons learned for the Council to improve and actions to deliver these improvements. More engagement with service areas would ensure a deeper understanding of the work of the Ombudsman including their powers and overall goals but also the importance of more structured training which would be beneficial at both employee induction and on-going annual refresher training.

In addition to this, part of the teams' function was to develop further working relationships with services areas, to improve their confidence in complaint handling. Looking to improve reporting function and standardizing processes to capture the data accurately. Complaint Standards Authority (CSA) issues a model policy which involved us updating our policy. The impact on this was to work with other authorities.

The key focus area in development was through the new data analysis in partnership with the Newport Intelligence Hub as well as reviewing the Unacceptable Actions Policy, working closely with the Customer Contact Centre on how to work challenging communication styles.

M Bleazard also added that the PSOW advised there was no right or wrong answer in the number of call logs, therefore, to err on the side of caution all calls would be logged and

feedback accordingly. If there was any context as part of the overall Wales figures, these could be referred to the PSOW.

Comments from the Committee:

D Reed (Co-opted Member) referred to page 22, where it was mentioned issues with telephony services used by the contact centre staff and that the service provider would be undertaking a large system upgrade shortly to resolve the issues experienced by the residents of Newport; was this timetabled? B Edwards would provide feedback in relation to this.

Dr Barry (Co-opted Member) was looking for assurance in terms of lessons learned which were not in the report and although B Edwards covered this it would have been helpful if it was included. In addition to this, as a complainant, how would feedback be received. B Edwards advised that in terms of continuous improvement of services it was hoped that through working with the Newport Intelligence Hub this information could be harnessed to implement changes and feedback through the website, newsletters or updates on social media pages.

Dr Barry also noted that the PSOW provided various platforms to allow customers to submit their complaints, was this being done; was the Council's system accessible. B Edwards advised that this was accessible and there was an information section on the internet for customers on how to do this, such as telephone, drop-in sessions at the Civic Centre and Riverfront. As well as continuing to look into broadening accessibility for customers.

Councillor Horton asked if there could be clarity on the actions within the report, page 26. For example, if there was a date next to the action, was it on target to meet that date as well as the status on anything ongoing. M Bleazard advised that there was a lot of change ongoing, and the new staff were trying to do things properly, therefore there might be broadly a month leeway, but most actions were on track.

Councillor Cocks queried one graph regarding Social Services where complaints were low for the first three quarters then there was a spike in complaints, was this therefore accurate. M Bleazard was unable to give a specific response in terms of trend and were trying to get more to grips with insight.

Councillor Cocks also referred to a phrase on page 26 which advised there were too many options to close off complaints. B Edwards advised that this referred to My Council Services which was a software database, a technical system that had a number of categories that needed to be filled when closing down complaints, they were looking to reduce the categories to make the information clearer for reporting reasons.

The Chair asked the following:

- Were councillor complaints recorded on the system. B Edwards - yes they were.
- How many comments became complaints. B Edwards – not sure on this unless the data was broken down.

- What was the customer satisfaction in dealing with complaints. B Edwards - there was also a survey carried out in the past. This was something that could be looked into.
- Did complainants get any written feedback; if a complainant does not receive this information, they may think that their complaint had not been addressed which would discourage further complaint. B Edwards - each complaint that came through was acknowledged and responded to accordingly. An improvement needed to be made with regards to comments, however, yes they get a response letter at the end.
- Were complainants given a satisfaction questionnaire. B Edwards – they happened in the past but not at moment. It would however be looked into.
- What learning had been taken from complaints and had directorates actioned service delivery. M Bleazard - lacking in that intelligence in terms of the bigger picture of complaint and therefore regarding trends we needed to improve to understand the issues.
- Did the Council have a vexatious complainant's policy and had anyone been excluded from this. B Edwards – yes an Unacceptable Actions Policy was in place. There was a fine balance between services areas reminding customers of their conduct and the Complaints Department implementing any restrictions.
- Was there an opportunity for the POSW annual letter to be attached at the next report. B Edwards – yes this was noted.
- In relation to actions for improvement, could the Committee receive an update report in six months' time to cover this. M Bleazard – yes this was noted.

Councillor Cocks felt that it was easier to analyse the complaints resolution statistics and monitoring the quality of complaints was equally important. With this in mind, was there a monitoring of quality in place as well as statistics. The Equalities Impact Assessment, as referred to in the previous minutes was also an important part of the report, was the report author therefore meeting the legal requirements.

Councillor Cocks also asked if there was any indication as to the background of the people recording complaints, varying from age to ethnicity.

The Chair agreed with the points raised by Councillor Cocks and that more detail should be available within reports going forward. Tracy McKim, the Head of People, Policy and Transformation advised that the wording within the report was correct, as part of the Corporate template and that the FEIA section was specifically about decisions, as mentioned at the previous meeting. It also did mention that the figures were covered in the Strategic Equalities report. We could however put slightly more information within the report as requested.

Councillor Batrouni, observing this item referred to the overall issues raised by Committee Members and that in general, data helps us to understand further what complainants were telling us about the services which was key to understanding trends. It was important to treat complaints as a resource and provide detailed feedback to residents.

Resolved:

The Governance and Audit Committee considered the contents of the report regarding the process and performance of the Council's corporate compliments, comments and complaints annual report 2021/22 and make any recommendations for improvement to the annual report, which were noted in the Minutes.

5. Corporate Risk Register Update: Quarter 1

J Dent (Policy and Partnership Manager) presented the Committee with the report.

The Chair requested for future meetings could we have Officers full names as well as job titles provided on the name plates.

The Council's Corporate Risk Register monitored risks that may prevent the Council from achieving its Corporate Plan or delivering services to its communities and service users in Newport. At the end of quarter one, which was April to June 2022, there were 16 risks recorded in the Corporate Risk Register that were considered to have a significant impact on the achievement of the Council's objectives and legal obligations. At the end of quarter one there were no corporate risks closed. Overall, there were eight Severe risks (risk scores 15 to 25); eight Major risks (risk scores seven to 14); that are outlined in the report.

In comparison to the quarter four Corporate risk register, there were no new and/or escalated risks, and no risks were closed. One risk increased in risk score; one risk had decreased; with 4 risks remaining the same score. No risks were escalated or de-escalated in quarter one.

As set out in the Council's Risk Management Policy, Cabinet reviewed the Corporate Risk Register on a quarterly basis ensuring procedures were in place to monitor the management of significant risks. The Register was likely to change following the approval of the new Corporate Plan and priorities for service delivery.

P Flint (Performance and Research Business Partner) highlighted that there were 44 risks across the organisation as tabled within the report.

There were also three new service areas to be identified going forward in relation to risks.

Comments from the Committee:

Councillor Jordan referred to Page 38 – Cyber Security, asked for this to be indicated in the risk heat map. P Flint advised that it was an error within the report and confirmed that Cyber security should have appeared in the red category.

Dr Barry (Co-opted) asked if the target date for completion needed to be amended and, in some cases, the commentary relating to the mitigating action didn't link. Was the action therefore appropriate and were officers focused on achieving the outcomes the actions were leading to and felt there was a need to look at the narrative. In addition, there were no mitigation actions on some risks which was of concern, such as Education/Out of area placement for example, no commentary on balancing the Council's budget, City Security co-ordinated evacuation arrangements – completion date 31 March 2022. Dr Barry went on to list Climate Change and the Ebbw Vale Solar Farm Development, which was held up because of the local electricity network; should this have been considered before or during the planning stage. Finally, the pressure on Adult and Community Services, how was this stopping the assessment impact.

P Flint gave an overview in relation to the risks and the commentary supporting them. As there was a big review and detailed process of the risks, and as part of the process would be

looking at the actions some of the risks. It was correct that there were no actions against the highways network risk, some of this was having to accept the risk as part of that. There were already controls in place managing particular risks. In terms of the action's dates, to clarify, this is currently being reviewed to make sure that officers understand the completion and target dates.

T McKim added that officers understood what they were doing but it was not reflected on the system, because previously the actions had not been fully utilised within the system. The information was there but not recorded in the correct way.

D Barry understood and added that reports needed to be clear in relation to the actions, deadlines and what was being done for the purposes of the Governance and Committee. That narrative would therefore link back to the action. This would give an assurance to the Committee. P Flint took the comments on board.

The Chair reiterated Dr Barry's comments and if the narrative was not properly in place there was a likelihood that the Committee would look into what was happening. It was therefore essential that this was covered in future training for officers. J Dent advised that training for all officers would impact on all the issues covered and therefore assured the Chair that this would be put into practice although it may take a couple of months to achieve this.

Cllr Cocks commented on page 39 in relation to two social services risks where every quarter it was reported that the risk was at a maximum, did this mean that the service could no longer function. R Cornwall (Strategic Director) advised that the Committee were looking into whether the appropriate processes were in place and assurances around this. In relation to further training sessions, this represented the sharp end of the risk that the Council was dealing with this as were most councils in England and Wales regarding social care providers. A significant effort was given every day to managing those mitigating risks for individuals in receipt of social care. There was no magic wand in relation to those risks and Councillor Cocks was right to raise it. Whilst it was not within the remit of this Committee, it may be worth linking into the Scrutiny Committee papers that looked into which services areas were doing what to manage the risks on a yearly basis. This could give the Committee further context to the figures.

Councillor Cocks suggested maybe looking at a snapshot of the different areas to see how the Council managed some of the issues. R Cornwall mentioned that as this was a new Committee, under the Local Elections Wales Act, the Committee could look at identifying one of these areas as a risk on a trial basis.

P Flint was meeting with the Director of Social Services to look at the risks and ensure that they were being captured in the right way.

The Chair added that whilst these issues were being addressed by Cabinet or Scrutiny Committees. A short synopsis of the reports going up to these committees to provide an account on this for the Governance and Audit Committee would assure members on the actions to receive that assurance.

Resolved:

The Governance and Audit Committee considered the contents of the report and assessed the risk management arrangements for the Authority, providing any additional commentary and/or recommendations to Cabinet, which were noted in the Minutes.

6. Progress Against Internal Audit Plan 2022/23 Quarter 1

A Wathan, (Chief Internal Auditor) informed Members of the Council's Governance and Audit Committee of the Internal Audit Section's progress against the 2022/23 agreed Internal Audit plan for the first three months of the year by providing information on audit opinions given to date and progress against key performance targets.

The attached report identified that the Internal Audit Section was making progress against the 2022/23 audit plan and internal performance indicators. These were attached to the report as appendices, which were detailed and noted by the Committee.

Comments from the Committee:

Councillor Jordan referred to page 89 in relation to Transport, under City Services, follow up for 2021/22 was the unsatisfactory opinion for quarter four or quarter one. A. Wathan advised that it was regarding work that was started in 2021/22 which was completed in quarter one 2022/23 when a report was issued in draft; this resulted in a second unsatisfactory opinion which would be picked up in the second report on the Agenda.

D. Barry (Co-opted Member) noted positive feedback and asked was there also any negative feedback to balance this out. A. Wathan advised that at the end of an audit the team issue the final audit report to the relevant Head of Service, along with an audit evaluation questionnaire to be returned to the Chief Internal Auditor. The responses were collated and all commentary good and bad was assessed to see if improvement of service provision could be made across the board. Regarding any negative indications, the manager would be contacted and invited to meet to discuss improvements going forward.

Secondly, Dr Barry referred to training on Financial Regulations and Contract Standing Orders was self-nomination, why was this not compulsory. A Wathan advised that it was mandatory, and officers were encouraged to attend, including Heads of Service. Any unfavourable reporting, the Internal Audit team had concentrated training for those specific areas in the past.

For clarification: The self-nomination process has been adopted by the Council as a way of employees accessing appropriate training; the manager might require the employee to attend but the employee then books him / herself onto the relevant course through a digital process.

Dr Barry was concerned that self-nomination training was misleading, and it was therefore important to attend. A. Wathan would pick this up with colleagues in Human Resources.

The Chair reiterated Dr Barry's comments and felt that lack of attendance to these training sessions should be picked up/endorsed by the Committee and fed back to Corporate Management.

The Chair referred to the *Unsatisfactory* or *Unsound* opinions being followed up within a 12-month time scale. For some issues that were important for the Committee, would the Audit team have the capacity to have this checked sooner, such as three or six months, if it did impact on the citizens within Newport. A. Wathan agreed that this was a fair point and the team carried out follow ups as quickly as they could however the Audit team had relied on managers to advise if they had implemented the recommendations, unfortunately, this can often be the reason for the delays in undertaking further audit work. The Audit Team could emphasize this to managers and give a shorter timescale, but it may have the same result. Chair understood but considered that if managers had still not addressed this within timescales and would therefore pick it up in the next report. A. Wathan advised that it would be reported on a quarterly basis and updated.

The Chair also mentioned the Passenger Transport Unit (PTU) Taxi Contracts follow-up 2021/22 which was not on the list in the next report under the same year but was instead 2019/20, with the report being issued in October 2019. The Chair assumed that this was for the 2022/23 follow up and there was nothing undertaken in 2021/22. D Palmer advised that the work was started in 2021/22 but the report was issued in draft in the current year – 2022/23. The 2019/20 year was when the original audit was carried out.

Dr Barry referred to the achievements to date and mentioned that it was good to see that all the reports were completed within the timescale. The Chair agreed with these comments 9% above the original target was an achievement and thanked the Audit Team.

Resolved:

The Governance and Audit Committee noted the report.

7. Audit Wales Fee Consultation

The covering report and Appendix 1 outlined Audit Wales proposed fees for 2023/24. A 5.5% increase was proposed to cover inflationary and pay pressures within Audit Wales. In addition, an increase of between 12% and 18% would be implemented to reflect the added costs of adhering to a revised auditing standard (ISA315). There was also a proposal to reduce local performance audit fees by approximately one third.

Audit Wales were required therefore to consult with Local Authorities regarding the proposed fees structure for the forthcoming financial year.

M Rushworth (Head of Finance) advised there was significant change regarding cost. There were also professional changes to the way Audit Wales would carry out their audit, requiring more qualified and experience staff to take a risk-based approach to auditing, hence the rise in cost. Consideration could be given to putting efforts in place to make the Council less risky to avoid incurring these costs. The Council could therefore consider this approach.

It was noted however that in the report, responses were required by 16 September 2022, the deadline of which had passed.

Gary Lucey (Audit Wales) added that consultation had formally closed but further comments were still welcomed, and this information would be shared at the highest level. The main issue was the fundamental overhaul of Standard (ISA315) and to implement this standard and deliver audit to LAs under this framework. There was an opportunity to identify potential efficiencies and it could actually mean that the fee increase would be less than the expected estimate.

Comments from the Committee:

Dr Barry (Co-opted member) asked was it the intention of Audit Wales and the Council for the Committee to respond considering the deadline date had expired. M Rushworth advised that this was the intention, however the consultation commenced in August and this was the first opportunity for it to be discussed at the Governance and Audit Committee.

Dr Barry mentioned that the difficulty was not knowing enough regarding this report and suggested it would have been useful to see a draft of proposals. M Rushworth advised that the draft document would be circulated to the Committee, to provide quick turnaround for feedback.

Councillor Jordan asked where the money would come from. M Rushworth provided an estimated breakdown of costs, with the estimated outcome providing a broad match. If however, this did not happen and there was an increase in the audit fees, the revenue cost would be absorbed and funded through the Council's revenue budget, this would be a pressure on the MTFP in the next financial year.

Councillor Horton asked what was the cost breakdown of auditors that the Council made use of and could there be a cost saving by not using senior auditors. M Rushworth advised that these would be the expected comments to be included in the consultation.

Councillor Horton also asked if the Council would challenge any high costs. M Rushworth agreed that this would be the case.

Councillor Horton asked would the Committee receive any feedback where cost savings were made, if challenged. M Rushworth would bring the report back to Committee annually on the audit fee with key decisions made with Audit Wales which would result in the final agreement. G Lucey was also keen to inform the Committee on how this would be progressing and the effects in relation to the fees and significant developments throughout the year.

The Chair noted that whilst the closing date had passed and comments would be fed back, if this was to happen again, could a special Committee be held in the future. This was agreed by M Rushworth and G Lucey.

The Chair also asked if there was a political or management view coming from the Authority and felt it should be considered by Cabinet. M Rushworth advised that it was only coming to this committee at this point and not shared within the wider team. It would however be shared with respective Cabinet Member.

In response to the Chair observing that LAs had no control in relation to legislation being piloted by Senedd a cost to Local Authorities as well as no value for money; Local Authorities could not go anywhere else for this service. G Lucey advised that this was an Internal Standard on auditing and was not from Welsh Government. It was felt that Audit Wales had a good working relationship with management and if there were significant changes, this would be communicated at the earliest opportunity.

Resolved:

- The Governance and Audit Committee noted the proposals and the likely cost impact. The Head of Finance would circulate the Audit Wales document with a quick turnaround.
- That future Special Committees would be held within consultation deadlines.

8. Internal Audit Annual Plan Progress against unfavourable Audit Opinions

The report identified current progress of systems or establishments which were previously given an *Unsatisfactory* or *Unsound* audit opinion. Whilst there would always be concerns over reviews given an *Unsatisfactory* or *Unsound* audit opinion, managers were allowed sufficient time to address the issues identified and improve the financial / administrative internal controls within their areas of responsibility. The previous report was presented in January 2022 and related to opinions issued to September 2021. This report relates to opinions up to 31 March 2022.

The Governance and Audit Committee were provided with a breakdown of figures:

During **2018/19**, 48 audit opinions had been issued; 10 were *Unsatisfactory*, 1 was *Unsound*.

During **2019/20**, 32 audit opinions had been issued; 6 were *Unsatisfactory*, none were *Unsound*.

During **2020/21**, 29 audit opinions had been issued; 1 was *Unsatisfactory*, none were *Unsound*.

During **2021/22**, 35 audit opinions had been issued; 2 were *Unsatisfactory*, none were *Unsound*.

The history of unfavourable audit opinions from 2015/16 to 2021/22, which were tabled within the report were highlighted, followed by the report Appendices, in particular, Appendix B, Adoption Allowances, where the Audit team changed their opinion. J Furtek (Audit Manager), confirmed the second follow-up review had commenced and they had met with service managers recently. Things had improved, with procedures and policies as well as a back-up plan. With this in mind the outlook was looking more favourable, but whilst management comments were being chased to finalise the report, Internal Audit were informed that no work was being undertaken with Adoption Allowances due to a lack of resource. The opinion was therefore revised to *Unsatisfactory*. On that basis, A Wathan advised the Committee to consider calling in the respective head of service to the next Governance & Audit Committee meeting.

Comments from the Committee:

Councillor Jordan agreed with A Wathan's recommendation but with some lenience. Would this come back to Committee in Quarter 2 to discuss improvement and if not, to invite the service manager back in Quarter 3. A Wathan advised that the review would be discussed at the next meeting and they would be invited to the following Committee if the outcome was still *Unsatisfactory*. Councillor Jordan agreed that if there was a prompt to be brought in at the next meeting, it might be addressed by the following quarter.

Councillor Cocks referred to Housing Benefits and asked when would the Audit team be expected to get back to Housing Benefits. A Wathan advised that the team would revisit within a 12 month period. It was in the plan for 2022/23 and would therefore be addressed in this financial year.

Dr Barry was concerned about findings and referred to paragraph 16 in relation to training within these areas. This raised an awareness of weaknesses at an administrative level, therefore how effective was senior and middle management and who was monitoring the cultural issue. A Wathan advised he was unable to comment and that as an internal auditor, the Internal Audit team could only look at each service area that they are auditing and the information in front of them in terms of evidence identified.

Councillor Cocks mentioned, in relation to Housing Benefit, that the report was in depth, which ensured council services were running properly. Councillor Cocks felt that it should not take Internal Audit to identify these issues and wondered what quality assurance and management issues were taking place.

Councillor Horton asked if Internal Audit had picked up anything good in relation to the audit. A Wathan advised that there was a balanced review in everything that was audited, and strengths and weaknesses were identified. Unfortunately, in relation to Housing Benefits, the weaknesses outweighed the strengths. A Wathan added that in relation to Housing Benefits payment, that was not delayed, this instead was in relation to information collated on the housing side. Councillor Horton strongly agreed with the Chair that the service area was brought into the Committee.

D Reed (Co-opted member) understood that there may be some frustration with Internal Audit when management did not adhere to timescales and wondered if the Committee should have a quality quasi-Standing Order where managers were required to attend the next meeting to put their reasons forward.

The Chair expressed his dissatisfaction regarding the lapsed timelines and referred to the Newport Norse audit where there was a follow up delay of nearly seven years; since 2015. The Chair understood the issues around it however if there was an *Unsatisfactory* outcome in the report, this would need to be addressed as quickly as possible.

In relation to PTU Taxi Contracts, there was a second *Unsatisfactory* outcome and following this, the head of service should be asked to attend Committee, following on from D Reed's earlier comment. In 2018/19 the vehicle tracking system was *Unsatisfactory* in October 2019. Again, issues were over three years old.

Corporate Governance had an *Unsatisfactory* outcome in 2020. The NCC Dogs Home follow up delay was due to low levels of staff. In relation to the Housing Benefit service area, the Chair was pleased that the delay was not to do with making payments.

There was a typing error in Appendix B typo third para where it should have read there were no resources.

The Chair considered that with regards to any unfavourable audit options, the Cabinet Member, Strategic Director and Chief Executive should be called in to discuss these issues. This would show that the Governance and Audit Committee were giving a strong message to the Council that this was not acceptable and that changes needed to be addressed. A separate meeting could be held to discuss these issues.

R Cornwall, Strategic Director advised that with regard to calling in the respective Cabinet Member it would need to be checked if this was within the remit of the Committee as it related to operational matters rather than policy matters. The Chair could however write to the Cabinet Member.

R Cornwall also asked the Chair to consider escalation points, where there were two *Unsatisfactory* Audits, the Head of Service be called in first, then consideration be given for separate meetings to call in the Chief Executive and the Strategic Director.

With the Strategic Director's suggestions in mind, the Chair would write to the Cabinet Member and Chief Executive following these concerns.

Resolved:

1. The Governance and Audit Committee noted and endorsed the report as well as raising their serious concerns.
2. The Governance & Audit Committee recommended calling in the Head of Service responsible for the Adoption Allowances service provision on the basis of a second consecutive *Unsatisfactory* Audit opinion, as this gave cause for concern.
3. The Governance and Audit Committee also considered calling in any other service areas, where there was a second *Unsatisfactory* Audit opinion, such as Passenger Transport Unit – Taxi Contracts.

9. Work Programme

The purpose of a forward work programme was to help ensure Members achieve organisation and focus on the undertaking of enquiries through the Governance and Audit Committee function. The report presented the current work programme to the Committee for information and detailed the items due to be considered at the Committee's next two meetings.

M Rushworth referred to the Audit of Financial Statements Report 2021/22 was going to the October Committee to be signed off. There was however a national issue concerning the evaluation of infrastructure assets on Local Authority accounts. This was initially raised in England but has now transferred to Wales. CIPFA had tried to amend the accounting code as a work around which had not been successful to date. All devolved UK governments were putting in regulations to override accounting issue.

With this in mind, it was not possible to get the accounts finalised in time for the October Committee and only a verbal prediction might be provided. G Lucey, Audit Wales, also reiterated that this was a national issue.

The Chair asked would an extra meeting be held, or would the report be discussed in January 2023, if the papers were available. WG were considering changing the official deadlines, M Rushworth advised that it was possible to deal with in January, although it was taking focus away from team who were under a lot of pressure. M Rushworth was therefore tempted to call a meeting to get it resolved but it was hoped that there would be a clearer indication at the next Committee in October.

Resolved:

That the Governance and Audit Committee endorse the Work Programme and await an update from the Head of Finance in relation to the Audit of Financial Statements Report 2021/22.

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Report

Governance & Audit Committee

Part 1

Date: 27 October 2022

Subject Unsatisfactory Audit Opinion – Adoption Allowances – Governance & Audit Committee Call In

Purpose For Members of the Council’s Governance & Audit Committee to:

- i) Consider the explanations and assurances provided by the Strategic Director and the Head of Service responsible for Adoption Allowances that improvements have been made in service provision following 2 consecutive Unsatisfactory audit opinions.

Author Andrew Wathan Chief Internal Auditor

Ward General

Summary Following 2 consecutive *Unsatisfactory* Internal Audit opinions, the Strategic Director and the Head of Service responsible for Adoption Allowances have been invited into Governance & Audit Committee to provide assurances that appropriate improvements within service provisions and the control environment have been made. Initially improvements had been made, but subsequently Internal Audit were made aware that no service was being provided for a period of time.

Proposal That Members of the Governance and Audit Committee

- i) accept the explanations and assurances of the Strategic Director and the Head of Service, which will be confirmed via the follow up internal audit

or
- ii) don’t accept the explanations and assurances provided and escalate concerns to the Chief Executive and Executive Board.

Action by Governance & Audit Committee

Timetable Immediate

This report was prepared after consultation with:

- Chief Financial Officer
- Monitoring Officer
- Head of People, Policy & Transformation

Signed

Background

Original Report	1 st Follow up audit	1 st Follow up audit revised opinion	2 nd Follow up audit due
Unsatisfactory	Reasonable	Unsatisfactory	Q3 2022/23
Final issued September 2019	Draft issued April 2021 *	Final issued December 2021 *	

*** - audit testing started in November 2020 but due to lack of completed assessments was postponed until February 2021**

- delays due to key staff not being in work

1. The Public Sector Internal Auditing Standards requires the Chief Internal Auditor to present a formal annual report to the Governance & Audit Committee which includes audit opinions issued and to disclose any qualifications to the overall opinion.
2. The Strategic Director and the Head of Service for Adoption Allowances has been invited into Governance & Audit Committee to:
 - a) Explain why there were weaknesses in control
 - b) Provide assurances on the progress of the implementation of the agreed management action taken to demonstrate improvement in the control environment
 - c) Include a timeline as appropriate
3. A draft follow-up internal audit report for Adoption Allowances was issued on the 15th April 2021. On the basis of the audit testing completed during March 2021, this report was issued with an improved draft audit opinion of 'Reasonable'.
4. However, over the proceeding months there was a delay in receiving a formal response from management. In June 2021, Internal Audit were advised by the Commissioning and Contracts Manager that the Principal Officer and the Finance Officer were both absent from work with no clear return to work date and that a response to the report could not be provided until these officers returned to work.
5. Internal Audit followed this up in July and September. The Commissioning and Contracts Manager stated that adoption allowance assessments and annual reviews had not been conducted since the Finance Officer began their absence in May 2021 and there was now a considerable backlog of work both from this and the other duties which the officer undertook; there was no alternative resource within the team to complete these assessments / annual reviews and there was no other officer within the Council sufficiently trained to understand how to complete these.
6. A meeting was held between the Strategic Director (Social Services), Service Management, Accountancy and Internal Audit in October 2021 to discuss a way forward until the Finance Officer was able to return to work. It was agreed that the Strategic Director would discuss with the appropriate Cabinet Member a proposal to increase all current allowances by an agreed percentage. Adopters would be contacted in writing to confirm this arrangement and all annual assessments would then be completed as a priority during the 2022/23 financial year. A working group would also be established to review the current procedures to ensure

there was capacity within the service to not only undertake the urgent assessments but to ensure that more staff understood the process to add resilience in case of any future staff absences.

7. Due to this, and subsequent to the original draft report being issued, there was now an unacceptable level of risk within the Adoption Allowances service and Internal Audit revised the audit opinion to reflect this. Consequently a second '**Unsatisfactory**' assurance rating was issued which reflected that Adoption Allowances continued to be not well controlled and changes were required urgently.
8. The Summary of Weaknesses, the Action Plan and categorisation of weaknesses reflects the audit work undertaken during the follow up review prior to key officers not being in work.

Original Weakness Rating	No. of Original Weaknesses	No. of Weaknesses Fully Implemented	No. of Outstanding Weaknesses
Critical	0	0	0
Significant	9	2	2
Moderate	12	Not tested	5*

*5 weaknesses that were originally rated as significant have now been re-rated as moderate. This was due to management action being partially implemented to address one weakness and the review identifying, for the other 4, that the limited number of cases affected by the issue raised meant that it represented only a moderate and not a significant risk to the Authority.

Financial Summary

9. There are no financial issues related to this report.

Risks

10. If management action is not taken to improve the control environment and increase service delivery resilience, service users may not receive an efficient and effective service, the number of complaints may increase and could lead to reputational damage.

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?
Poor internal controls could impact on effective and efficient service delivery, increase in complaints	M	M	The Strategic Director has agreed a way forward to support service delivery. Internal Audit will undertake a further follow up audit within 6 months to verify that agreed action has been taken to improve service delivery.	Strategic Director

from service users and negative impact on reputation				

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

11. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens, hence Improving People's Lives.

Options Available

12. This is a factual progress report and therefore there are no specific options to be considered; there are no decisions to be made further to the proposals noted above.
13. Members of the Governance & Audit Committee are asked to either accept the assurances from the Strategic Director or refer their concerns onto the Chief Executive.

Preferred Option and Why

14. Members of the Governance & Audit Committee to decide

Comments of Chief Financial Officer

15. I can confirm that I have been consulted and have no additional comments

Comments of Monitoring Officer

16. There are no specific legal issues arising from the report. As part of its role in monitoring the effectiveness of the Council's systems of internal control and financial management, Governance & Audit Committee oversee the implementation and outcomes of the internal audit programme and, where necessary, can review and make recommendations regarding unsatisfactory audit reports. The Committee can seek assurances on the adequacy of responses to internal audit advice, findings and recommendations and will monitor implementation and compliance with agreed action plans. In this case, there have been consecutive unsatisfactory audits in relation to the administration of the Adoption Allowances Scheme and the relevant Head of Service and Strategic Director have been invited to attend the meeting to explain the situation and outline the management action that will be taken to address the issues concerned. If the Governance & Audit Committee are not satisfied with the management responses and there are considered to be residual risks in terms of the Adoption Allowances processes, then the Committee can escalate those concerns through the Chief Executive and the Executive Board. As these unsatisfactory audit reports relate to operational management issues, then it is not considered appropriate for any concerns to be escalated through the Cabinet or Cabinet Member as they do not involve strategic policy issues.

Comments of Head of People, Policy and Transformation

17. As part of the Well-being of Future Generations Act (2015) and its corporate governance arrangement it is necessary to ensure that the Council's functions are operating effectively and efficiently to manage its governance, internal control and risk management arrangements in the delivery of the Corporate Plan and its statutory duties. This report presents a review of the Internal Audit activity during the period concerned and the outcomes of completed audit reviews. There are no direct human resources impact from this report.

Local issues

18. N/A

Scrutiny Committees

19. N/A

Equalities Impact Assessment and the Equalities Act 2010

20. The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
21. All audits are undertaken in a non-discriminatory manner and key equalities issues identified under the scope of the audits will be identified as part of the audit reports and management discussions. As this is a report on the call-in relating to audit opinions there is no requirement for an Equalities Impact Assessment. All audits are undertaken in a non-discriminatory manner.

Children and Families (Wales) Measure

22. N/A

Wellbeing of Future Generations (Wales) Act 2015

23. The role of Internal Audit supports the Council in complying with the principles of the Wellbeing Act and providing assurance on the activities undertaken across the Council. In compiling this report the principles of this Act have been considered:

Long term - The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan that is aligned to the Council's Corporate Plan.

Prevention - Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.

Integration - Internal Audit opinions provide an objective opinion on the adequacy of the Council's corporate governance, internal control and risk management environment in operation and support sound stewardship of public money.

Collaboration - Internal Audit work in collaboration with operational managers to develop an appropriate action plan in order to address identified concerns.

Involvement - Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources. The involvement of the Governance & Audit Committee provides assurance and oversight of an effective internal audit provision to carry out its duties.

Consultation

24. N/A

Background Papers

25. 2021/22 Approved Internal Audit Plan.

Appendix 1

SUMMARY OF OUTSTANDING WEAKNESSES December 2021

The tables below summarise the outstanding individual weaknesses identified during the follow up review.

Ref.	CRITICAL
	No critical weaknesses were identified.

Ref.	SIGNIFICANT
3.06	Annual review assessments had not always been calculated accurately or completed in a timely manner.
3.10	Independent checks completed on annual review assessments to ensure correctness had not identified errors in the calculation of adoption allowance awards.

Ref.	MODERATE
2.06	Assurance could not be given that financial assessment forms were being properly completed for new applications.
2.08	Assurance could not be given that financial assessment forms for new claims were being properly supported with appropriate evidence of income and expenditure.
2.09	Assurance could not be given that financial assessments for new claims were being correctly calculated and completed in a timely manner.
3.08	Assurance could not be given that income and expenditure details had been cross-checked against the previous assessment to allow any discrepancies to be investigated.
3.09	Overpayments had not been recovered in respect of retrospective changes that adopters had failed to notify and decisions to apply increases in awards retrospectively were not covered within the Adoption Financial Support Policy.

Appendix 2

Extract of Agreed Action Plan December 2021 / update of current progress October 2022

IA Report Ref	Weakness	Further Management Action to Address Outstanding Weakness Dec 2021	By Who	By When	Current Progress October 2022
3.06	Annual review assessments had not always been calculated accurately or completed in a timely manner.	<p>Project group to be established to review current practices in assessment of allowances in Children's Services.</p> <p>Agreement has been sought with the Strategic Director (Social Services) to forego annual assessments during 2021/22 due to staff absence. An agreed uplift will be paid to all allowances.</p> <p>Full assessments will be completed promptly during the 2022/23 financial year.</p> <p>Completed assessments will be checked by an independent member of staff to ensure accuracy.</p>	<p>Children's Services Management Team, Commissioning and Contracts Team, Internal Audit, Accountancy.</p> <p>Strategic Director - Social Services</p> <p>Service Manager - Resources</p> <p>Commissioning & Contracts manager</p> <p>Finance Officer</p>	<p>Project Group to convene in November 2021</p> <p>November 2021</p> <p>April 2022</p>	<p>Project Group completed review of practices.</p> <p>2021/22 uplifts were implemented by November 2021.</p> <p>Assessments have been completed during Q2 2022/23</p> <p>Additional checks on completed assessments have been undertaken by a member of the Commissioning Team and a member of the Income and Assessment Team.</p>

IA Report Ref	Weakness	Further Management Action to Address Outstanding Weakness Dec 2021	By Who	By When	Current Progress October 2022
3.10	Independent checks completed on annual review assessments to ensure correctness had not identified errors in the calculation of adoption allowance awards.	<p>Project group to be established to review current practices in assessment of allowances in Children's Services.</p> <p>We will look to increase capacity within the team to ensure that more people are able to understand and check documentation in relation to financial assessments. These independent checks will be fully documented.</p>	<p>Children's Services Management Team, Commissioning and Contracts Team, Internal Audit, Accountancy.</p> <p>Commissioning & Contracts Manager</p>	<p>Project Group to convene in November 2021</p> <p>April 2022</p>	<p>Training has been provided to a member of the Commissioning Team to enable independent checks to be completed. Further checks have been completed by a member of the Income and Assessment Team. Consideration is being given to incorporate these checks into the role of the Income and Assessment Team on a permanent basis, which could offer greater probity around administration of the processes.</p>
2.06	Assurance could not be given that financial assessment forms were being properly completed for new applications.	<p>Project group to be established to review current practices in assessment of allowances in Children's Services.</p> <p>We will ensure that all financial assessment forms are properly completed. Forms will be returned to applicants if not completed in full.</p>	<p>Children's Services Management Team, Commissioning and Contracts Team, Internal Audit, Accountancy</p> <p>Finance Officer</p>	<p>Project Group to convene in November 2021</p> <p>November 2021/ on-going</p>	<p>New applications were received in 2022/23, with assessments fully implemented.</p>
2.08	Assurance could not be given that financial assessment forms for new claims were being	<p>Project group to be established to review current practices in</p>	<p>Children's Services Management Team, Commissioning and Contracts Team,</p>	<p>Project Group to convene in November 2021</p>	<p>New applications were received in 2022/23, with assessments fully implemented.</p>

IA Report Ref	Weakness	Further Management Action to Address Outstanding Weakness Dec 2021	By Who	By When	Current Progress October 2022
	properly supported with appropriate evidence of income and expenditure.	assessment of allowances in Children's Services. We will ensure that all assessments are supported by the appropriate evidence as required by the Adoption Financial Support policy. Adopters will be contacted to provide documentation not submitted.	Internal Audit, Accountancy Finance Officer	November 2021/ on-going	
2.09	Assurance could not be given that financial assessments for new claims were being correctly calculated and completed in a timely manner.	Project group to be established to review current practices in assessment of allowances in Children's Services. Financial assessments will be correctly completed in a timely manner. As part of the project group we will look to ensure more members of NCC staff are trained to understand and can complete / review financial assessments.	Children's Services Management Team, Commissioning and Contracts Team, Internal Audit, Accountancy Finance Officer Commissioning & Contracts Manager	Project Group to convene in November 2021 November 2021 / on-going December 2021	New applications were received in 2022/23, with assessments fully implemented. Independent checks to be applied.
3.08	Assurance could not be given that income and expenditure details had been cross-checked	Project group to be established to review current practices in	Children's Services Management Team, Commissioning and Contracts Team,	Project Group to convene in November 2021	The integration of independent checks into the process helps to

IA Report Ref	Weakness	Further Management Action to Address Outstanding Weakness Dec 2021	By Who	By When	Current Progress October 2022
	against the previous assessment to allow any discrepancies to be investigated.	<p>assessment of allowances in Children's Services.</p> <p>The officer completing the financial assessment will take into account and review the income and expenditure declared against the previous assessment. Any discrepancies will be investigated and formally documented.</p>	<p>Internal Audit, Accountancy.</p> <p>Commissioning & Contracts manager</p> <p>Finance Officer</p>	Upon next assessment / On-going	ensure a consistency of approach.
3.09	Overpayments had not been recovered in respect of retrospective changes that adopters had failed to notify and decisions to apply increases in awards retrospectively were not covered within the Adoption Financial Support Policy.	<p>Project group to be established to review current practices in assessment of allowances in Children's Services.</p> <p>Adopters will be periodically reminded to notify the Council of any change of circumstance promptly which may impact on their financial assessment.</p> <p>Once notified of a change, the assessment will be reviewed and any overpayments recovered as per the agreed policy.</p> <p>As part of the project group we will look to</p>	<p>Children's Services Management Team, Commissioning and Contracts Team, Internal Audit, Accountancy.</p> <p>Commissioning & Contracts Manager</p> <p>Finance Officer</p>	<p>Project Group to convene in November 2021</p> <p>April 2022</p> <p>Upon next notification / on-going</p>	<p>Project Group completed review of practices</p> <p>Correspondence sent to adopters at beginning of 22/23 to remind them of the need to notify the Council of any change in circumstances where relevant.</p> <p>Ongoing</p>

IA Report Ref	Weakness	Further Management Action to Address Outstanding Weakness Dec 2021	By Who	By When	Current Progress October 2022
		amend the Adoption Financial Support Policy to cover retrospective increases in awards.	Service Manager – Resources	December 2021	The policy is being reviewed and will be updated in accordance with the recommendations by 30 th November 2022

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Report

Governance and Audit Committee

Part 1

Date: 27 October 2022

Subject Annual Corporate Well-being Self-Assessment Report 2021/22

Purpose For the Governance and Audit Committee to review and consider the process undertaken to complete the annual Corporate Well-being Self-Assessment Report and to make recommendations as necessary for Cabinet to consider.

Author Director of Transformation and Corporate
Head of People, Policy and Transformation

Ward All

Summary The Local Government and Elections (Wales) Act 2021 requires local authorities in Wales to undertake a Self-Assessment of its governance and performance.

Newport City Council has integrated its Annual Report with its annual Well-being Report to provide an overview on the effectiveness of the Council's Governance and Performance arrangements to deliver its Corporate Plan and services. The Council's Self-Assessment requirements has also considering the findings and assessments completed in other statutory annual reports.

The role of the Council's Governance and Audit Committee is to ensure the self-assessment has been completed in accordance with the Act; review the draft report with its considerations and actions; and propose recommendations for change. The final report will be presented to Cabinet in November for approval.

Proposal To provide the Governance an Audit Committee with an overview the Council's Corporate Annual Report 2021/22 and to make any recommendations for improvement to the report.

Action by Executive Board
Corporate Management Team

Timetable Immediate

This report was prepared after consultation with:

- Executive Board
- Corporate Management Team

Signed

Background

In February 2021, the Local Government and Elections (Wales) Act 2021 replaced the improvement duty for Councils set out in the Local Government (Wales) Measure 2009. The Act provides a new and reformed legislative framework for local government elections, democracy, governance and performance. One of the requirements of the Act is for local authorities in Wales to:

- Conduct an annual self-assessment of performance and;
- Conduct periodic review to provide an external, expert perspective on performance

To support the implementation of these requirements, Welsh Government published guidance for local authorities to consider that will suit its own governance and performance monitoring requirements. Welsh Government guidance can be found [here](#). The requirements are set out as:

1. Keep performance under review – ensuring that the Council is exercising its functions effectively; using its resources economically, efficiently, and effectively; and that governance arrangements are effective for securing these areas.

2. Duty to consult on performance – ensuring that Councils consult with local people, businesses operating in Newport, Council staff and Trade Unions.

3. Duty to report on performance – demonstrating the extent to which the Council has performed in the previous financial year, the action it intends to take or has taken to meet and increase upon performance requirements.

In [May 2022](#), the Governance and Audit Committee (GAC) received a report informing the proposed approach that the Council was going to undertake the Self-Assessment. The agreed approach was to combine the Self-Assessment with the Council's existing annual Well-being report and to integrate the reporting of other annual performance reports.

Role of The Governance & Audit Committee

One stipulation in the Act is that the Self-Assessment is reviewed by the Council's (GAC) and that it is formally approved by the Council's Cabinet. The role of the Councils GAC is to ensure the self-assessment has been completed in accordance with the Act; review the draft report with its conclusions and actions; and proposing recommendations for change before the report is presented at Cabinet.

Key Findings of the Well-being Self-Assessment Report 2021/22

The Annual Report 21/22 (appendix one) provides an overview of the progress Newport City Council made towards delivering its Well-being Objectives set out in the Corporate Plan 17-22. The Report examines its corporate governance, financial performance, risk management and other annual performance reports which are reported through the Council's Scrutiny and Cabinet / Cabinet Member process. In addition to this, the Report also provides an overview of how it has engaged and involved residents, public, staff and trade unions in its decision making throughout 2021/22.

In 2021/22 the Council's Corporate Plan was focused on the following four Well-being Objectives:

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

For most of 2021/22, Covid restrictions remained in place for communities and businesses in Newport. Across the Council, teams have been working hard to deliver services and ensure its citizens receive support and access to its provisions. The Corporate Annual Report highlights the achievements made by the Council in the year and the following has been successfully delivered by Newport City Council:

Well-being Objective 1- Education, Skills and Employment

- Remote learning was a challenge during periods of school closures. Using funding from Welsh Government EdTech fund, 6,587 Chromebooks, 1,146 laptops, 766 Apple devices and 146

charging trolleys were delivered to schools to support pupils. The funding was also used to support pupils to access internet with 504 MiFi devices up to 31st July 2021.

- The Council's Neighbourhood Hubs and Community Centres have been supporting communities to access digital services and adult learning jobs in the city.

Well-being Objective 2- Economic Growth Whilst Protecting the Environment

- In March 2022, the multi-million pound regeneration scheme Newport Market was completed and opened to the public. The large and vibrant indoor market has a host of new traders, a food court and event spaces.
- Newport City Council declared an Ecological and Climate Emergency. Climate Change is one of the biggest challenges of our generation and there is an urgent need for us to act and limit global temperature rise. As an organisation the Council has taken positive steps to reduce our carbon emissions in line with the Carbon Management Plan.

Well-being Objective 3- Health and Well-being of citizens

- Children Services have been involved in a number of key projects throughout 21/22. Newport Council has been a strong supporter for Maethu Cymru/Foster Wales work to promote and encourage people to become Foster Carers in Newport.
- Newport City Council is committed to improving the city's transportation network to make walking and cycling more appealing and safe option for people. Over the past year, the Council has been delivering various schemes across Newport such as Monkey Island Active Travel, new links through Tredegar park and the new Devon Place Footbridge.

Well-being Objective 4- Cohesive and Sustainable Communities

- The Welsh Language standards continues to drive the Council to continually improve the delivery of bilingual public services to businesses. In September 2022, the Welsh in Education Strategic Plan (WESP) will set out the Council's ten-year ambitious plan.

The report also highlights where the Council is underperforming in relation to its performance measures and the action being taken to improve performance across the Council.

The second part of the report focuses on the Council's corporate governance and performance arrangements referring to other annual reports published by the Council e.g Welsh Language, equalities, compliments, comments and complaints report, Information risk report as some of the examples highlighted. The Report also provides an overview of where the Council has consulted, engaged and involved residents, businesses, staff and trade unions in matters relating to its decisions and performance.

In the Council's overall conclusion, the Corporate Governance and performance arrangements remained effective in managing its overall corporate governance, internal control and risk management arrangements. This is supported by the Council's Annual Governance Statement. In addition to this, 15 recommendations and actions have been identified to improve existing governance and performance arrangements which will be integrated into the relevant service area plans for monitoring and reporting.

Next Steps

The conclusions and recommendations by the Council's GAC will be considered alongside the recommendations of the Council's Overview Scrutiny Management Committee before it is presented to Cabinet in November 2022.

The agreed report will be shared with Welsh Government, and its three Regulatory bodies (Audit Wales, Care Inspectorate Wales and Estyn). A final published version will also be made available on the Council's website in Welsh and English.

As this is the first year of the Self-Assessment, we will review the process undertaken considering views of stakeholders, and learning from other local authorities.

Appendix 1 – DRAFT Annual Corporate Well-being Self-Assessment Report 21/22

Financial Summary

There are no direct costs associated with this report.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Non-compliance with the Local Government & Elections Act	M	L	The approach outlined in the report will mitigate against non-compliance with the Act.	Director for Corporate and Transformation

*Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Corporate Plan 2017-22

Options Available and considered

1. Governance and Audit Committee to provide comments and recommendations on the Council's approach to the Annual Report note the contents of this report and the approach that the Council will undertake to comply with the new requirements set in the Local Government & Elections Act 2021.
2. Governance and Audit Committee do not accept the contents of the report and require further information to support the Council's approach proposed.

Preferred Option and Why

1. Option 1 is the preferred option and Officers will consider any feedback received in relation to report presented.

Comments of Chief Financial Officer

There are no direct financial implications arising as a result of this report. The report highlights the impact of COVID and cost of living crisis through 2021/22 and the ongoing financial pressures that had been managed through the Welsh Government Hardship Fund and other specific WG grant funding. The report also highlights the financial aspects of other actions delivered throughout the year.

The Council's Corporate Plan and the delivery of the four Well-being Objectives in 21/22 were reflected in the Medium Term Financial Plan. The report also acknowledges where recovery was supported by Welsh Government grant funding, including the Hardship Fund. The link between the Corporate Plan and Medium Term Financial Plan will continue to be monitored and updated as the Corporate Plan progresses. Any necessary changes to the MTFP will be identified and implemented if required. These are reflected in the Council's Statement of Accounts and Annual Governance Statement.

As the report highlights, moving forward the delivery of the new Corporate Plan will have to consider new challenges around the cost of living and inflationary pressures and opportunities to improve our services. These will be reflected in the future budget, MTFP and Capital programme.

Comments of Monitoring Officer

There are no specific legal issues arising from the report. The Local Government & Elections (Wales) Act 2021 has removed the previous statutory duty under the Local Government (Wales) Measure 2009 for

councils to secure continuous improvement in the delivery of services. The continuous improvement duty has been replaced by a more flexible performance self-assessment process which requires the Council to keep under review the extent to which it is exercising its functions effectively, using its resources economically, efficiently and effectively and has in place effective governance arrangements to secure these performance requirements. As part of that self-assessment process, the Council is required to produce an annual self-assessment report, setting out its conclusions on the extent to which it has met these performance requirements and any actions it intends to take, or has already taken, to increase performance. How the Council develops and publishes the annual self-assessment performance report is a matter for the Council to determine. The agreed approach, as previously endorsed by Governance & Audit Committee, is to combine the performance self-assessment with the Council's existing annual Well-being report and to integrate the findings of other annual performance reports. Therefore, this annual self-assessment report has been prepared on that basis. Governance & Audit Committee have a statutory role under the 2021 Act to review, assess and make reports about the effectiveness of the arrangements the Council has put in place for the performance assessments to meet the requirements of the legislation and can make recommendations for changes to the conclusions or actions contained in the draft report. However, any comments or recommendations must relate to the effectiveness of the processes and arrangements, and whether they should be more rigorous or comprehensive, not the performance itself. Overview & Scrutiny Committee will consider any performance issues in relation to meeting the well-being and strategic objectives set out in the Corporate Plan.

Comments of Head of People, Policy and Transformation

The Wellbeing of Future Generations Act requires the Council to publish its Annual Report on progress of delivery against the Corporate Plan 2017-22. Additionally, with the Local Government Act this report provides an opportunity to combine its self-assessment to provide a holistic overview of the Council's governance performance arrangements. As the Annual Report highlights, is continuing to make good progress in the delivery of its strategic priorities and continues to improve its governance arrangements. The launch of the new Corporate Plan later this year will build on the Council's lessons learned and strengthen its arrangements. The Council recognises continuous improvement needs to be made and will consider the recommendations of both the GAC and scrutiny before it is presented to Cabinet in November.

Scrutiny Committees

This report will be presented to the Overview Scrutiny Management Committee at the end of October and its recommendations will be considered as part of the final report to Cabinet in November.

Equalities Impact Assessment

As this is an information only report there is no requirements to complete an Equalities Impact Assessment.

The Annual Report provides a summary of the Council's Equalities Annual Report which provides an overview of activities undertaken in relation to equalities, consultations and engagement.

The final version of the report will be published in Welsh and English.

Wellbeing of Future Generations (Wales) Act 2015

The Annual Report has considered the five ways of working principles in the delivery of the Well-being Act.

Consultation

Considered by Governance and Audit Committee and Cabinet.

Background Papers

Corporate Plan 2017-22

Well-being of Future Generations Act

Welsh Government Guidance on Performance and Governance Self-Assessment

Dated: 20th October 2022

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DRAFT - Annual Corporate Well-being Self- Assessment Report 2021/22



NEWPORT
CITY COUNCIL
CYNGOR DINAS
CASNEWYDD

Improve skills, education, and employment opportunities

Promote economic growth and regeneration whilst protecting the environment

Enable people to be healthy, independent, and resilient

Page 39
Build cohesive and sustainable communities

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Leader's Foreword

To be added in final version

DRAFT

Chief Executive Summary

To be added in final version.

DRAFT

Purpose of the Annual Report

Welcome to the 2021/22 Annual Report for Newport City Council. This report outlines the progress Newport City Council is making towards delivering its Well-being Objectives set out in the **Corporate Plan 2017-22**. The report is a self-assessment and reflection back on the achievements we have made in the year, the challenges that we have faced and the lessons that have been learned. It also looks forward to what will be delivered for Newport and its communities for the next year and beyond.

The objectives that we have set in the Corporate Plan contribute towards the seven goals set out in the **Well-being of Future Generations Act (Wales) 2015**. The Act requires all public bodies to deliver sustainable development that improves the economic, social, environmental, and cultural wellbeing of citizens in Wales.

This means that when decisions are made the impact that these decisions will have on the communities, businesses and those that use the Council's services must be considered and that, in meeting their present needs, this does not compromise the longer-term needs of future generations.

In 2021/22, Newport Council's mission continued to be to *'Improve People's Lives'* and to achieve the four Well-being Objectives set in the Corporate Plan at that time. These were:

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

The delivery of the Corporate Plan also supports the administration's manifesto (2017-22). The aims of which were a working Newport, a learning Newport, a fairer Newport, a safer Newport, a more sustainable Newport, a vibrant Newport, and the future of Newport.

For most of 2021/22, Covid restrictions remained in place for communities and businesses in Newport. It was recognised that these restrictions impacted on the delivery of services. Delivery against the four Strategic Recovery Aims were reported to the Council's Cabinet throughout 2021/22 as services moved back into more business-as-usual routines. However, this did not mean all services went back to pre-pandemic arrangements and where changes were found to be beneficial to service users these have remained in place. The four Strategic Recovery Aims were:

1. Understand and respond to the additional challenges which Covid-19 has presented including loss of employment, impact on businesses and on the progress, achievement, and wellbeing of both mainstream and vulnerable learners.
2. Understand and respond to the impact of Covid-19 on the city's economic and environmental goals to enable Newport to thrive again.
3. Promote and protect the health and wellbeing of people, safeguarding our most vulnerable and building strong, resilient communities.
4. Provide people with the resources and support they need to move out of the crisis, considering in particular, the impact that Covid-19 has had on our minority and marginalised communities.

About Newport

Newport is a city with a rich and a clear vision for growth and development. Situated on the River Usk that has served as a port since medieval times when the first Newport Castle was built by the Normans. Since the industrial revolution, Newport was built on the coal and steel industries which saw the city becoming one of the key ports in the export of coal and steel across the world. Its rich cultural heritage can be seen across the city with sites such as Tredegar House, Transporter Bridge, Medieval Ship, Belle Vue Park, International Conference Centre, Rodney Parade, Civic Centre, and Chartist Tower. Newport has welcomed people from across world that have called this City as their home and has seen many big events take place such as the Ryder Cup in 2010, 2014 NATO summit and the Welsh Marathon. Further information on Newport can be found [here](#).

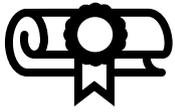
Local Government Act Self-Assessment

In 2021/22, the Local Government and Elections (Wales) Act 2021 was passed and now requires a [Self-Assessment](#) of its governance, and performance for its previous reporting year. To meet this requirement, this year's report will now incorporate the self-assessment requirements and will include an action plan at the end of the report that will support how the Council will improve its governance and performance arrangements. The action plan will integrate the findings and recommendations from other annual performance and governance reports. This will also consider any recommendations from the Council's Governance and Audit Committee and Overview Scrutiny Management Committee.

This report will provide an overview of the key performance measures that are assessed against each Well-being Objective (these can also be found in the Council's [service areas plans for 2021/22](#)). Where measures are reporting amber or red against their target, an explanation will be provided of the reason(s) why and actions being taken to improve performance.

Following the introduction of the Local Government Act 2021 and with the ongoing Covid restrictions in 2021/22 the Welsh Local Government Association and Data Cymru did not undertake any formal benchmark reporting of performance across local authorities in 2021/22. In addition, Public Accountability Measures that were used to benchmark local authority performance have also been removed. In 2022/23, Newport Council will be considering the reintroduction of benchmarking to support the delivery of the new Corporate Plan, subject to information from Data Cymru. Further information will be provided through the Council's Planning and Performance Policy.

Newport Statistics

 <p>159,600</p>	 <p>£3.78bn</p>	 <p>75.7% (72,700) / Wales 76.5%</p>
<p>Population (Census Population, ONS 2021)</p>	<p>Gross Value Added (GVA) (2020) (Office for National Statistics)</p>	<p>Economically Active (NOMIS, ONS March 2022)</p>
 <p>4.9% (3,500) / Wales 3.8%</p>	 <p>117 per 1,000 population</p>	 <p>24.3% / 23.5%</p>
<p>Unemployed (NOMIS, ONS March 2022)</p>	<p>Police Crime Recorded March 2022 (Recorded Crime Data, ONS July 2022)</p>	<p>Economic Inactivity (NOMIS, ONS March 2022)</p>
 <p>5.4% (5,290) / Wales 3.8%</p>	 <p>£573.2 / Wales £570.6</p>	 <p>39.8% (36,900) / Wales 38.6%</p>
<p>Claimant Count March 2022 (NOMIS, ONS March 2022)</p>	<p>Gross Weekly Pay 2021 (NOMIS, ONS March 2022)</p>	<p>Qualifications NVQ4 and Above (NOMIS, ONS Dec 2021)</p>

Newport City Council Delivering for Newport, Gwent, and Wales

Newport City Council is a single tier unitary authority, responsible for the discharge of all local government functions and the delivery of all local authority services within the City of Newport. In 2021/22 there were 50 **Councillors** (31 – Labour, 12 – Conservatives, 4 – Newport Independent Party, 2 – Liberal Democrats and 1 – Independent). In Newport, the Labour Party is the majority political group on the Council and forms the Council's Cabinet which acts as the Council's executive decision-making body. The non-executive members of the Council participate in decision-making at full Council and on Regulatory Committees (such as Planning and Licensing) where the decisions are not the responsibility of the Cabinet or Cabinet Members. In addition, the non-executive Councillors are responsible for holding the Cabinet and Cabinet Members to account, providing scrutiny and regulatory reviews to ensure that decisions, operations and processes comply with the **Council's Constitution** and deliver the intended outcomes. The Council's decision-making processes and the roles and responsibilities of elected members and officers are set out in the Council's written Constitution, which ensures that the Council's governance arrangements and performance are efficient, transparent, and accountable to local people.

Local Elections May 2022

On 5th May 2022, local authorities across Wales held Local Elections to determine who will represent the wards across their boundaries. In Newport, the number of wards increased from 50 to 51. The results of the elections in Newport were: 35 – Labour, 7 – Conservative, 3 - Newport Independents Party, 4 Independent, 1 – Liberal Democrat, and 1 – Green Party. Full details of the new Council can be found through the Annual General Meeting (AGM) [here](#).

Corporate Plan 2022-27

Following the Local Elections in May 2022, the Council will launch a new five-year Corporate Plan in the Autumn 2022. In developing the Corporate Plan and its Well-being Objectives, the Council will determine its future priorities will be that will contribute to Wales' Well-being Goals, support the commitments of the new administration, and deliver transformational change. The outcomes from this report will also contribute towards developing Newport Council's strategic priorities in the next Corporate Plan.

Newport Council Restructure

In 2021/22, the Council's Chief Executive received endorsement from [Full Council](#) to restructure the organisation to support the additional legislative requirements and to deliver the necessary transformational change in the next Corporate Plan. Following an extensive recruitment process, the Council has appointed three new Directors alongside the Chief Executive that will oversee Environment and Community; Social Services; and Transformation and Corporate. The number of service areas also increased from eight to 11, reporting to the Directors.

Regional and Partnership Working

Gwent Regional Public Services Board (PSB)

In 2021/22, the five Gwent PSB members (Blaenau Gwent, Caerphilly, Monmouthshire, Newport, and Torfaen) alongside statutory partners Aneurin Bevan University Health Board, South Wales Fire & Fire and Gwent Police agreed to form a single regional PSB. A new Well-Being Plan will be in place from 2023 following the completion of the One Newport Well-being Plan 2018-2023.



The [One Newport partnership](#) is a group led by Newport City Council alongside some of its strategic partners - including Natural Resources Wales, Aneurin Bevan University Health Board (ABUHB) and South Wales Fire and Rescue Service. It also includes other public sector bodies such as Gwent Police, Newport Live, University of South Wales and other third sector partners.

The One Newport PSB has its own [Well-being Plan 2018-23](#) and delivers an annual [Well-being Report](#) on what the partnership group has delivered in 2020/21. This report will highlight some of these projects delivered and how the council has contributed and supported this work.

The [Gwent Regional Partnership Board](#) (RPB) is responsible for the integration of services to support older people with complex needs and long-term conditions, people with learning disabilities, carers (including young carers), integrated family support services and supporting children with complex needs. The Gwent RPB includes the five Gwent local authorities and ABUHB.

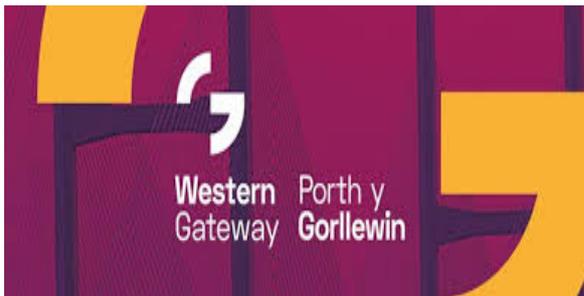


To support the delivery of this work Gwent RPB has a [Regional Area Plan](#). Progress against the delivery of this Plan is reported through the RPB Annual Report which can be found through the link [here](#).



[Cardiff Capital Region](#) (CCR) consists of the 10 local authorities (including NCC) in South East Wales delivering a large-scale regional investment in skills, digital, sites and property and innovation. In 2021/22 as part of the new Local Government Act, CCR will obtain new powers in 2022/23 to become a Corporate Joint Committee (CJC). Further information on the Governance arrangements for CCR can be found [here](#). The Council has Cabinet Member(s) and officer representation at key strategic board meetings enabling key investments into Newport.

CCR delivers large scale regional projects and investments including as an example the City Deal including the South Wales Metro, Regional Skills Development programme and from 2022/23 the UK Government Shared Prosperity Fund.



The [Western Gateway](#) is a cross border economic partnership of local authorities, city regions, local enterprise partnerships and governments and goes one step further than regional. Originally comprising the Great Western cities of Bristol, Cardiff, and Newport, it now incorporates eight cities and extends from Swansea to Swindon. The focus is to propel transformative, inclusive, and greener growth as part of building a new future for the British economy. Delivering this vision will add more than £56bn to the UK economy by 2030, helping us to lead to a net zero future.

Well-being Objective 1 - Education, Skills, and Employment

We want to give every child in Newport the opportunity to have the best start in life - from the very early years through to secondary and tertiary education, eventually into employment. The aim is also for adults to have the opportunities to upskill and strengthen their prospects and maximise their potential and support Newport's economy.

Improving educational and employment opportunities has been shown to have a significant impact on the health and wellbeing of individuals. This also contributes towards breaking the structural inequalities experienced by protected characteristic groups, improves prosperity of individuals and communities to move out of poverty and overall improve the socio-economic position of the city.

The last two years have had a significant impact on young people due to the disruption to continuity of education and school life with the COVID restrictions. Despite this schools and families have demonstrated great resilience and adaptability to manage the situation. But it has also had an impact on the health and mental well-being of young learners and the inequalities faced by many families to access digital and home learning support.

As the economy has been recovering, new opportunities are emerging for people to access flexible and sustainable employment. But this also means providing people with the necessary skills and training to be able to gain the necessary qualifications and re-enter the job market. The role of the Council's Hubs and online support is a key mechanism to people to access training and gain confidence to improve their lives.

This section provides a summary of the work the Council, schools and partners have undertaken in 2021/22 and how the as part of the Council's Well-being Objective and Strategic Recovery Aim, the Council has supported education services to recover and thrive. The key Steps in this area were:



A Prosperous Wales



A More Equals Wales



A Globally Responsible Wales

Well-being Objective One – To improve skills, education, and employment opportunities		Strategic Recovery Aim one – Support education and employment.	
Steps		Steps	
1	Improve school attainment levels and ensure best educational outcomes for children.	Support schools and other education establishments to safely reopen for both staff and pupils.	
2	Support young people into education, employment, and training.	Work to prevent and reduce inequality of progress and outcomes in education for mainstream and vulnerable learners through the implementation of the National Continuity of Learning Plan.	
3	Reduce inequalities in education by improving educational outcomes for pupils disadvantaged by poverty.	Support schools to enhance and develop digital skills, digital teaching and learning platforms and enhanced support for digitally excluded learners.	
4	Improve basic skill levels and increase personal capacity to assist more people to enter sustained employment, training, or education	Support and enable people that are digitally excluded to access community IT programmes, Council services and other public services.	
5	Produce and implement a strategy for the delivery of Adult Community learning and lifelong learning opportunities.	Support people who have been affected by unemployment to access new opportunities through training and re-employment required for post Covid-19 businesses.	
6	Development of digital skills through support for schools and community IT programmes including a Digital Inclusion Charter	Ensure our diverse communities are appropriately supported through tailored interventions specific to their needs.	
7	Improve school attendance, reduce exclusions, and improve safeguarding and well-being.		

The Covid pandemic continued to impact on the delivery of Education services to our young learners in schools and also to people in our communities. Despite these challenges, schools and community services continued to put the well-being of pupils, staff, and their families at the centre of its delivery. A collaborative approach between the schools, Council, Public Health Wales, Estyn, Education Achievement Service (EAS), pupils and families ensured schools remained safe and inclusive teaching environments.

In January 2022, the [Council's Cabinet](#) approved the Welsh in Education Strategic Plan (WESP) 2022-2032 and was formally agreed by Welsh Government in July 2022. The Plan supports the Council's commitment to improve the provision of Welsh-medium education and supports the Welsh Government's 'Cymraeg 2050' goal to ensure that there are 1 million Welsh speakers across Wales by 2050. The development of the Plan engaged stakeholders from across our communities and from September 2022 we will start delivering against these priorities.

As part of the WESP and Sustainable Communities for Learning Programme (formally 21st Century schools programme), the Council opened Ysgol Gymraeg Nant Gwenlli, Newport's fourth Welsh-medium primary school, in September 2021. Other notable developments in the programme included the commencement of the £31m Bassaleg School redevelopment project which will increase the pupil capacity by 300 places and provide long term sustainable facilities.

The capacity of Ysgol Bryn Derw was also increased from 68 to 96 places to ensure additional dedicated provision for Foundation Phase pupils with a diagnosis of ASD. A new federation between Gaer Primary School and Maesglas Primary School also took effect from January 2022, and as a result a single consolidated governing body has been established to oversee both schools.

There is a need to ensure young learners are able to have access to and use digital technology to support their learning. Digital inequality means that low-income families are unable to access internet services or have suitable devices for learners to complete their work. In collaboration with Welsh Government and the Council's Shared Resource Service, the EdTech grant fund over the last two years has enabled schools to increase their digital devices to support pupils with:

- 6,587 Chromebooks
- 1,146 laptops
- 329 Personal Computers
- 766 Apple devices
- 106 digital projectors
- 105 interactive screens
- 146 charging trolleys



The funding was also used to support pupils to access the internet with 504 MiFi devices up to 31st July 2021. 152 parents with existing mobile contracts were supported to apply for mobile data uplifts via their school and Council. To ensure this programme is able to provide sustainable and long-term support, the Council has established a sustainability funding to support infrastructure updates across all schools.

There are several challenges faced by schools and the Council's Education service to support pupils back into school routines. School attendance across primary (91.4%) and secondary schools (88.2%) has fallen since pre-COVID levels. This has been particularly challenging as COVID outbreaks have forced many pupils to miss school as well as impacting pupil's mental health. Education Welfare Officers (EWOs) have been working closely with schools, pupils, and their families to prevent long-term absenteeism. EWOs have supported pupils and their families to improve attendances and promote the benefits of education. The Council has also seen an increase in the number of Elective Home Education (EHE). As of 31st March 2022, 199 children were known to be EHE. Welsh Government funding has been used to introduce a Family Liaison Officer to provide extra capacity to support parents with engagement activities as well as a regular newsletter with the latest updates, information and signposting for additional support.

The implementation of the Additional Learning Needs (ALN) Act across schools and Education services has been a significant challenge for the Council. To support its implementation the training and support has been provided and an additional six Inclusion officers and two Statementing Officers have been appointed to support the schools. For Children looked after by the Council, enhanced support has been provided across the school clusters. In Bassaleg well-being support has been provided through a range of activities including bespoke intervention training for Llisbury, creating ACE ambassadors. In John Frost, reading schemes have supported learners to achieve reading ages closer to or exceeding their chronological ages.

The Council is committed to ensure young learners requiring specialist support have access to provisions in the City. Commissioning of Social, Emotional, Behavioural Difficulties (SEBD) independent provision in Newport has improved pupil satisfaction, reduced costs and travel time. Moving forward, steps are being made to expand the capacity of the provision already provided by Catch 22 and Newport Live in 2022/23. The expansion of Ysgol Bryn Derw has also enabled the reduction of pupils with Autism being placed outside of Newport and complex cases being maintained at a local authority provision.

Throughout the last year, the Council's Neighbourhood Hubs and Community Centres have been supporting communities to access digital services, adult learning and jobs in the City. For families that do not have access to digital equipment or the internet, the Council's Flying Start, Families First and health visitors provided tablets and Wi-Fi packs which enabled them to access public services.

In collaboration with Save the Children UK, Emergency Response Grants for Parents and Children at Home were provided to ensure continuity of children's early learning and minimise inequalities in the home learning environment since the start of the Pandemic. These grants provided families living in poverty with essential items and an Early Learning Pack.

In 2021/22, the UK Government launched the pilot Community Renewal Fund for local authorities across the UK to competitively bid for funding and deliver community, education, training, and recruitment projects. Newport Council received applications from a range of private, not for profit, education, and public organisations. Seven organisations successfully received over £2.7m of funding to support their projects.

One of the successful projects was Ffilm Cymru and their 'Foot in the Door' project aimed at providing opportunities for young people and those from disadvantaged backgrounds to work in the film and creative industry. In collaboration with our Community Regeneration team, the project was able to use our facilities to help promote and hold workshops across Newport.



Newport Council's Community Regeneration teams have been supporting local businesses and sectors to attract new employment opportunities for residents. In collaboration with the Department for Work and Pensions (DWP), the Kickstart programme supported employers to provide six months work for young people (16-24 year olds) who were at risk of long term unemployment. 28 placements were offered, and four participants were able to gain valuable experience and skills. The placements were successful in securing permanent job opportunities at the end of the programme. In addition to this the DWP Restart Programme also provided opportunities for residents in receipt of Universal Credit and had been out of work for at least 12 months with complex barriers from finding work. Between August and March, the programme received 191 referrals and 28 participants were successful in moving into employment with a further 37 outcomes also achieved.



Communities for Work+ - Emmad's Story

Emmad is a highly qualified teacher from Syria with experience working with high school children and children with special education needs. Emmad was studying ESOL Level 2 at college and needed spend more time with other English speakers.

Emmad was referred to an Adult Learning Wales project called "Steps to Integration Success" and was able to meet other EU nationals where English was their second language. In addition to this we also supported Emmad develop his CV to apply for restaurant work. Emmad successfully obtained Food Safety certificate and found work at a local restaurant.

Emmad is also seeking a voluntary position with education to use his skills to support young people. Further information on how NCC can support residents with learning new skills and training can be found on our website at [NCC Community Learning](#).

The Council's Adult Community Learning Programme also recommenced from September 2021 and the Council hosted several job fairs during the year supporting key sectors impacted by the Pandemic. This included supporting Celtic Manor, Mercure Hotel (Chartist Tower) hospitality sector and the Care Sector. The Mercure Recruitment events were a great success and held across the four Neighbourhood Hubs. Mercure's feedback to the Council:

We had over 100 candidates attend over the course of the four days and have been able to offer several jobs. The quality and standard of candidates was very high which made our decision making difficult when selecting the candidates who were successful. I could not offer everyone I met a job however I now have a talent bank of people who I may have opportunities for in the future. It was a great experience and wonderful to meet people from the local community who would love to be part the Mercure Hotel, Newport.

In January the Council's Work & Skills team partnered with Acorn Recruitment Agency and held recruitment sessions in each Hub with 62 people signing up with Acorn. Linking in with the Council's Youth Academy, opportunities were provided for young people to obtain necessary food safety and customer service qualifications to enable them to work for hospitality sector.

Performance Analysis 2021/22

In 2021/22, due to the COVID pandemic and restrictions, the benchmarking and reporting continued to be suspended by Welsh Government.

Performance Measure (NCC Measure unless stated)	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18
% Young people Not in Education, Employment and Training (NEET) year 11	1.3%	1.8%	1.4%	0.9%	1.1%	1.3%
% of young people NEET year 13.	1.09%	2.6%	1.1%	1.8%	1.7%	1.5%

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18	Explanation
% of 16-18 year olds not in education employment or training.	2.6%	1.7%	2.6%	2.6%	2.6%	2.75%	Despite the range of interventions implemented during the year, the number of 16-18 years old who were not in education, employment or training (NEET) on 31 st October 2021 was higher than the local authority's aspirational target with total of 94 of over 3,400 school leavers without a confirmed destination (56 x 16 year olds; 8 x 17 year olds; 30 x 18 year olds.)

							However, the overall number of 16-18 year olds who were recorded as NEET remains in line with performance over the last 3 years.
% young people recorded as unknown following compulsory education	1.1%	0.5%	2.1%	No Data	1.2%	0.7%	Due to Covid many young people have suffered from Mental Health concerns and this has prevented their transitions as they have felt safer to stay at home rather than progress. A range of support from partners have been introduced in order to encourage the young people recorded as unknown following compulsory education to assist and identify those as vulnerable with their wellbeing as part of the post Covid-19 recovery. Although the % was higher than predicted by the authority at an increase of 0.6% it has reduced by 1% on the previous year.
No. of people improving skills & qualifications	293	350	239	994	487	Not Available	Covid related restrictions during 21/22 hindered the delivery of classroom-based training courses and therefore the target for this year was not met.
Number of people supported into employment	348	350	221	451	434	Not Available	Due to Covid restrictions around open access we have been unable to support participants in the usual way with face-to-face services and this has impacted the number of people supported.

Well-being Objective 2 – Economic Growth Whilst Protecting the Environment

Newport is Wales’ fastest growing city which is uniquely positioned in southeast Wales served by road, rail, sea, and air, making it an ideal location for businesses and investments to locate.

Newport Council wants the city to sustainably grow providing opportunities to attract major external investment into the city such as Microsoft, Vantage Data Centres and IQE Ltd alongside more inward and homegrown businesses such as Tiny Rebel, Wales & West Utilities, Celtic Manor.

Newport is also a City that has a unique heritage and cultural assets that rival other cities in the UK and abroad. These include one of only six transporter bridges in the world which dominates the Newport skyline as well as Caerleon’s Roman fortress and baths, Tredegar House, and the Newport Wetlands Nature Reserve.

We want Newport to be a destination for residents and visitors to benefit from, enabling our communities to make Newport a great place to live, work and enjoy. But to continue this in the long term for future generations to use, we must also protect environment and the biodiversity of our urban and rural places. We are fortunate to have the Gwent Levels which is home to some unique habitats and wildlife while the city has some amazing green and woodland areas for people to enjoy and improve their well-being.

The COVID pandemic and wider global events are also having a significant impact on our economy. We must be ready for the new digital innovations that will change the way we live and work. It is for these reasons why Newport Council wants to ensure the city has the resilience to respond to these pressures but also provide equitable opportunities across public, private, third sector and communities.



A Prosperous Wales



A Resilient Wales



A Globally Responsible Wales



A Wales of Vibrant Culture and Thriving Welsh Language

Wellbeing objective two – To promote economic growth and regeneration while protecting the environment		Strategic recovery aim two – support the environment and the economy
Steps		Steps
1	Specialise in high value business growth.	Maintain our focus on regenerating Newport to deliver existing and new investment projects.
2	Grow the economy as part of the wider region – collaboration for competition.	Enable and support the construction industry to re-establish the supply of new and affordable housing.
3	Promote and innovate for entrepreneurship, support indigenous development	Enable and support businesses to re-establish normal operations whilst maintaining the health and safety of their workers and customers.
4	Create an economic environment to support population growth.	Enable and support businesses to prepare for future trade arrangements resulting from Brexit negotiations.
5	Deliver a digital strategy with improved connectivity in the city with access for citizens, partners, and businesses	Protect and improve the environment, including air quality and decarbonisation of the city for its residents, businesses and visitors.
6	Recognise and promote the importance of fast, reliable, and frequent public transport links for the connectivity of the city	Continuing support and safe delivery of the Council’s City Services including waste, cleansing and highways.
7	Maintain our focus on regenerating the city centre to become one of the UK’s top cities	
8	Improve school attendance, reduce exclusions, and improve safeguarding and well-being. (See WB Objective 1)	
9	Maximise environmental opportunities	

Wellbeing objective two – To promote economic growth and regeneration while protecting the environment		Strategic recovery aim two – support the environment and the economy
Steps		Steps
10	Work with communities and schools on a range of countryside, biodiversity & recycling related matters	
11	Increase household recycling and divert waste from landfill	
12	Protect and promote local built and natural assets and cultural heritage	
13	Support compliance within reputable businesses and investigate rogue traders to maintain a fair and safe trading environment.	

The last year has seen ongoing opportunities and challenges for Newport’s economy as businesses re-opened back to businesses-as-usual but at the same time having to respond to the global inflation on the price of goods, materials and services, the impact of Post EU trade and the Ukrainian conflict. The Council’s services in the Regeneration service area, Finance and other partners have continued to support Newport’s economy and local businesses.

The Council’s Business Support Team supported businesses providing advice and financial support through the Welsh Government discretionary grant fund at a time when most businesses were struggling to keep afloat. In September 2021, the Council’s Cabinet launched the City of Newport business fund of £300k with small grants to help the set-up of small business ventures and existing ventures to grow. The scheme was deemed a great success with over 38 grants awarded. In addition to the Council’s support, in March 2022 the Council announced a new business rate relief scheme to help the city centre’s retail, leisure and hospitality sectors. This support enabled eligible businesses to receive a 25% reduction on their rates bill on top of the Welsh Government’s rate relief for 22/23 with the Council’s own scheme extended into the 23/24 financial year. Overall, this package enables some businesses to have their overall bills reduced by 75%.

Newport Council has continued to be key partner in the Cardiff Capital Region, Burns Delivery Unit and Western Gateway partnerships throughout 2021/22. These regional partnerships enable Newport and the wider region to attract large scale investment and provide new opportunities for residents in Newport. Throughout the last five years, Newport Council has enabled the city to attract technology industries such as Microsoft, IQE and Vantage. In February, [SPTS Technologies](#) announced that it will relocate its headquarters to Celtic Way creating an additional 290 jobs in the city.

The maintenance of our roads, and pavements is one of our biggest risks in the Council due to the declining condition of the carriageways and significant highway structures such as Bassaleg Bridge. The Council is making every effort to maximise the benefits of available capital maintenance funding, but it is becoming increasingly difficult to maintain the condition for long term use. In the last year, through the Active Travel programme (see also Wellbeing Objective 3), Burns Delivery Unit and other capital investment, we are looking at several options to improve the City’s highways assets. Some of this work includes the proposed improvements to the Old Green Roundabout, Newport to Cardiff (A48) active travel and bus corridor route.

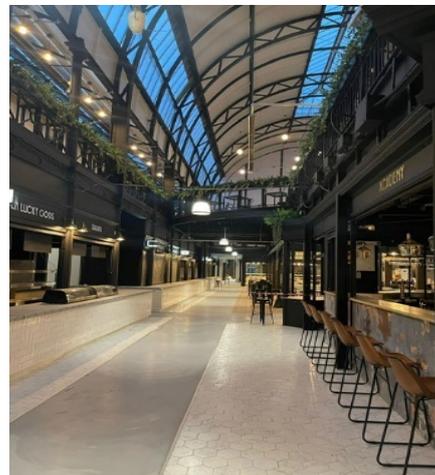
In May 2021, the Council made the decision to commence work on the replacement Local Development Plan (LDP) which was also approved by Welsh Government. The replacement LDP will take three and half years to complete as we involve residents, businesses, and other key stakeholders to ensure we take Newport forward in a resilient, robust and sustainable way to protect and enhance our environment but also to support sustainable growth across our communities.

Newport Council recognises the vital role that digital and technology firms have in supporting Newport’s economy and attracting new investment. As reported in Well-being Objective 1, the Council is also aware of the digital divide which exists across our communities and the need to remove the inequality across low-income households. To continue this long-term investment, throughout 2021/22, the Council has been engaging with communities, businesses, and its Information Technology partner Shared Resource Service to understand and develop a new long term Digital Strategy that will support the ongoing development of the Council’s digital services, improve digital access and education across Newport’s communities but also support digital investment in Newport’s economy. In March Newport Council was granted [Digital Inclusion Charter Accreditation](#) by Digital Communities Wales in recognition of our work promoting basic digital skills and helping people get online.

Over the last year, Newport has continued to see major developments take shape across the city centre. Despite the disruption of the pandemic many projects have been able to bounce back and continue with the development of work across major sites in the city. The project to repair the Transporter Bridge and build a new Visitor Centre suffered a set-back during 2021/22 as factors outside of the Council's control such as the worsening market conditions for materials and the main contractors going into administration meant we had to retender the main contracts resulting in increasing costs. With the support of the National Heritage Fund and capital commitment from the Council, Newport Council remains committed to seeing the long-term restoration of the bridge and a visitor centre that will not only benefit local residents but attract UK and global visitors to the City.

In March 2022 the multi-million-pound regeneration scheme [Newport Market](#) was completed and opened to the public. The vibrant indoor market has a host of new traders, a food court with diverse offering alongside business and event spaces. As well as giving the market a brighter and more sustainable future, the scheme will complement the existing offer in the High Street area, as well as the wider city centre, and act as a catalyst for further regeneration.

The new Mercure Hotel within Chartist Tower opened in February 2022. The hubs work and skills team led a recruitment campaign to fill 50 vacancies of both fixed and zero-hour contracts. The refurbishment of the building is a pivotal development in the next phase of sustainable investment and regeneration for Newport.



[Market Arcade Project](#)

Market Arcade in the city centre is a Victorian grade II listed structure. The arcade is enriched in history however, over the years it has become dilapidated. The Market is Newport's oldest surviving arcade and second oldest in Wales.

In 2018, Newport City Council secured funding from the National Lottery Heritage Fund to restore and regenerate the Market Arcade. In 2021, following extensive work to refurbish the space including a new glass roof, chimneys, and communal staircase replacement the vibrant Victorian Market is open to the public.

The regeneration of the city centre remains a key focus for Newport City Council working with a range of stakeholders to explore

In November 2021 Newport City Council declared an [Ecological and Climate Emergency](#). Climate Change is one of the biggest challenges of our generation and there is an urgent need for the world to decarbonise, to limit global temperature rise and avert the worst impacts of our climate change. As an organisation we taken positive steps to reduce our carbon emissions in line with targets set out in our Carbon Management Plan, which has resulted in a 29% reduction of scope 1 and scope 2 emissions. As a responsible organisation and in support of the Welsh Government's target, the council is committed to reaching net zero carbon by 2030 and ensuring our services support the city's journey to both net zero and adapting the impacts of climate change.

To achieve this target, the [Climate Change Plan 22-27](#) sets out six key themes, priorities, actions and milestones that we need to take as a council over the next five years.

Throughout the last year, the Council has taken a variety of approaches to reduce carbon emissions across the organisation and the City of Newport. The introduction of electric vehicles, which were first used to deliver council services in 2018 has increased significantly, with the council aiming to have replaced all cars and light vans with electric alternatives by April 2022. Multiple electric vehicle charges have been installed across multiple council sites to support the transition away from fossil fuelled vehicles by 2030. In 2021, the council was the first Welsh Local Authority to invest in a fully electric refuse collection vehicle (RCV). Six refuse vehicles will be electric by April 2022, and the entire fleet of RVC's will be electric by the end of the decade.



A pilot project to develop a long term, city-wide energy plan for Newport is also underway. The Local Area Energy Plan pilot is a Welsh Government initiative which asks local authorities to develop a plan of how their area can meet energy needs through renewable and non-carbon sources. The plan will assess current energy systems, and detail both practical actions and a long-term vision towards creating a zero-carbon energy system for the city by 2050. The plan is currently under development and should be published in June 2022.

Alongside the Climate Change Plan, the Council is continuing its work to achieve zero waste by 2050 as part of the Welsh Government's policy. Once again, Newport Council (including its partner Wastesavers) surpassed its target for municipal waste reused, recycled and composted achieving 67.1%. The Council is continuing its project to find a suitable location for the second household waste facility site in Newport and will continue this in the next Corporate Plan.

Included in the Climate Change Plan is our commitment to protect and enhance the biodiversity of our urban and rural areas across Newport. In partnership with **Keep Wales Tidy** Newport City Council has embarked on a pilot project starting in 20/21, to improve the local environment and quality of the city through the use of street art. The project is funded through the [KWT Caru Cymru](#) grant and hopes to see reductions in fly-tipping, littering and illegal graffiti as a result on increasing pride and connection with the area.



This project continues into the 22/23 financial year with more sites in the finalisation stage. The hope is to create an outdoor arts trail where visitors can access a downloadable map of all artwork across the city. Additionally, the council has been in collaboration with utility companies such as BT, Western Power and Virgin Media to ensure their own street furniture is maintained correctly and to pilot the community displaying authorised artwork.



Our new **'Road to Nature'** formally known as LG Access Road, is located off the A48 Coedkernew and runs off Church Lane Coedkernew. Built many years ago, this road had never been fully developed into an operational highway, however it is still classified as an adopted highway. Over the years the lane had become a target for large scale commercial fly-tipping and used for illegal encampments.

A very successful covert surveillance operation was carried out by the council during 2021, leading to a number of fixed notices being issued, 5 prosecutions and seizure of two vehicles. Since the installation of CCTV in the access and main sections of the road no further fly tipping has occurred in the area.



In October 2021, Newport City Council also carried out large scale works to remove all fly tipped waste. Works lasted 10 days, with 650 tonnes of waste removed from the site including over 1,800 tyres. All waste was sorted into different elements to maximise recovery, achieving a recycling rate of 85%. Over 100 volunteers, NCC staff, representatives of partner organisations such as Flytipping Action Wales and Keep Wales Tidy, alongside political representatives attended the event. This marked the start of the new phase based on improving the area and promoting its use.

In May 2021, Newport City Council took part in the **'No Mow May'** a campaign which encourages individuals, councils and stakeholders to help bees, butterflies and other wildlife by letting wildflowers grow on lawns and green spaces throughout May instead of mowing them. The council became aware of this campaign during 20/21 and undertook a series of successful trials of different measures of grass management and wildflower seed mixes in our designated 'leave to grow' sites.



This initiative supports Newport City Council's accreditation as a **Bee Friendly City** and our duty to enhance nature and take actions that help counter the impact of climate change. Newport has over 25 acres managed as pollinator sites to attract bees, butterflies, beetles, and other insects. Working with the [Living Levels Project and Bumblebee Conservation Trust](#), areas of grassland at Percoed Reen and the Household Waste Recycling Centre are being managed for bumblebees. To find out more visit the [biodiversity](#) section on the council's website.

The work completed by Trading Standards regarding EPC compliance has maximised the council's environmental opportunities and resulted in a reduction of annual carbon emissions. Where property owners market properties for rent (or sale) there is a need to comply with Energy Performance Rules. These rules state that properties must have an Energy Performance Certificate and the properties efficiency should be rated at or between levels A to E, whilst ratings of F and G are banned. To support work in this area a government grant was obtained.

The result of work carried out includes an extensive intelligence gathering exercise, 113 landlords suspected of renting illegal and inefficient properties were contacted, 23 demonstrated they were compliant and 29 brought themselves into compliance due to the service interaction. 27 Compliance Notices were sent to those not returning contact, whilst compliance work continues. The impact of this work shows a reduction in an annual carbon emission of 198.5 tonnes, a reduction in annual energy of 178, 329 kWh and a reduction in fuel bills (April 2022 prices) of £58,217.

Performance Analysis 2021/22

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18
% of waste reused, recycled or composted	67.1%	64%	67.2%	66.4%	59.9%	59.8%
Kilograms of residual waste generated per person	155.54 kg/person	175 kg/person	153.24	163.79	196.95	No Data
% of municipal waste recycled at the waste recycling centre	82.4%	65%	93.7%	65.4%	61.1%	59.8%
% of streets that are clean.	98.7%	97%	99.2%	97.5%	94.6%	95.8%
Average number of days taken to clear fly tipping incidents	1.23 days	2 days	1.53 days	1.49 days	1.73 days	Not Available
% of principal A / B / C roads in overall poor condition.	A Roads – 2.1% B Roads – 3.1% C Roads – 5.9%	A Roads – 2.5% B Roads – 4.9% C Roads – 7%	A Roads – 2.3% B Roads – 4.4% C Roads – 6.4%	A Roads – 2.7% B Roads – 5% C Roads – 7.4%	A Roads – 2.3% B Roads – 4.2% C Roads – 6.9%	Not Available
Number of businesses supported and provided with advice and guidance	3,922	400	4,114	144	113	116
% of all planning appeals dismissed	76.9%	70%	74.1%	62.2%	75.7%	88.9%

Performance Measure	2021/22 Actual Performance	2020/21 Target	2020/21	2019/20	2018/19	2017/18	Explanation
% of all planning applications determined in time	62.4%	80%	67.1%	77.8%	87.5%	88.6%	Performance has been significantly impacted due to staffing and recruitment issues. There have been a number of vacancies within the Team as a result of less people entering the profession. This is an issue for all Local Authorities at the present time and we are considering alternative ways of supporting graduates into the profession.
Number of new business start-ups supported through the business development fund.	15	50	4	27	38	88	The launch of the City of Newport Business Grant was deferred until the Covid-19 discretionary business support funding was defrayed. A total of 15 grants were awarded prior to the end of financial year; however, a further already 39 have been awarded in 22/23, based on applications submitted in 21/22 - which indicates the target would have been met if further restrictions to funding had not been introduced.

Well-being Objective 3 – Health and Well-being of citizens

All people in Newport should be able to live healthy, independent lives where they can take part in social activities and contribute towards their communities.

The preventive and early intervention work undertaken by the Council and our partners is at the heart of our work. Whether it is supporting children, young people, and families to live healthily and safely, or supporting the elderly and vulnerable people to live independently in their homes and communities.

The health and wellbeing of residents is also important for preventing people needing acute services and reducing the demand for council and health services in the long term.

It is important for people across our communities to remain active and not to rely on traditional approaches to travel (including commuting) across the city and the wider region. All of this will support the city to improve its environment, reduce health inequalities and deprivation.

For a significant part of 2021/22, the pandemic and subsequent restrictions have remained in place which impacted the delivery of social care services to adults and children across the city. The full extent of these impacts are beginning to emerge and it is anticipated in the longer term that this will continue to impact on our services as people will require support for complex needs. The following objectives are in place to manage these impacts:



A Prosperous Wales



A Resilient Wales



A Globally Responsible Wales



A Wales of Vibrant Culture and Thriving Welsh Language



A Healthier Wales



A More Equal Wales



A Wales of Cohesive Communities

Wellbeing objective three – To enable people to be healthy, independent, and resilient	Strategic recovery aim three – supporting health and wellbeing of citizens
Steps	Steps
1 Support people to remain living independently in their homes and communities.	Enable independent living
2 Work with partners to promote healthy lifestyles and support the prevention, early intervention, and self-management of illness	Fully restore children and adult services, supporting partners that have been impacted by Covid-19 and ensuring service users and staff are supported and protected
3 Support children to remain safely with their families	Assess the impact and the long-term sustainability of the social care sector in Newport informing future service requirements
4 Support all schools to work towards the National Quality Award for Healthy Schools	Safeguard and support children and young people to remain safely with their families
5 Work towards Newport becoming a recognised Dementia Friendly City	Improve opportunities for active travel and work towards improved air quality
6 Improve opportunities for active travel	Regulate businesses and support consumers / residents to protect and improve their health.
7 Regulate residential dwellings to ensure provision of safe homes	Work with key partners to safely re-open cultural and leisure facilities including the promotion of the city's parks, open spaces, and coastal paths
8 Work towards improved air quality	Sustain a safe, healthy, and productive workforce
9 Regulate businesses and support consumers / residents to protect and improve health	

For the Council's social services (Adults and Children Services) it has been dominated by their response to the pandemic and ensuring our most vulnerable citizens have the necessary care and support packages in place. For the Council's Children Service, their priority has been focused on supporting our most vulnerable children, young people, and their families. Staff across the service and our partners have continued to respond positively to the challenges of hybrid working but first and foremost ensuring in-person contact is maintained.

In the last year, Children's Services has continued to see an increase in the number and complexity of referrals, but despite these increases the number of children looked after by the Council has remained stable and there has not been any significant rise in the number of children on the child protection register. This is a reflection on how through multi-agency working we are taking a whole system approach to ensure children remain safely at home with their families. This was also reflected by the positive feedback received from Care Inspectorate Wales in May 2021 where they stated *"In Children Services we found an early intervention model through which children can access a range of services supported by the Space Well-being Panel which comprised a wide range of statutory and third sector organisations. Staff have a shared commitment to work effectively with families within the constraints of the pandemic. We (Care Inspectorate Wales) received positive feedback from care leavers who were highly complementary about personal advisors. They said it was important to be listened to and their voices heard."*

Throughout 2021/22, Children Services has been involved in several key projects and initiatives. Every year, Newport Council has been a strong supporter for [Maethu Cymru / Foster Wales](#) work to promote and encourage people to become Foster Carers in Newport. Foster Carers are important for building better futures of our children who cannot live with their families. This link [here](#) is a case study from Neil and Val who are Foster Carers living in Newport and the contribution they have made to providing safe and secure home for two children.

Over the last five years, Newport Council has been making significant steps in increasing the residential care provision in Newport. This started off with Rosedale Cottage which is now in its third year of operating and has demonstrated how by looking after children in secure and safe environment has improved their opportunities to lead fulfilled lives. We are now redeveloping annexe buildings on the Rosedale site to provide additional provision. Our second project at Windmill Farm will be completed in September 2022 and we received planning approval for the development of annexes on the site. Once completed, both the Rosedale and Windmill Farm sites will provide short term support up to 8 children and young people from across Gwent.

One of the biggest challenges faced by Children Services and other supporting services in the Council such as Education, Preventative Services has been the increase of Unaccompanied Asylum Seeker Children and in the last six months the Ukrainian Refugee crisis. Newport Council's Children Services has been leading on the regional approach to this support and have assisted other Gwent local authorities in building an infrastructure to meet the need of unaccompanied children arriving through the mandated National Transfer scheme. Using our experience, we have adapted services to manage and support families from Ukraine to be settled in safe accommodation and with families. We have worked collaboratively across Council services such as Housing, Education, Regulatory Services, Community Cohesion, and Civil Contingencies as well as our Health providers in order to support over 40 families to settle in Newport.

Case Study- Unaccompanied Asylum Seeker Children, Shazad's, Arkan's and Armanj's story

A couple of years ago Armanj arrived and settled in Newport as an unaccompanied asylum seeker child from Iran and was being supported as a care leaver.

In May 2021, Shazad fled Iran with his boyfriend Arkan as they were both at risk of persecution or death because of their sexuality. At the time Shazad was 16 while Arkan was over 18. Both of them travelled through Europe before arriving in France and getting in a boat on the French coast.

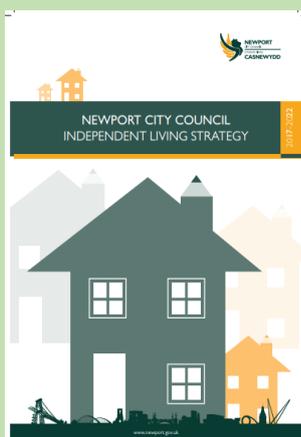
As a 16 year old, Shazad relocated to Newport via the UK Government's National Transfer Scheme and Newport Council supported him to settle in Newport. Arkan had to remain in London as the Home Office felt he was older from the initial arrival interview. When Arkan travelled to Newport to meet Shazad he presented as a young person, and Newport Children services supported him to obtain an advocate and legal advice, taking an age assessment which confirmed him as a young person. Newport Council continues to support the three men with their asylum claims and now reside together in Newport.

For people with learning disabilities transitioning into Adult services can be a challenging period for themselves and their families. Working together with Adult services and other care providers we have been delivering the **Newport's Independent Living Strategy** provides a blueprint for organisations to collaborate in meeting the accommodation needs of people with a learning disability. The views of people with a learning disability and their hopes for the future are at the heart of the strategy. The process for partnership working amongst key stakeholders such as adults with learning disabilities, carers, strategic housing, social services, and registered social landlords is set out in the strategy. The Independent Living Strategy has been well received by partners and has supported the creation of innovative approaches that promote independence whilst being mindful of budgetary constraints. One of the most recent of these is the development of supported accommodation for adults with a learning disability in the St. Julian's area of the city.



Bank House is a redevelopment by the Pobl Group of a disused brownfield site alongside the River Usk. When complete the site will provide over 200 homes that are a mix of sizes and tenure. The development includes a tree lined river walk that connects to a nearby park and is well connected to local amenities. Through the joint working arrangements established by the Independent Living Strategy officers from the Strategic Housing and Social Services Commissioning teams identified this as a site where accommodation for adults with a learning disability would be appropriate.

Case Study- Supporting Individuals to Live Independently in Newport



In the last year the council, working in partnership with the Pobl Group supported an individual with a move to Bank House, where they would be living independently in a flat alongside other adults with learning disabilities. The preparatory work considered the specific needs of the individual and the challenges a move would present to them.

Previously, the individual was sadly living an isolated life. Following the move to Bank House the individual is noticeably happier and has begun to interact with other residents displaying fewer challenging behaviours. This life changing move has reduced the cost of their 24-hour care package and is anticipated to reduce further as they settle into their happy new home.

This is a positive example of how a strategy delivered through partnership working can deliver significant and lasting change. The commissioning and strategic housing team are currently working with the Pobl Group, to provide similar accommodation at another new development in Newport following the same process set out in the Independent Living Strategy.

In Newport, the number of adults that require additional care and support from the Council has been increasing over the last 5 years. At the end of 2021/22 the number of people with a care and support plan was 1,940 which is up from 1,861 people in 2020/21. Across the adult care sector, the increasing demand has been compounded by the pressures of Covid and staff shortages across the social care sector which have made it a very challenging time to find people with the right accommodation and care packages in a timely manner.

Despite these challenges, Adult services have continued to deliver key initiatives to prevent some of these long term issues. Throughout the year, our in-house outreach service provided support for 67 sets of carers and cared for in the community. The team were able to provide a range of activities for the cared for person, enabling the carer to have time to themselves. These activities take place in the cared for person's home or local community – as requested by the individual. Plans have been put in place for a new Short Break service which will offer more flexibility by combining a facility base with the outreach service. The facility base is scheduled to open at Spring Gardens in the second quarter of 2022/23.

Planning has been undertaken to establish an enhanced dementia care service for people who would benefit from a focussed reablement programme either following a stay in hospital or to prevent a hospital stay. The service will combine the Frailty, Spring Gardens and Short Break service to provide reablement support for an agreed number of weeks. A 12-month pilot study is planned and will commence subject to the outcome of funding bid.

Home First continued to develop and to contribute to the integrated hospital discharge pathway. The success of this regional service has led to further plans for expansion, working with the Ambulance service (WAST) to prevent the need for people to go to the hospital, by offering the right support

Some really good work in relation to carers as demonstrated by the increase in the number of carers assessments offered. Unpaid carers can be a hard-to-reach group, but the carers network has been effective in communicating the Newport offer to those who need it. There are grants and funding available for carers, an example of this is the provision of money from Welsh Government to assist with driving lessons. The young carers offer was launched in January 2022 in partnership with Barnardo's.

The availability and use of assistive technology continues to improve and expand. We are working with partner agencies such as Mind and Pobl to publicise availability, and equipment is being made available to support independence and keep people safe in the community.

Looking forward, the main issues of concern are workforce deficiencies and service cost. Welsh Government hardship funding and pandemic related additional payments for providers have ceased and we are reliant upon our negotiated fee levels to sustain our delivery partners. The fee negotiations this year resulted in higher than usual percentage increases in recognition of the need to protect financial sustainability. However, the ongoing impact of inflation and the high price of energy, fuel and other essential commodities will continue to stress the system and we continue to work closely with providers and with our regional commissioning partners to identify and manage the risks.

The dedication, professionalism, and commitment of the staff across adult services and external social care provision must be acknowledged as the gaps in the workforce continue to create pressure in the system. Despite this, critical services have remained in place, people have been kept safe and new provision continues to be developed to meet changing needs.

The long-term health and well-being of our communities is impacted by the place and environment which they live in. We need to ensure people are able to live in safe housing and that people have access to coastal, rural, and urban green and open spaces. It is also important to ensure communities have the options to travel across the city using alternative transport to cars such as public transport, cycling, and walking which not only improve their health but also improve the air quality of the city.

To support the Council's commitment to becoming net zero carbon by 2030, we have integrated our existing responsibilities to improve air quality and to provide more active travel routes throughout Newport. There are 11 [Air Quality Management Areas](#) in Newport. Every year we report on our progress against our Air Quality Action Plan (AQAP). The latest AQAP can be found [here](#). The council has purchased 4 real time continuous air quality monitoring systems resulting in hotspot coverage for 6 of our Air Quality Management Areas. This allows the council to gain a better understanding of the time and pollution event relationships in different parts of Newport where Air Quality Management Areas have been declared, and in turn will help to identify the most appropriate interventions to reduce pollution levels.

Newport City Council's Air Quality Action Plan is on track for completion in 2022 subject to funding and will provide air quality improvement measure options for Air Quality Management Areas which can be pursued with a view to reducing further pollution levels and expedite compliance with air quality objectives in respect of nitrogen dioxide. Additionally, real-time air pollutant monitors are in the process of being deployed across the city following the council's success in obtaining Welsh Government funding.



The council is also working closely with Education Services and schools in terms of transformation, air quality mitigation and facilitating air quality interventions in schools. Each year the council's Senior Scientific Officer organises an event each year in association with the national Clean Air Day initiative promoted by Global Action Planning.

This year schoolchildren were invited to take part in a guided environmental walk, which focused on air quality, environmental noise and biodiversity. The children were provided with monitoring equipment and paper materials to enable them to investigate their local environment in its roadside setting and open space setting via a new stretch of active travel route.

Manufacturers of monitoring instruments and council EVs were also showcased at the event start coupled with the Council Leader endorsing the event and a valuable contribution also being made by Welsh Governments Clean Air Champion Professor Paul Lewis. Clean Air Day is part of a wider range of work that our Senior Scientific Officer delivers throughout the year which includes annual reporting on air quality monitoring and action planning.



Since the introduction of the [Active Travel \(Wales\) Act 2013](#) Newport City Council has committed to improving the city's transport network to make walking and cycling a more appealing and safe option for people. As highlighted in Well-being Objective 2, Newport Council has been involved in many regional and national initiatives such as Cardiff Capital Region and Burns Delivery Unit to improve the transport networks. Newport has benefited from almost £10m of Welsh Government funding to improve a number of active travel routes across the city. In 2021/22 the Council has been delivering various schemes across Newport including:

The new **Devon Place Footbridge** provides much improved connectivity for both pedestrians and cyclist moving between the North and South of Newport. The connecting route between the two destinations is currently served by an underpass which is unfit for purpose. This bridge will connect the Gold Tops and Queenshill area to the City Centre without the need to use the underpass.



Providing a link through **Tredegar Park** into the **Tredegar Park old golf course** leading out onto the A48 near to the Junction 28 roundabout. This exciting project will further enhance this popular destination and provide cyclists and pedestrians with alternative means of transport. The path complies with both the Active Travel (Wales) Act 2013 and the Equalities Act 2010, making it suitable for users of all abilities. This route is lit with low level bat friendly lighting that has been very popular at the Coed Melyn Active Travel route.

Monkey Island Active Travel route has now been opened after the completion of works to ensure the path is fully accessible. The new route provides a safe crossing link under the Southern Distributor Road for pedestrians and cyclists. A new accessible ramp connects the pedestrian and cycle path on the northern side of the SDR bridge with a new path under the bridge. This path leads off into the Lysaght Village housing estate, and from there to other commercial and residential links in Lliswerry. The new route means that cyclists and pedestrians no longer need to use multiple road crossings to get from one side of the SDR to the other.

A new link from **Tredegar Park** to the front of **St. David's School**, providing parents and children a safer route to and from the school.

Surface improvement taking place at **Malpas & Bettws Canal** to bring this route up to active travel standard along the section of the canal between Gwastad Gate and the boundary with Torfaen.

After several rounds of public consultation, the [Active Trave Network maps](#) review has been completed and the updated map of active travel routes (both existing and proposed routes) including the final report has been approved by Welsh Government. The map routes within in it will be used to plan future active travel developments over the next 5 years.

The councils Public Protection Teams have been working hard to support local businesses providing advice and guidance through a series of inspections which have been vital in helping the city centre and other areas to safely re-open following the pandemic. Officers had successfully led around 40 visits across Newport and seized 1,175,023 cigarettes and 143.6kg of tobacco worth an estimated £700,000. Additionally, 13 shops have been closed using ASB Closure Orders representing a disruption of at least £440,000 to the organised crim groups running the enterprise. There are currently 8 criminal investigations underway moving through the legal process.

Performance Analysis 2021/22

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18
Number of Active Travel Journeys	393,952	260,000	280,145	224,924	200,927	139,680

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18	Explanation
Average calendar days to deliver a Disabled Facilities Grant (DFG)	381 days	350 days	321 days	239 days	218 days	171 days	Increased rate of referrals continue to be seen and current backlog has meant the target KPI was not achieved. External capital investment has been received for 22/23 to assist with reducing the current backlog and improve KPI.

Social Services Performance Framework

Welsh Government introduced a new performance framework for Adults and Children Social Services. The framework has changed how measures are collated and reported. As a result of this and the impacts of the Pandemic on demand for social care, 2020/21 has been set as a baseline set of figures upon which to build future datasets to assess and compare the Council's performance in future years.

Adult Services Measure	2021/22 Actual Performance	2020/21 Actual Performance
The number of contacts received by Adult Services where advice and assistance was provided during the year	1,725	1,718
The number of new assessments completed for adults during the year	1,444	1,538
The active offer of Welsh was accepted	1	0
The total number of packages of reablement completed during the year	601	583
The number packages of reablement completed during the year that reduced the need for support	24	43
The number of packages of reablement completed during the year that maintained the need for the same level of support.	62	95
The number of packages of reablement completed during the year that mitigated the need for support.	484	409
The number of packages of reablement completed during the year that increased the need for support	31	43
The number of adults with a care and support plan as at 31 st March.	1,940	1,861
The total number of adults with eligible needs for care and support maintained by Direct Payments at 31 st March	94	93
The total number of reports of adults suspected of being at risk where it is necessary for enquiries to be made.	783	648
The Number of adult protection enquiries completed within 7 days from the receipt of the reported alleged abuse.	745	636
Children Services Measure	2021/22 Actual Performance	2020/21 Actual Performance
The number of contacts for children received by statutory Social Services during the year.	11,311	10,104
The number where physical punishment by a parent or carer was the only factor	85	144
The total number of children with a care and support plan at 31 st March	945	978
The total number of children removed (de-registered) from the child protection register in the last 12 months	207	148
The total number of children on the child protection register at 31 st March.	127	158
The total number of reports of child exploitation received during the year	122	62
The number of children becoming looked after during the year.	116	91
The number of children who ceased being looked after during the year.	120	92
The total number of children looked after at 31 st March who have experienced three or more placements during the year.	46	26
The total number of children who returned home during the year	33	36
The total number of contacts to statutory social services by young carers or professionals contacting the service on their behalf received during the year. Provided by Barnardos	127	74
Number of Foster Carers registered with the Local Authority (Inc Kinship, Supported Lodgings General and Respite)	161	159
Number of Childrens Residential Fostering Beds	22	20
Number of Children in care proceedings during the year	56	44
The number of children looked after at 31 st March.	372	378

Well-being Objective 4 – Cohesive and Sustainable Communities

Cities are built by the communities that live in them. They shape the way we connect with each other, adapt to change, create safe environments, and ensure that the people who live there are focused on each other's well-being.

Newport City Council and its partners, including Newport City Homes, Gwent Police, South Wales Fire and Rescue and other not-for-profit organisations are working together to provide these opportunities and address the challenges being faced by Newport's communities.

In Newport, we are proud of our place in Wales' history, and it is important that we continue to grow the Welsh language and heritage. Newport is also a diverse city which has become home for many residents from across Europe and the rest of the world. Newport is one of 5 asylum dispersal areas in Wales, has a significant EU migrant population, and continues to participate in a range of Home Office Refugee Resettlement schemes. It is important that the decisions we make as a council consider the needs of all of our communities, and that we continue to establish Newport as a city that welcomes everyone.

The last two years have exacerbated many of the existing challenges that our most vulnerable and disadvantaged communities face with structural and social inequalities. But they have also shown how by empowering and supporting communities and groups, they can come together to improve their community and improve the lives of those living in those communities. In 2020/21 the focus of the council's work was:



A More Equal Wales



A Wales of Cohesive Communities



A Globally Responsible Wales



A Wales of Vibrant Culture and Thriving Welsh Language

Wellbeing objective four – To build cohesive and sustainable communities		Strategic recovery aim four – Supporting citizens post Covid-19	
Steps		Steps	
1	Deliver a community cohesion programme that creates opportunities for communities to interact with one another.	Work together with our partners to reduce poverty, address homelessness, and support our most vulnerable people as a priority	
2	Prevent offending and re-offending of young people.	Identify, develop, and seek to sustain any positive developments emerging during the crisis	
3	Develop sustainable communities through the provision of good quality, accessible and affordable housing.	Developing opportunities for people to access suitable and affordable housing	
4	Prevent and tackle instances of antisocial behaviour impacting upon the residents and the business community including general poor behaviour, noise nuisance, fly tipping, illegal alcohol sales to children and doorstep crime.	Deliver a community cohesion programme that effectively responds to community tensions and creates a shared sense of identity across the city	
5	Work with key partners to tackle antisocial behaviour and crime, and improve community cohesion and wellbeing in Pillgwenlly, and use this area focussed model to inform potential future programmes in other areas of Newport.	Prevent and tackle instances of antisocial behaviour impacting upon the residents and the business community of Newport	
6	Work towards increasing the number of Welsh speakers and promote the Welsh language in all parts of life.	Re-establish community regeneration facilities and services where it is safe to do so for staff and service users	
7	Deliver a sustainable library service and varied cultural offer.	Develop opportunities for community involvement participation and engagement	
8	Work with key partners to promote the city's parks, open spaces, and coastal path.		
9	Develop opportunities for community involvement, participation, and engagement		

In 2021/22, the Council and its partners such as Registered Social Landlords (RSLs) continued to see increasing demands to provide secure and affordable short term and long-term housing. Over the last two years the pandemic brought unprecedented demands on housing and homelessness services. This demand is also being driven with the cost-of-living crisis impacting households ability to pay their household bills and the recent migrant / Ukrainian refugee crisis. The extra demand for affordable housing is also supported by the recent Census data showing Newport is the fastest growing authority in Wales. Newport Council does not own any of its own social housing, but our housing teams provide a vital service to those who are at risk and/or are homeless. More information can be found [here](#).

Throughout 2021/22, Newport Council alongside the RSLs in Newport have been collaborating to address the pressures in the city and identifying developments that could be brought forward quickly to meet this need. Utilising the Social Housing Grant Programme, we spent £16.5m on new housing developments across city in Coverack Road, Trebath, Emlyn Street, Tredegar Court and Hubert Road.

The Ty Pill development of 8 flats in Pillgwenlly, including a wheelchair accessible property, was delivered in collaboration between Melin Homes and Newport City Council. Rather than the properties being allocated through the common housing register where any eligible household can bid on the properties, the properties were allocated through applications from those in temporary or supported accommodation. The panel including representatives from the Council, Melin Homes, Gwent Police, and support providers assessed the applications and those successful applicants were able to move into their new homes. By enabling people to make successful transitions from temporary and supported accommodation, Ty Pill has contributed to the turnover of this form of accommodation allowing places to become available for other households that need them.



The last five years we have seen the global displacement of millions of people due to war, famine, economic adversity, and discrimination. Those seeking refuge in the United Kingdom often face difficult and treacherous journeys before arriving in Newport. Newport has and will always welcome people to settle no matter their race, religion, sexuality. As a Home Office dispersal area, we want to ensure that they find safe and secure places to live as well as being able to contribute towards the communities they live in. Newport Council works collaboratively across Social Services, Housing, Education and schools, Connected Communities and third sector organisations in Newport.

Towards the end of 2021/22, Welsh Government and UK Government announced that they will support Ukrainian families seeking refuge in the UK as a result of the Ukrainian conflict. In response local authorities have been required to undertake checks on households wishing to support families to settle in Newport and to support the Ukrainian families to settle in Newport. Once again, Council staff have shown great resilience and dedication to set up new processes enabled over 40 Sponsors with active placements to home refugees in Newport.

Maintaining and building on the strengths of our communities is not a service that Newport Council can undertake alone. It requires the collaboration and involvement of all of our public services in Newport such as Gwent Police, South Wales Fire and Rescue, Aneurin Bevan University Health Board; our local not for profit, charity and community groups e.g. Newport City Homes, GAVO, Newport Live, Pobl; and residents, and business owners. The last two years have been very challenging for our partnership groups and front-line staff to undertake the activities that we would have normally done pre-pandemic and we have had to find innovative and new ways to engage, respond and deliver preventative activities in Newport.

The Youth Justice Service (YJS) took collective steps during the pandemic to maintain positive links with children and families to ensure children and public protection remained at the top of the agenda, informing decision making every step of the way. Creativity was encouraged within the team to ensure restorative interventions are considered and delivered in the best way possible. Some intervention examples include:

- **Operation Ashton:** Officers to consider young people who have been identified as at risk of drifting towards criminality towards within the city centre to attend a Panel. The purpose of the panel is to identify diversion activities in the form of a plan consented to by the child and parent who both attend the panel. This intervention continues to be a positive support to children, their families, and the community.

- **Positive Patrols:** Officers recruit volunteers and support workers who will patrol Newport city centre to identify young people who may be at risk or active in Anti-Social Behaviour (ASB) and engage with them, suggesting alternative activities and otherwise offering safeguarding support.

Young People Positive Activities and Experiences: To identify activities that ensure the city centre offers young people valuable and positive experiences and refer them to the Youth Justice Service.

Licensing and Trading Standards have also been actively working to reduce alcohol related ASB. Licencing Officers have been improving the practices of businesses that facilitate drunken misbehaviour in communities and the city centre. At the start of the year, the under-age sales test purchasing took place with Gwent Police where 14 premises were tested. The results of the test purchasing concluded with one illegal sale and a shop with in the Pillgwenlly ward responsible for selling a knife to the volunteer. Additionally, Officers participated in Operation Bang and investigated allegations of illegal fireworks for sale.

The [Safety and Anti-social Behaviour data dashboard](#) was created in collaboration with several partnerships including Newport City Council, Gwent Police, South Wales Fire and Rescue, Natural Resources Wales, and Fly Tipping Action Wales. The dashboard aims to understand the levels of ASB in an area and implement more preventative measures to reduce occurrence rates of ASB and creating more attractive and safe areas. The council understood it is important to involve local people for their invaluable community insight and finding out which issues are important to them to resolve. The aim is to work with and involve local people and community groups as it is key to generate pride in the area, encourage responsible use of green space and reduce the likelihood of ASB.

The Welsh Language standards drives the council to continually improve the delivery of bilingual public services to businesses, residents, and visitors in Newport. A detailed overview of how Newport City Council is delivering against its Welsh Language Strategy can be found in the [Welsh Annual Report](#) and covered in the 'Way we work' section below.

One of the most significant challenges placed on the council over the past year has been the restrictions placed on face-to-face engagement, particularly during a time where there has been a strong focus on promoting the Welsh language across our communities. As part of the ['Cymraeg 2050'](#) initiative, Welsh Government aim to have one million Welsh Speakers in Wales by 2050. To ensure Wales' meets this target, the council are working hard to increase the number of pupils who learn through the medium of Welsh.

Throughout the year, our Welsh Language Promotion officer has worked closely with schools and community stakeholders to support the promotion and outcomes of the Welsh in Education Strategic Plan and general education targets. The officer has also assisted four Welsh medium school Headteachers along with a project manager to develop a number of workshops and resources to be uploaded to HWB. This has helped pupils develop their skills following the education they have missed during lockdown. Additionally, the appointed officer has helped internally through supporting promotional activities for staff, including a bilingual St David's Day Newsletter and supported the delivery of Welsh Language Awareness sessions.

In September 2022, the **Welsh in Education Strategic Plan (WESP)** will set out the council's ten-year ambitious plan that will demonstrate Newport's commitment to expanding and embedding use of the Welsh language across the city. In development of this strategic plan, opportunities were made for Newport's Welsh Education Forum (WEF) members to contribute towards the council's continuous commitment to developing Welsh-medium education across Newport, and fulfilling targets set out in Cymraeg 2050. The WEF is vital in ensuring targets outlined in this plan can be achieved, and there is shared ownership amongst Local Authority and partners around delivery of this strategic plan. As Newport is a Welsh city, with a Welsh identity including a diverse range of multi-cultural and multilingual communities, it is important to increase the awareness that the Welsh language is one of Wales' many treasures.

The 5 Year Promotional Strategy sets out the council's vision for the Welsh language: **"See, Hear, Learn, Use Love"**. The aim is for everyone in Newport to use, see and hear Welsh as a living language in all parts of life across the city and amongst our diverse communities. During 2021, the council launched a number of community surveys to identify what the residents of Newport thought about the Welsh language and inform the focus of our strategic themes. Out of the 600 responses received, the strategy was structured around 3 strategic themes to deliver our vision, deliver our consultation findings, linguistic profile of the city and our aspirations for Welsh language growth.

During 2021-22 the Library Service maintained frontline delivery in line with all Welsh Government guidance relating to the Covid pandemic. The primary focus was on ensuring that libraries could remain open to the public wherever possible, whilst ensuring that they operated safely for both staff and residents. As the year progressed and guidance changes library's re-introduced service elements on a stepped approach, which included re-

opening of the Local Studies area of Central Library, open access and extended opening hours and PC access reinstated at all sites.

The service has continued to invest in the Welsh e-books and e-audio offer and has benefited greatly from additional funding provided by the Welsh Government for this service during the pandemic. Digital loans doubled during the first year of the pandemic and remained at a similar level during 2021-22 at 53,846 loans. This signifies a change in how residents are engaging with the service which will need to be monitored closely over the next year to inform service delivery change.

Have your say on who gets funds from our participatory budgeting programme.

Sunday 27 February
Saturday 5 March
Sunday 6 March

NEWPORT CITY COUNCIL
 CYNGOR DINAS CASNEWYD

Throughout 2021/22, the Policy, Partnership and Involvement Team led on the 'Our Voice, Our Choice, Our Port' Participatory Budgeting Project. The project focused on enabling community groups to access funding that would help develop community based Covid recovery projects. Around £415k of public funding was allocated in 6 voting events, the largest of its kind in Wales with over 450 people participating. A total of 113 projects were presented to voters with 80 community organisations securing funding, covering a diverse range of activities and audiences.

Additionally, the council's Connected Communities Team met and engaged regularly with minority and marginalised communities across the city, to ensure they were able to access and engage regularly with the Participatory Budgeting Programme and its funding opportunities. The high standard of projects was noted by voters and the feedback received was overwhelmingly positive from voters and the organisations seeking funding. This programme was in collaboration with Aneurin Bevan university Health Board (ABUHB), Public Health Wales, Newport City Homes, GAVO, Newport Fairness Commission

and other partners.

Performance Analysis 2021/22

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18
Percentage of all planning appeals dismissed	76.9%	70%	74.1%	62.2%	75.7%	88.9%
The percentage of empty private properties brought back into use	2.02%	1.52%	0.9%	0.53%	0.6%	1.3%
Number of families supported with interventions*1	3,862	2000	1,326	313	794	No Available
Number of people approaching authority for housing advice and assistance	1,849	2,000	1,778	1,926	1,814	1,999
Percentage of people seeking housing assistance who are determined as statutorily homeless Note: Target subject to Welsh Government review of Local Authority Statutory Duty.	17.6%	30%	21.6%	19.2%	30.3%	15.7%
% of young people in suitable accommodation at the end of a statutory order.	96.6%	95%	89.6%	91.7%	95.8%	86.5%
Average 'Post 16' Hours at End of Intervention	15 hours	15 hours	15.8 hours	14.4 hours	16.4 hours	No Data

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18
Average number of hours 'School Age' children attend at the end of an Intervention.	19.6 hours	17 hours	15 hours	16.7 hours	16.8 hours	16.5 hours
Total Number of first Time Entrants	13	20	38	25	12	No Data
% of All cases that are community resolutions and preventative outcome.	88.9%	70%	52.6%	62.6%	76.5%	No Data

*1 (Interventions) - Cover several community and preventative activities across the Council's Youth, Flying Start, Families First and Play services. The figure represents the overall intervention work across these services undertaken in the last financial year.

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18	Explanation
National - Percentage of all planning applications determined in time	62.4%	80%	67.1%	77.8%	87.5%	88.6%	Performance has been significantly impacted due to staffing and recruitment issues. There have been a number of vacancies within the Team as a result of less people entering the profession. This is an issue for all Local Authorities at the present time and we are considering alternative ways of supporting graduates into the profession.
Number of additional dwellings created as a result of bringing empty properties back into use.	3	9	0	21	39	38	The rising costs of materials and availability of contractors has caused delays to projects which would in-turn bring empty properties back into use.
Number of additional affordable housing units delivered per 10,000 households	11.42 per 10,000 households	33.54 per 10,000 households	47.11 units per 10,000 households	31.46 unites per 10,000 households	18.76 units per 10,000 households	Not Available	The authority was able to fully spend its Social Housing Grant allocation for 21/22. However, the numbers of units delivered were less than anticipated because a number of larger schemes slipped into the 22/23 grant programme due to the rising costs and availability of materials and labour, as well as sub-contractors going into administration.
Number of young people (11-25) supported (ACES)	331	600	579	333	88	Not Available	Again, Covid has affected the way services have been delivered but referrals have continued to be received from Space, Schools, learning providers, education etc and young people have been supported through a variety of engagement methods such as: -

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18	Explanation
							<ul style="list-style-type: none"> • Open access youth clubs • Job clubs • Information, advice, and guidance sessions Signposted for specialist support.
Local - Number of children (0-10) supported (ACES)	817	900	758	848	2,553	Not Available	Engagement during Covid restrictions has been challenging but children 0-10 have continued to be supported by a range of interventions, these include: - <ul style="list-style-type: none"> • Play • Flying Start • Family Intervention
Percentage Quality Indicators (with targets) achieved by the library service	60%	75%	70.3%	80%	80%	Not Applicable	The Welsh Public Library Standards contain 10 quality indicators with targets which are used to calculate the percentage score. Due to Covid the Welsh Government reduced the QIs within the 20/21 return from 10 to 4. Newport operates a lean staffing model and an efficient service with lower revenue costs compared to other Authorities. As 2 of the revised QI's were dependent upon amount of revenue used to operate the service, this resulted in a lower percentage score overall. This is not reflective of the quality and efficiency of the service being delivered.
The percentage of households for whom homelessness was prevented	40.1%	50%	43.5%	50%	47.2%	55.8%	The pandemic resulted in a cohort of 'hidden homeless' accessing services. A lack of available, affordable accommodation and measures to prevent evictions have resulted in reduced prevention rates.

Corporate Plan: 20 Commitments by 2022

The Corporate Plan (2017-22) set out 20 commitments to achieve by 2022. At the time these were ambitious aims to change the way we deliver our services across Newport. The last two years have also significantly changed our thinking and approach with some of our commitments due to the Covid Pandemic, leaving the EU, and introduction of new legislation. This section provides a summary of what we have achieved and its impact on services / service users, the Commitments still in progress and the Commitments which have changed emphasis in their delivery.

Corporate Theme	Commitment	Status (March 2022)	Overview
Resilient Communities	Community resilience, community based care and support is strengthened by introducing Newport Cares – a programme which enables peer support and provides holistic approach to care.	Complete	<p>The Covid pandemic had a significant impact on the Council's social care provision and our ability to deliver key projects across Newport's communities.</p> <p>Despite these challenges we have been able to improve our services and proved to be vital throughout and after the pandemic.</p> <p>Our integrated Information, Advice and Assistance service has brought together our Community Connectors, First Contact and Occupational Therapy teams which have provided vital early intervention and signposting for service users and carers to access.</p> <p>Throughout the last 5 years we have been collaboratively working with other Council's, Pobl and Mind to use assistive technology and telecare services to support independent living in the community.</p> <p>Home First has continued to be expanded across Gwent to improve the efficiency of hospital discharges. The programme has alleviated some of the pressures faced by the health service and further work will be undertaken to expand the provision to the Ambulance service.</p> <p>Despite these developments, the pandemic has increased demand on health and social care services in Newport and Gwent. Further resources and work over the next 5 years will be needed to continue early intervention and to support those requiring long term and complex care.</p>
	Prototype work to establish Community Investment Zones which transform the service offer in Newport's five most deprived areas is underway.	Complete	<p>The original concept of the Community Investment Zones was initially implemented as part of the Council's Neighbourhood Hub model which created four hubs in our most deprived areas in Newport, Pillgwenlly, Bettws, Ringland and Maesglas.</p> <p>As the pandemic impacted on our frontline services much of our work</p>

Corporate Theme	Commitment	Status (March 2022)	Overview
			<p>had to be paused to ensure our most disadvantaged and vulnerable communities were supported.</p> <p>During the last three years, our Flying Start, adult learning and community services have continued to support and provide opportunities for people to find long term employment, training and start up their own businesses. Additionally, through the partnership working with Anneurin Bevan Health Board we have delivered several Participatory Budget programmes enabling local communities to decide funding for local community groups which help improve their well-being and opportunities.</p> <p>As we have started to move forward from the pandemic, we are now reviewing the impact which the model has had on our communities and to understand what our communities need and expect from our services to help improve their communities in the long term.</p>
	<p>A default presumption in favour of community asset transfer is fully embedded – meaning that citizens can develop a vision for building on their own community assets</p>	<p>In Progress</p>	<p>The Council's Asset Management Strategy set out the Council's commitment to enable community asset transfer in Newport.</p> <p>Over the last five years, we have seen examples where community groups have taken on some of our assets to improve the communities where they live. Maindee Unlimited have demonstrated through the library and now the public toilets on Maindee Triangle being converted into a café, how assets can be converted to enhance the community and provide opportunities for local residents.</p> <p>This work is going to continue in the next Corporate Plan and will become more important for the Council as we rationalise our estate, provide opportunities for communities to improve spaces and assets for people, businesses, and groups to use.</p>
	<p>NCC makes the city's dementia-friendly status real by introducing dementia friendly work practices across the council and creating dementia friendly toolkits for local businesses to use.</p>	<p>Complete</p>	<p>Following our Dementia City Status in 2015, throughout the last 5 years we have continued to support and enable organisations across the city join us to support those suffering with dementia and their carers.</p> <p>As part of our Dementia Friends network, we have delivered sessions to over 700 people across Newport and the Council to help support their family members, neighbours and friends.</p> <p>In April 2022, we supported our partners Newport Live alongside</p>

Corporate Theme	Commitment	Status (March 2022)	Overview
	<p>The Newport Children's Charter sets out our commitment to children and families including headlines commitments to children in care and care leavers.</p>	<p>Complete</p>	<p>Newport County at the Newport walk for dementia raising money for Alzheimer's Society Cymru.</p> <p>This work is now business as usual for the Council and we will continue to support those suffering with dementia and their carers.</p> <p>The Council's commitment was ambitious and challenging to see significant reductions on the number of children on the Child Protection Register, reducing the number of children accessing 3 or more placements and supporting care leavers enter employment, education, and training. Over the last five years Children services have seen increases in demand and complexity of cases which have been exacerbated by the Covid pandemic.</p> <p>As highlighted in Well-being Objective 3 of the report, the number of children placed on the Child Protection Register has increased and work is ongoing to improve placement stability and supporting children into employment, education, and training.</p> <p>The new Corporate Plan will continue the Council's commitment to support children and young people in our care to have the best opportunities to thrive and provide long term stability as they enter into adulthood.</p> <p>Education out of county places for children with complex and specialist needs will always be required by Education, although the council aims to find these specialist provisions as close to Newport as possible or develop its own provision within the city. There are circa 26,000 pupils educated in Newport. In the academic year 2016-17 there were 173 pupils educated Out of County. This has reduced to 104 in 2022 mainly due to the successful establishment of a specialist ASD school for 5-19 year olds within the city.</p>
<p>Aspirational People</p>	<p>The City has modern, increased tertiary education capacity that meets the needs of Newport's future economic and social changes.</p>	<p>In Progress</p>	<p>The proposed relocation of Coleg Gwent into the City Centre is progressing. Planning permission has been granted to build a new leisure and well-being centre on land adjacent to USW which releases the Newport centre site for redevelopment. Pre-application consultation for Newport Centre site commenced on 11 July 2022. In June 2022 Cabinet also agreed to support the submission of a Round 2 Levelling Up Fund bid for the National Technology Institute in the city centre. Bid deadline is 2nd August 2022</p>

Corporate Theme	Commitment	Status (March 2022)	Overview
	Three new state of the art schools will be built, tangibly improving student choice and the educational offer in the city.	Complete	In the last 5 years using Welsh Government Band B Capital funding and Section 106 funding, three school builds have been successfully completed and opened including Glan Lyn Primary School, Jubilee Park Primary School and Ysgol Bryn Derw Special school.
	The annual Newport Work Discovery week is established bringing together residents, employers, and the public sector together to connect and raise aspirations. The Council commits to 15 apprenticeships per year as part of this city-wide drive.	Complete	<p>Throughout the last five years, Newport Council has collaborated with local and regional employers, employment organisations and charities; the Welsh Government and the Department for Work and Pensions to provide opportunities for residents to improve their skills and find long term employment.</p> <p>In addition to the ongoing employment fairs, skills and job programmes led by the Council, we have delivered three careers and employment discovery weeks to school and college children. These Discovery weeks focused on the key sectors in Newport such as digital, green/environmental sector, health, social care, and childcare sectors.</p> <p>More recently, in collaboration with Ffilm Cymru masterclasses have been held online and in person to people interested in joining the TV and film industry in South Wales.</p> <p>Finally, in the last five years our apprenticeship scheme in the Council has provided opportunities to at least 20 apprentices per year in the last 3 years as well as providing work experience and opportunities for care leavers in Newport.</p>
	Increasing educational and social care capacity so that fewer than ten children are educated out of the city and the number of out county social care placements is reduced by 25%.	In Progress	Out of County Places for children with complex and specialist needs will always be required by Education, although the council aims to find these specialist provisions as close to Newport as possible or develop its own provision within the city. There are circa 26,000 pupils educated in Newport. In the academic year 2016-17 there were 173 pupils educated Out of County. This has reduced to 104 in 2022 mainly due to the successful establishment of a specialist ASD school for 5-19 year olds within the city.
	Newport will improve the number of students that achieve at least 5 GCSE A* to C including English Maths in line with the Welsh average.	Complete	In 2018 Welsh Government suspended accountability measures related to Key Stage 4 performance, as a result information is no longer available or relevant. Newport City Council continues to work in collaboration with its schools to ensure robust and effective self-evaluation practices are in place,

Corporate Theme	Commitment	Status (March 2022)	Overview
			<p>which in turn aims to improve the quality of School Development Planning and key priorities such as the quality of teaching and learning.</p> <p>Cluster collaboration is now embedded into Newport School ethos and practices. This is evident in cluster work linked to the Curriculum for Wales, Additional Learning Needs Transformation, Attendance Policies and Transition Planning.</p>
<p>Thriving City</p>	<p>A Newport Festival of Democracy and redeveloped Heritage Discovery Centre represent the city's increasingly vibrant cultural offer with an increase in visitor numbers recorded.</p>	<p>Complete</p>	<p>A Newport Festival of Democracy was delivered through a conference style event in the Riverfront Theatre, and also through the Chartist community stakeholder event; Newport Rising. An Art on the Hill Tourist trail was created as a part of this linking Chartist history and Art of Newport.</p> <p>Major sporting events such as the Tour of Britain, ABP Newport Wales Marathon, and many more have been delivered including this year's Queens Platinum Jubilee celebrations. The Food Festival and Big Splash have also returned.</p> <p>Visitor numbers rose to 4.7 Million per annum in 2019 prior to COVID restrictions.</p>
	<p>Newport's future business offer is driven by the Newport Business Collaborative: a transformed business innovation group which builds on today's informal grouping and helps to increase the proportion of successful SMEs in the city.</p>	<p>Complete</p>	<p>The City of Newport Business Grant has supported 98 business to date. £6,430,500 Covid Discretionary Funding was allocated to 3,373 businesses across the City. Support was also provided to Newport BID and Alacrity using Transforming Towns Funding to deliver digital training and support City Centre Businesses. We have continued to work with partner organisations and tech hubs to develop opportunities for start-ups and SME development</p>
	<p>Real progress on transforming Newport City Centre through redeveloping sites like the Westgate, Chartist Tower and the Market and creative use of existing cultural and commercial assets.</p>	<p>Complete</p>	<p>Both the Indoor Market and Chartist Tower have been delivered and are open. Both schemes have been transformational in improving the leisure, dining and visitor offer in Newport.</p>
	<p>Illegal city centre parking dramatically reduced through a step change in behaviour and enforcement.</p>	<p>Complete</p>	<p>In 2019 we successfully took over the enforcement of on-street parking from Gwent Police. Throughout the last three years we have seen significant improvements throughout the city and have changed people's behaviour to how they park. This has also seen improvements to the environment and use of spaces across the city.</p>
	<p>A new household waste recycling facility is built as part of a new Love Newport deal with residents on waste, recycling, and community pride.</p>	<p>In Progress</p>	<p>Progress on this project was halted during the pandemic due to both prioritisation of delivery of essential services, and difficulties to go ahead with site searches and assessments. The main purpose of this project was to help meet the recycling targets.</p>

Corporate Theme	Commitment	Status (March 2022)	Overview
			<p>During the same period, changes were implemented to the existing recycling centre, which resulted in a safer space for residents and increased recycling and reuse activity. Interventions to increase and support Newport's reuse and repair network have also taken place, with enhanced interaction with local organisations and community groups to create areas to increase resilience and reduce waste.</p> <p>Despite the outcomes being partially met, this facility is critical for Newport to achieve the next phase of recycling targets, so this project remains a priority in the short term.</p>
<p>Modernised Council</p>	<p>We will create a Digital Ecosystem for Newport that rapidly intensifies the growth of the digital economy sector and provides a platform for businesses to connect innovate and grow and communities to participate interact and self-support.</p>	<p>In Progress</p>	<p>A range of digital work through the Digital Strategy, which will be refreshed in 2022.</p> <p>Includes: Public Wi-Fi-provision in over 50 community buildings; Gigabit Voucher Scheme for Residents and Businesses; Footfall Sensors; Digital Transformation Pilot – Welsh Government; Community Safety Network; Covid Recovery Business Grants for Digital Solutions; Digital Inclusion Alliance Wales; City of Newport Business Grant supported digital infrastructure, hardware, software, training, and website development; UK Steel Enterprise Grant support for start-up businesses including, hardware, software, website development and related training; Promotion of Superfast Business Wales service and delivery of joint events/workshops; Developing links with Cyber and Software Academies, also USW and Cardiff University – support for spin-out enterprises</p> <p>Regeneration projects, such as Mill Street, Innovation Station and Newport Market to provide space and support for growing digital economy</p> <p>Current and developing programmes include: Transforming Towns funded Digital project - partnership with Newport Now and Alacrity to deliver digital training to city centre businesses; UK Steel Enterprise Grant support for start-up businesses including, hardware, software, website development and related training; Ongoing promotion of Superfast Business Wales service; Digital Strategy Refresh and a range of developments such as Parking Sensors, Road and Air Sensors, Business Grants supporting digital infrastructure, hardware, software, training, and website development.</p>
	<p>Develop the Newport Intelligence Hub to create a one stop shop for</p>		<p>Complete</p>

Corporate Theme	Commitment	Status (March 2022)	Overview
	<p>spatial and geographic data, data analytics, infographics and open access data to support the drive for evidence-based working.</p>		<p>unified centralised team comprising Geospatial Data and Systems Development, Business Intelligence and Education and Schools Management Information Systems. The team have developed the internal and external (My Newport) web mapping information portal(s) and produce geospatial data analytics to support the Council and partnership working. The Intelligence Hub also worked closely in supporting the national response to the global pandemic. The Intelligence Hub encompasses a significant number of cross-organisational services and systems including:</p> <ul style="list-style-type: none"> • Transactional HR & Payroll and digital workforce transformation • Public Protection, Environmental Health, Trading Standards, Licensing, Housing Renovation Grants, Planning, Enforcements and Building Control • Management Information (MI) Hub incorporating Corporate and Service Plan reporting and monitoring, performance, and risk management. <p>The service also provides services to Monmouth Council and has been the subject of Audit Wales review.</p>
	<p>Four multi-agency Neighbourhood Service Hubs will be created which bring together a range of different services to support better outcomes and manage demand in areas of Newport with the highest need as evidenced in our well-being profile.</p>	<p>Complete</p>	<p>As already highlighted, under Community Investment Zones, four Neighbourhood Hubs were created and have delivered a broad range of services to communities across Newport.</p> <p>All of these Hubs were vital for communities during the pandemic providing access and distributing food parcels to residents, providing childcare support through Flying Start provision for key workers and providing online library / digital services.</p> <p>As we have started to move forward from the pandemic, we are now reviewing the impact which the model has had on our communities and to understand what our communities need and expect from our services to help improve their communities in the long term.</p>
	<p>We will create an inviting and inspiring work environment, freeing up 50% of our estate (including 20% of our Civic Centre) to save money and create space for commercial and social innovation.</p>	<p>In-progress</p>	<p>The Covid pandemic brought about significant change to how Council staff work and how we need to use our assets across the estate. Throughout the last three years, staff have been working hybrid from home and in the office (front-line and key support services) to ensure the Council continued to deliver its services.</p>

Corporate Theme	Commitment	Status (March 2022)	Overview
			As part of our New Normal project, we are now undertaking significant work to re-shape how we use key assets such as the Civic Centre for staff but also enable new uses of our assets for residents, businesses and other organisations to use. This project is going to be major piece of work in the next Corporate Plan.
	Each citizen in Newport has access to a MyAccount – an individual online portal which allows them to do business with the Council and online.	Complete	Since the inception of My Account, the Council has 117,378 registered users. The Covid pandemic increased the use of My Account to support services such as the household and waste recycling site. The Council continues to see users register to the app and further expansion of services provided using the app will be made in future.

The Way we Work – Corporate Governance & Statutory Duties

It is important for Newport Council to have effective systems and processes in place to enable it to carry out its duties for the residents, businesses, and other organisations in Newport. The [Council's Constitution](#) sets out these roles and responsibilities for the Elected Members that have been voted by citizens to represent their communities, and officers that are responsible for carrying out the Council's statutory functions.

Responsibility and accountability for decision making rests with the Full Council, the Cabinet, individual Cabinet Members, Regulatory Committees (Planning and Licensing Committees) and Chief Officers, depending on the decision taken. The Council's scheme of delegation sets out how the Council's Executive (Cabinet) and Chief Officers (Chief Executive and three Directors and eleven Heads of Service) take decisions.

It is important that the Council self-assesses the way it works, promotes where it is succeeding and learns the lessons of where it can improve the delivery of its services. This section of the report examines the performance of its statutory duties and integrates the recommendations of where the Council can improve. These will be recorded in the Recommendations and actions for improvement at the end of the report.

Newport Council's Annual Governance Statement

The [Annual Governance Statement \(AGS\)](#) is a requirement of the Accounts and Audit (Wales) Regulations 2014. The AGS describes the governance framework in place within the Council, how the effectiveness of the governance arrangements has been monitored and evaluated during the year with evidence and examples setting out any changes planned for 2022/23. The AGS is incorporated into the Council's Statement of Accounts 2021/22.

The AGS also includes an Action Plan for the Council to implement and improve its governance arrangements. Key actions have been raised for the Council to implement and these are included in the Recommendations and actions for improvement.

Internal Audit Annual Report 2021/22

In line with the Public Sector Internal Audit Standards, the Chief Internal Auditor of Newport Council is required to provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment; a summary of work completed and the performance of the Internal Audit team. The report and further detail of the Internal Audit team's work completed in 21/22 can be found through the link [here](#). For 2021/22, the level of assurance determined by the Chief Internal Auditor was deemed to be "**Reasonable**". A summary of the assessment can be found in the table below:

Internal Audit Rating	2018/19	%	2019/20	%	2020/21	%	2021/22	%
Good	10	22	7	22	5	17	10	29
Reasonable	27	57	19	60	23	80	23	66
Unsatisfactory	10	19	6	18	1	3	2	5
Unsound	1	2	0	0	0	0	0	0
Total	48	100	32	100	29	100	35	100
Overall Opinion	Reasonable		Reasonable		Reasonable		Reasonable	

External Regulatory Reviews – Audit Wales, Care Inspectorate Wales and Estyn

As a public body, Newport Council is subject to external regulatory review by Audit Wales, Care Inspectorate Wales, and Estyn. Every six months, the Council's Governance and Audit Committee is provided with a summary of the regulatory reviews completed on services delivered by Newport Council and also national (Thematic Reviews). In 2021/22, two reports were provided to the Audit Committee in [November 2021](#) and also

[July 2022](#) with a summary of the reports completed and the Council's response to any recommendations / actions raised.

Performance Management

Newport Council's [Planning, Performance and Risk Management Framework](#) provides an overview of how Newport Council has had monitored and reported the performance of the Council and its service areas in the delivery of its services, Corporate Plan and statutory duties. To support the Framework, the [Planning and Performance Policy](#) outlines the reporting mechanisms of the Council.

The performance of the Council's eight [service areas plans for 2021/22](#) was examined by the Performance Scrutiny Committees through Mid-year and End of Year performance reviews. Information on the service areas performance can be found through the links below:

Place and Corporate Performance Scrutiny Committee (City Services / Finance / Law & Regulation / People & Business Change / Regeneration Investment & Housing)

Mid-Year Performance Reviews - [15/11/21](#) and [29/11/21](#)

End of Year Performance Reviews – [11/07/22](#) and [25/07/22](#)

People Performance Scrutiny Committee (Adult & Community Services / Children Services / Education):

Mid-Year Performance Reviews – [16/11/21](#) and [30/11/21](#)

End of Year Performance Reviews – [12/07/22](#) and [26/11/22](#)

Following the implementation of the Local Government & Elections (Wales) Act 2021, and the restructure of the organisation, the Framework and its supporting policies will need to be updated to reflect these changes. Additionally, from 2022/23, the Council will be strengthening its performance monitoring and reporting to support the new Corporate Plan and improve the accountability of the Council in the delivery of its services. A recommendation and action will be included in the 2022/23 action plan.

Risk Management

Risk Management is at the centre of all decisions and actions taken by Newport Council in the delivery of its services. The [Risk Management Policy](#) outlines the Council's approach to Risk Management and includes a Risk Appetite statement on how the Council manages the opportunities and risks in the delivery of its services and meeting statutory duties. Risk is reported every quarter to the Council's Governance and Audit Committee and Cabinet. To support the new Local Government and Elections (Wales) Act and delivery of the new Corporate Plan, the Risk Management Policy will need to be updated to reflect these changes and support the overall Framework of the Council.

Asset Management

The Council's asset portfolio includes 955 buildings and land across Newport including the Civic Centre, schools, and other Council buildings. The management and maintenance of our assets has been delivered in partnership with Newport Norse since 2016. The ongoing maintenance of our buildings is one of most significant risks in Newport Council which is also reported as part of the Council's Corporate Risk Register. Over a period of time the Council has been seeing an increase in the backlog of work required to maintain and to ensure that they meet necessary building regulations and other legislative duties and the Equality Act. Furthermore, the Council is also now committed to becoming net zero carbon by 2030 and following the Pandemic we are now adapting to the new normal with hybrid working becoming the preferred choice to undertake Council duties. This is changing the way we use our existing buildings and how we design new buildings across the Council to ensure that they are more sustainable for long term use.

In 2021/22, Audit Wales undertook a review of our Asset Management as part of their Springing Forward review. The report found that Newport Council strategically plans and manages its property assets well, needs to put the sustainable development principle at the heart of how it considers building on the experience of the pandemic. The report made two recommendations to develop longer term planning and to further develop partnership working. Both recommendations have been included in the action plan of this report.

The Council embarked on a programme of estate rationalisation looking to identify assets in its estate that could be more effectively and efficiently used to meet the overall priorities of the Council and citizens of Newport.

Local Development Plan Annual Review

The Newport Local Development Plan (LDP) 2011-2026 was adopted in January 2015 and sets out the land use policies which form the basis on which planning decisions about future development in Newport are based. As already highlighted in Well-being Objective 2, in 2021/22, Newport Council agreed to commence the development of the next LDP. As part of the statutory development plan process, the Council is required to prepare an [Annual Monitoring Report \(AMR\)](#). The last report was published in October 2021 and was the sixth AMR since the adoption of the LDP. The report monitors the effectiveness of its policies and the performance of the LDP in 2020/21 identifying whether any changes are necessary. Overall, the report concluded that the LDP was performing well and enabling growth in sustainable locations. The report identified six recommendations for improvement and will form a key part of the evidence base for the replacement LDP.

Annual Safeguarding Report 2021/22

In September 2022, the Council's [Annual Safeguarding report 2021/22](#) was reported to Cabinet. The purpose of this report is to provide an overview of the Council's safeguarding arrangements across the organisation. The report provides assurance that departments across the Council had clear standards in place to address safeguarding and improvements had been made across the organisation. The Report includes the Corporate Safeguarding workplan (22/23) and is included in the recommendations and actions table.

Annual Digital Report 2021/22 including Freedom of Information and Subject Access Requests

Newport Council is responsible the information and data which it obtains from its citizens. The Data Protection Act 2018 requires the Council to use people's data fairly and responsibly ensuring that we collect data that is for the purposes of delivering our services and enable us to make decisions. The Council's annual [Digital Report 2021/22](#) and [Annual Information Risk Report](#) provide an overview of how the Council and its partner Shared Resource Service (SRS) has performed in 2021/22.

The annual Digital Report provides an overview of the effectiveness of the SRS Boards and the performance of the service. In 2021/22 of the four performance measures reported as part of their agreement, SRS was green on three and amber one performance measure. An overview is provided below:

Measure	Actual Performance 2021/22	Target 2021/22	Actual Performance 2020/21	Actual Performance 2019/20
% of Calls resolved against Service Level Agreement (SLA)	94.9%	85%	91.8%	93%
Customer Satisfaction	78%	70%	64.7%	76%
Calls resolved at first point of contact	78.8%	70%	58.8%	60.5%
Average Call Response time	6 minutes 40 seconds	1 minute 30 seconds	5 minutes 27 seconds	5 minutes 31 seconds

The Freedom of Information Act 2000 requires public bodies including local authorities to give people access to official information where decisions are made, and data is held. In addition to this the Data Protection Act requires organisations to allow people to access the data held about them. These requests are called Subject Access Requests. The Council reports as part of the Information Risk Report and the People and Business Change service plan the performance of the Council meeting these requirements:

Measure	Actual Performance 2021/22	Target 2021/22	Actual Performance 2020/21	Actual Performance 2019/20
% of Freedom of Information responses completed in time	89.5%	88%	90.8%	91.4%
% of Subject Access Requests completed in time	71.1%	75%	60%	72%

Where recommendations and actions have been identified to improve corporate performance, these have been included in the action table.

Procurement and progress against the Strategy

Newport Council is in its second year delivering its [Procurement Strategy](#). In January 2022, the Council's Cabinet ([Cabinet Report](#)) agreed the adoption of the Welsh National TOMs (Themes, Outcomes and Measures) Framework for measuring social value in the procurement for large contracts over £75k in value. The new Framework will be applied to new contracts and tenders from 2022/23 and will support future social value strategies for the Council. The new Framework will also support the Council's new Climate Change Plan to ensure tenders and contracts support the Council's objective of becoming net carbon zero by 2030.

Health, Safety and Well-being

Health, safety and well-being are central to the Council's work. Newport City Council has a statutory duty to ensure that all employees undertake the necessary training to ensure the health and safety of all those involved is not put at risk. This also includes the staff and members of the public that use our facilities and equipment such as Council buildings, schools, playgrounds, community centres etc.

The Council's Health and Safety team is responsible for supporting the Council's service areas and teams to comply with the Health and Safety legislation. Over the last two years, the team has been supporting the Council to comply with the necessary Covid legislation and regulation. In 2021/22, much of this legislation remained in place and as restrictions have been removed, the team has been going back to its pre-covid support. Throughout the year, employees of the Council (new and existing) are required to undertake necessary health and safety training, checks and awareness sessions to ensure with comply with necessary health and safety legislation and requirements.

The table below provides an overview of the number of accidents, incidents and violence at work reports that have been raised and investigated. This also includes the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

	2021/22	2020/21	2019/20	2018/19
Total number of Accidents / Incidents / Violence at Work Reported	545	308	517	713
Total Number of RIDDOR Reports	6	15	31	22

The Way we Work: Newport City Council's Finances

The 2021/22 financial year continued to be an unconventional one for Newport City Council, as it has been for all other Welsh Councils. Whilst 2021/22 saw a steady recovery from the effects of the pandemic, there were still large parts of the year where services were not able to operate in the traditional manner. A significant reliance upon financial support via the Welsh Government's Hardship Fund, to cover the additional costs incurred and income lost due to Covid 19, continued to be a prominent feature throughout the year. In addition, a range of specific Welsh Government grants were issued during the year, especially in the last quarter, having a significant impact upon the Council's year-end financial position.

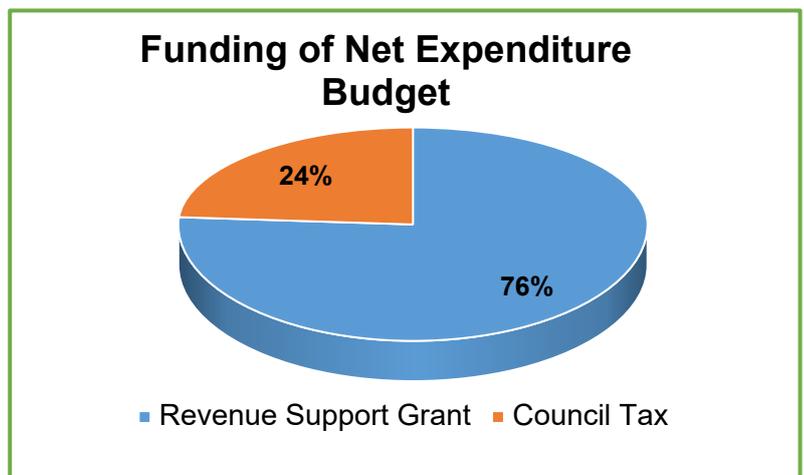
Every year the Council is required to produce a [Statement of Accounts](#) which provides a detailed overview of where and how it has spent its money.

Newport Council Budget 2021/22

The 2021/22 net budget for Newport Council was £315.9m. This was funded from the Welsh Government (WG) revenue support grant (76%) and from local council tax (24%).

Newport council received an uplift of £12.719m from the Welsh Government. Council tax was increased by 3.7% for the year.

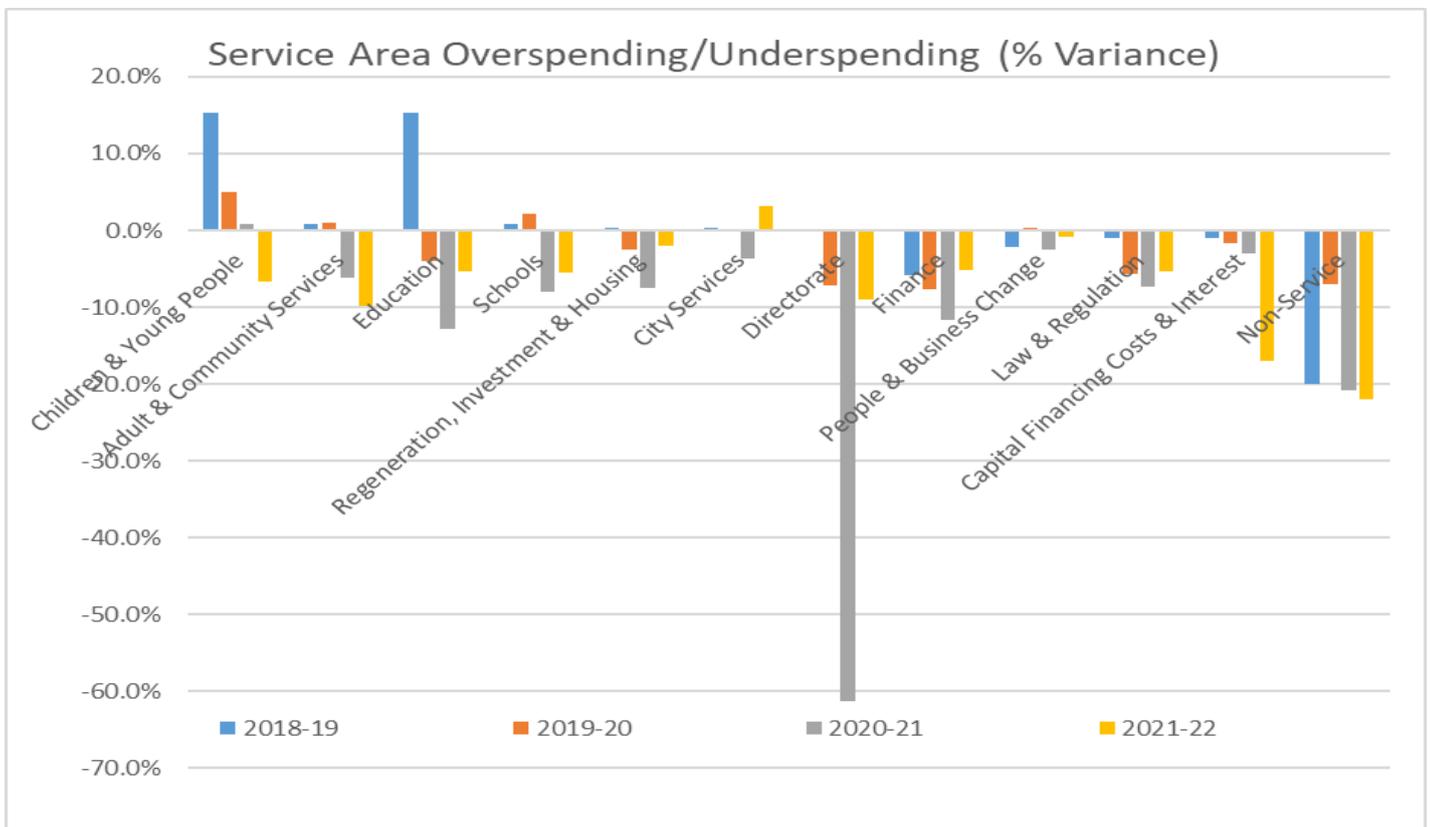
In comparison to other [local authorities in Wales](#), council tax rates in Newport remain the third lowest in Wales.



2020/21 Revenue Financial Performance

At the end of the financial year (March 2022) the Council reported a net underspend of £18.4m against the £315.9m budget. The underspend was due to:

- Receipt of one-off WG grant funding to assist in its response to Covid 19 and deliver Welsh Government priorities.
- Underspends across all services in relation to costs of general administration and service provision; staffing savings due to recruitment challenges; not undertaking planned / normal services as they were either not required or unable to be carried out due to Covid 19.
- General contingency budget not being required, an underspend against Council Tax Reduction scheme, an overachievement against budgeted Council Tax income and a significant underspend against the Capital Financing budget.



*Non-Service - is expenditure which is not a service requirement, but we still account for it, such items as levies and provisions.

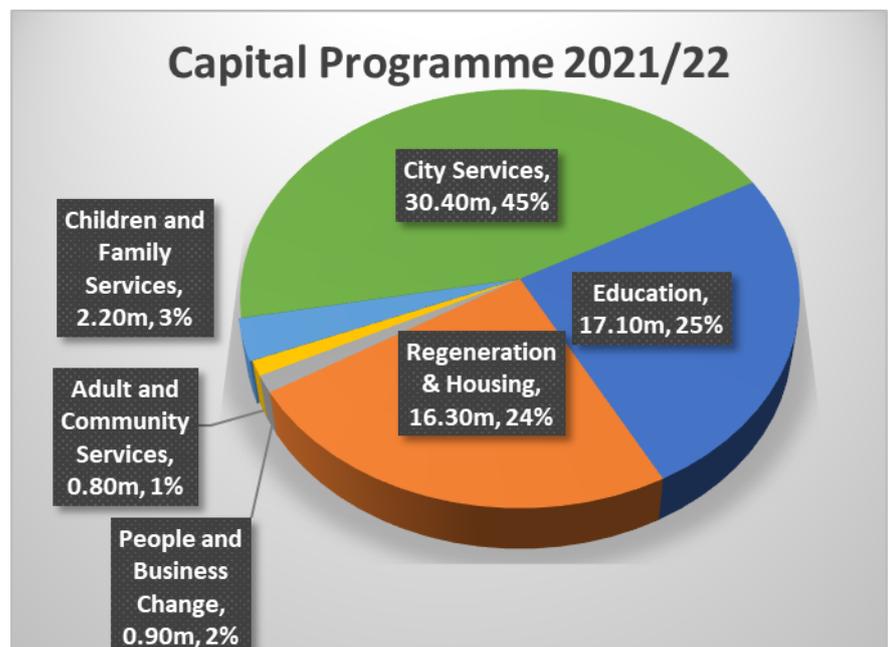
** Capital Financing Costs & Interest - is the cost to us to finance capital, the MRP charge, and interest is the interest we pay and receive.

2021/22 Capital Programme

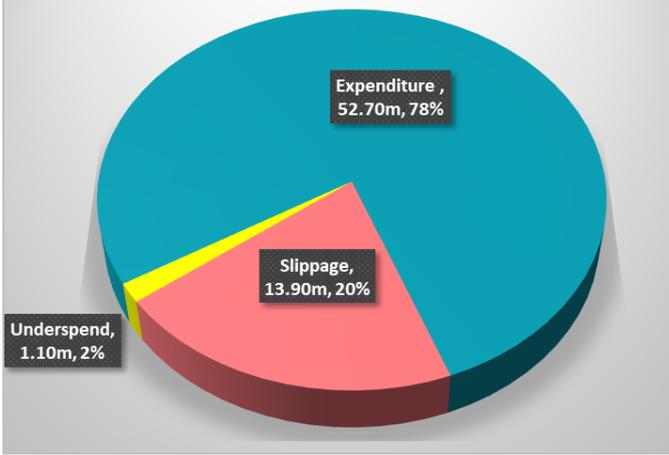
The capital programme is about the large-scale investments that the council makes towards its assets and infrastructure, such as schools, roads, regeneration projects and the wider investment into the Cardiff City Region City Deal.

The council has a five-year capital programme (plus two additional years) which started in 2018/19 totalling £298m. In 2021/22 the capital programme included:

- £17m investment in schools
- £30m road, transport and infrastructure works
- £3m for social care projects
- £16m investment in regeneration and housing
- A range of energy efficiency schemes
- Commitment to invest in the Transporter Bridge
- Various active travel scheme.
- assets to maintain and improve service delivery and to support regeneration initiatives.



Capital Activity 2021/22



The Council spent £45.2m of the £52.7m was funded from grant funding and £5.5m from borrowing.

The remaining amount (£2.0m) was from capital receipts, contributions & S106 and other Council resources.

£13.9m was moved into future years of the programme (slippage) and there was a net underspend of £1.1m.

Council Revenue and Capital Budget 2022/23

The Council's base budget for 2022/23 is £343.012m which includes £265.612m of core funding from Welsh Government. The balance of core funding comes from Council Tax, which was increased by 2.4% for 2022/23. The budget was approved by a [Full Council meeting](#) on 1st March 2022. The 2022/23 capital budget, as per the 2022/23 Capital & Treasury Strategy, is £103m and reflects the Council's continued ambitious programme for investing in its assets.

The Way we Work – NCC Workforce, Equalities and Welsh Language

Newport City Council's Workforce and Well-being

5,756
Headcount

4,429
Female
Headcount

1,327
Male Headcount

2,548
Full-Time
Headcount

3,431
Part-Time
Headcount

*Figures taken at 31st March 2022

Newport City Council has 5,756 (as at 31st March 2022) staff. The staff of Newport Council is its biggest asset and over the last two years have demonstrated how selflessly they put themselves forward to support our most vulnerable residents in the City, adapt to the changing work environment, and also innovate to deliver our services to improve the lives of citizens. Since the pandemic new opportunities and challenges for the Council's workforce have also emerged such as hybrid / home working, improving the diversity of the Council, health and well-being of staff, and increased competition from other public, private, and not for profit organisations affecting recruitment and retention of staff.

Performance Measure	2021/22 Actual Performance	2021/22 Target	2020/21	2019/20	2018/19	2017/18	Explanation
NCC Sickness days lost.	10.06 days	9.23 days	7.3 days	11.5 days	10.1 days	10.1 days	Comparing sickness data through the pandemic is a challenge due to a range of factors. COVID absences will have impacted on this outcome. In January 22, the Council has adopted a new Wellness at work approach which is aimed at supporting employees to stay in the workplace. Measuring the success of this new approach will be included in 22/23.
% of managers undertaking regular check-ins.	23.9%	80.00%	No Data	53.06%	Not available	Not available	Through the COVID pandemic and working from home the requirement to record monthly check-ins in this way was relaxed. Monthly check-ins have now been reintroduced and the Corporate Management Team (CMT) have received a report on the stats for 21/22 and agreed actions to improve during the first six months of 22/23 whilst also reviewing the whole Check-in approach.
National – Number of Apprentices per 1,000 employees.	20 per 1,000 employees	20 per 1,000 employees	29 per 1,000 employees	6 per 1,000 employees	36 per 1,000 employees	No Data	The COVID pandemic resulted in some delays to our apprentice scheme, however additional appointments were made early in 22/23.

The Strategic HR team have developed and implemented a workforce planning toolkit to heads of service and service managers. Each of our service areas have adopted workforce planning actions during 21/22 and continue to work towards these longer-term aspirations for the workforce. Monitoring of these workforce plans sits within the service area planning process with regular check ins on progress whilst also reviewing workforce pressures and demands.

In January 22, our traditional way of managing absence changed and we launched our new Wellness at Work Policy following agreement with the senior team, Cabinet Member and our Trade Unions colleagues. The aim of this policy is to promote and support employee well-being to ensure a positive work environment that enables our employees to flourish and reach their full potential. This new approach aims to support employees to remain well and productive whilst at work or to assist an employee's return to work if they have been unable to attend due to sickness. This approach sits within the Council's well-being framework which embraces a wider range of policies and provisions aiming to support physical and mental well-being. During 22/23 we will be able to review the policy impact.

To support our employee's wellness at work a variety of tools are available to staff such as Care First, an impartial online or telephone tool to access advice, information, and counselling 24 hours a day and Zest, an interactive health management portal to manage and improve physical and mental health. The demands for support in wide reaching areas has increased in line with expected demand during the pandemic. Our Trade Unions also provide support to the workforce on Wellness at work through the provision of the trade union networks. The council continues to provide a professional occupational health service and has maximised use of available appointments with over the telephone appointments during the pandemic – which has decreased waiting times. Our Occupational Health provision will be reviewed during 22/23 harnessing the positives from the service and enhancing areas that need focus.

Feeling connected and productive is one of the areas we have focused on during the pandemic, particularly with people working from home. As a result of feedback, additional training webinars have been sourced to help those working remotely feel connected and productive. The rollout has been popular, and the sessions have been fully booked, reflecting the need from across all of our service areas. Additional funding from the training budget has been allocated to delivering an increased number of these webinars due to the take-up. The results from these surveys have also been used to inform the long-term future of operational working and have featured in reports to scrutiny and cabinet on what the new operating model could consist of once the pandemic is over. Our workforce policies on New Normal will be rolled out in 22/23 following feedback and agreement.

Our People & Culture Strategy has been in its last year during 21/22. Our strategy aligns directly with a number of other strategies for us, for example, aspiring to have a workforce that is representative of our communities, as set out in the Strategic Equality Plan and People & Culture Strategy, or growing a digitally enabled workforce, as detailed in the Digital Strategy. The inclusion of service area workforce planning actions within service area overall plans, means Heads of Service are aligned to the council's overall workforce aspirations in a holistic approach, attempting to meet individual service need, but also meeting wider strategic objectives that make Newport City Council an employer of choice.

Engagement with Trade Unions

Working in partnership with our Trade Unions is critical to the successful delivery of a number of our workforce strategies. The Cabinet Member with responsibility for Human Resources continues to chair our Employee Partnership Forum (EPF) on a quarterly basis for strategic matters. EPF brings together all our Trade Unions colleagues in a consultative forum with officers from HR to engage in and help steer direction for workforce matters. Alongside EPF, some of our service areas, supported by HR, hold joint consultative committees (JCW's) to discuss strategic issues affecting their areas. The Chief Executive consulted the Trade Unions on a significant restructuring process that affected all our service areas during 2021/22 and many of our Heads of Service and Directors also continue to engage with our Trade Unions.

At an operational level regular dialogue continues with our internal and regional Trade Union representatives on employee relations issues, such as individual concerns around wellbeing and conduct. Our Trade Union colleagues continue to support their members through transformation across the Council.

Partnership working with our Trade Unions is important to the Council. Trade Union colleagues bring our staff voice to discussions and supplement our staff forums and challenge the Council to do more for our staff, which in turn provides a more productive and engaged workforce. **Page 87** helps build employee relations.

Newport Council Workforce Representation / Strategic Equalities Plan

	2017/18	2018/19	2019/20	2020/21	2021/22
Female	77.1%	76.9%	76.9%	76.9%	76.7%
Male	22.9%	23.1	23.1%	23.1%	23.3%
Disabled	1.7%	1.8%	2%	2.1%	2.5%
LGABTQ+	1%	1.1%	2.5%	1.3%	1.8%
Black, Asian and Minority Ethnic	4.1%	3.9%	4.1%	4.2%	4.9%
Welsh Spoken / Reading / Written / Understanding (Advanced)	3.1%	3.5%	3.8%	4.2%	4%

In September 2020, Newport Council endorsed the authority's [Strategic Equality Plan \(SEP\)](#) including the enhanced governance arrangements that support the delivery of the SEP over the next four years. The SEP has identified six Objectives which will support the Council's Equality Plan. The table below summarises the key achievements made in 2021/22 against these objectives. A full copy of the report can be found [here](#).

Strategic Equality Objective	Outcome	Achievements
Leadership, Governance, and Involvement	Newport City Council shows clear and consistent leadership in promoting equality and diversity across the city	<ul style="list-style-type: none"> Inclusive Leadership training completed by nearly 300 Senior Leaders and Managers. Leader appointed as WLGA Spokesperson for Equalities, Migration and Anti-Poverty Significant dates, including LGBT+ History Month, Ramadan, Eid-al-Fitr, Holocaust Memorial Day, Pride Month, Lunar New Year, Refugee Week, Windrush Day, GRT History Month, Black History Month and Hate Crime Awareness Week, have been recognised and promoted across the city.
	Newport City Council has a clear governance structure in place to monitor equality performance across the organisation	<ul style="list-style-type: none"> Fairness and Equality Impact Assessments including the Socio-economic Duty against policy/decision making are ongoing and has been considered against a range of decisions
	Newport City Council will improve how it understands the impact of changing services by engaging residents and relevant groups in the decision-making process	<ul style="list-style-type: none"> £415,000 of funding has been distributed to 79 community projects, overseen by and a representative community steering group, working closely with Newport's Fairness Commission.
Customer Service and Access	We have a better understanding of the demographics of our service users, and reflect these in service design, removing barriers to access	<ul style="list-style-type: none"> Accessibility Stakeholder Group continues to advise on council projects Equality, Hate Crime and EUSS awareness sessions delivered to all senior customer service staff Development of corporate guidance on interpreting and translation to ensure service is culturally and linguistically sensitive
	Complaints relating to discrimination are managed in a way that ensures organisational learning	<ul style="list-style-type: none"> The council's complaints monitoring process now includes the collection and analysis of demographic data
	Through close partnership working with Newport Live barriers to accessing sports and leisure provision in the city will be reduced	<ul style="list-style-type: none"> Inclusive cycle scheme is fully operational and has engaged with a wide range of Newport residents Disability inclusion training delivered to Newport Live staff and added to staff induction programme Newport Live signed up to the Disability Confident employer scheme
Representative Workforce	Staff with protected characteristics are better represented at all levels throughout the organisation	<ul style="list-style-type: none"> Update to internal demographic monitoring categories based on census categories to better reflect local communities

Strategic Equality Objective	Outcome	Achievements
	Diverse staff have a voice within the organisation, and are listened to	<ul style="list-style-type: none"> Staff networks for disabled, LGBTQ+ and ethnic minority staff continue to provide a platform for staff from under-represented groups to influence our workplace policy, service delivery and strategic decision making
	The potential for unconscious bias in recruitment processes is recognised, and minimised	<ul style="list-style-type: none"> All managers are receiving Inclusive Leadership training, which includes raising awareness of issues related to bias in recruitment Recruitment and selection e-Learning module now available for all managers
Community Cohesion	Everyone living in Newport feels welcomed, and integration is supported by local communities	<ul style="list-style-type: none"> Significant support provided to EU citizens in Newport ensured eligible residents could submit late applications to the EU Settlement Scheme post deadline Established Hardship Group and a referral pathway to manage complex cases of hardship that arise as a result of insecure migration status
	Community tensions are monitored and mitigated effectively	<ul style="list-style-type: none"> Fortnightly community tensions meeting and weekly community dial in established in partnership with Gwent Police
Learn Well	There is greater parity in attendance and exclusion rates for all pupils in Newport	<ul style="list-style-type: none"> Development and roll out of Emotional Based School Avoidance (EBSA) support and resources for schools Exclusions and work focussed on violence reduction in schools
	We have a better understanding of the challenges faced by potentially marginalised pupils	<ul style="list-style-type: none"> Preparing schools for the requirements of the Relationships and Sexuality Statutory Education Code (RSE) A Whole-Schools approach to emotional wellbeing and to help schools achieve the aims set out in the Welsh Government's Framework (2021)
Independent Living	People are empowered to live in their own accommodation for longer	<ul style="list-style-type: none"> During the year over 2,665 people were supported by all floating support schemes to access and maintain their accommodation, including adults with learning disabilities and refugees Floating support scheme supported 20 unaccompanied asylum-seeking children (UASC) to increase opportunities for independent living
	People are empowered to play an active role in their local communities	<ul style="list-style-type: none"> Community Connectors continue to support people to connect with, and be involved with, their local communities
	The city is responsive to the accommodation needs of victims of domestic abuse	<ul style="list-style-type: none"> Housing Support Grant continues to fund projects for people escaping domestic abusive relationships, including specific provision for people from ethnic minority backgrounds 381 women supported by the Domestic Abuse Floating Support service to remain in their own homes New scheme launched for women subject to sexual and financial exploitation in a 'safe house'. Funding to provide an additional DAFS support worker to oversee the DACC (Domestic Abuse Conference Calls) calls from Gwent Police.

Newport Council Welsh Language Annual Report 2021/22

Earlier in 2022, Newport Council launched its new Welsh Language Strategy and Welsh in Education Strategic Plan. Both strategies will support the Council's Corporate Plan objectives. A detailed overview of how Newport City Council is delivering against its Welsh Language Strategy can be found in the [Welsh Annual Report](#). This is reported to the Council's Overview and Scrutiny Management Committee and the Council's Cabinet. The report highlighted the progress made against the previous Welsh Language Strategy and promotion of the Welsh language across communities in Newport but also work internally to support staff that want to improve their Welsh language skills and to ensure ongoing compliance with the requirements for public bodies set in the Welsh Language Standards.

Actions from both the Equalities Annual report and the Welsh Language Annual Report and the new strategies are included in the action table below.

The Way we Work – Involvement and Engagement

For the services delivered by Newport City Council and highlighted throughout this annual report, it is vital that we involve communities, service users and businesses in the decisions that we make. It is also important that council services receive feedback from those who use them so that the council can improve its delivery and understand the experiences faced when accessing and using our services.

The involvement and engagement below is in addition to the consultation with staff and trade unions detailed on page 48.

Involvement and Engagement Activity with the People of Newport

The last year has been particularly challenging for the council to actively engage and involve people in person on some of our key policy decisions. However, the last year has also brought about opportunities to engage and involve people using online surveys, workshops and focus groups. As highlighted earlier in the report, the council delivered the participatory budget initiative online – inviting people to the meeting to vote on the projects that they would like to see funding to deliver local projects in their area.

As part of the work to develop the community impact assessment the council in collaboration with Newport Fairness Commission, delivered five online engagement sessions to groups that were most affected by Covid-19 – including older people and carers, Black, Asian, and Minority Ethnic communities; migrants, refugees and asylum seekers, LGBTQ+; children and young people; disabled people and carers and Welsh speakers.

The Newport Youth Council meets at least once a month to facilitate the representation of young people and their involvement in decision making. Young people have taken part in Senedd debates, Police and Crime Commissioner events and are represented on the One Newport PSB.

In addition to this work the council delivered, the following surveys were completed in 2021/22.

Date	Subject	Client	Source	Responses
Apr 2021	Information Management	People & Business Change	Online SNAP Survey	258
	Period Dignity Trial Survey	People & Business Change	Online SNAP Survey	11
May 2021	Period Dignity Community Groups	People & Business Change	Online SNAP Survey	4
	Period Dignity Students	People & Business Change	Online SNAP Survey	18
	Period Dignity School Staff	People & Business Change	Online SNAP Survey	9
	Market Arcade	RIH	Online SNAP Survey	27
June 2021	Generation Rent	RIH	Online SNAP Survey	114
	Generation Rent	RIH	Bus Wi-Fi Survey	769
	YBD Expansion	Education	Online SNAP Survey	4
	Federate Gaer and Maesglas	Education	Online SNAP Survey	1
	Safer Streets – Women and Girls Safety	People & Business Change	Online SNAP Survey	249
July 2021	Right Skills – Adult Skills	People & Business Change	Online SNAP Survey / Involve Newport Citizens Panel	219
	Right Skills – Adult Skills	People & Business Change	Bus Wi-Fi Survey	671

Date	Subject	Client	Source	Responses
	Youth Justice – Victims Feedback Form	C&YP Services	Online SNAP Survey	Ongoing (8 so far)
	UK City of Culture	RIH	Online SNAP Survey	10
August 2021	Digital Strategy Refresh – Public Survey	People & Business Change	Online SNAP Survey	264
	Digital Strategy Refresh – Business Survey	People & Business Change	Online SNAP Survey	9
	City Centre PSPO 2021	Law & Regulation	Online SNAP Survey	108
	Welsh Language	People & Business Change	Bus Wi-Fi Survey	545
	Private Landlord Survey	RIH	Online SNAP Survey	34
	Caseworker Questionnaire	RIH	Online SNAP Survey	141
	Digital Strategy	People & Business Change	Bus Wi-Fi Survey	818
	Prevent School Surveys – Safeguarding Leads	People & Business Change	Online SNAP Survey	Ongoing (16 so far)
	Prevent School Surveys – Participants	People & Business Change	Online SNAP Survey	Ongoing (6 so far)
Sept 2021	Group Session Feedback (Disabled Childrens Team)	C&YP Services	Online SNAP Survey	6
Oct 2021	Welsh Language	People & Business Change	Online SNAP Survey	49
	WESP Survey	Education	Online SNAP Survey	65
	Admissions Forum Survey	Education	Online SNAP Survey	13
	Customer Service Survey	City Services	Online SNAP Survey	77
Nov 2021	Customer Service Survey	City Services	Newport Citizens Panel	203
	Childcare Sufficiency Assessment	RIH	Newport Citizens Panel	203
	School Admissions Manager Survey	Education	Online SNAP Survey	9
	Climate Change Plan Survey	People & Business Change	Online SNAP Survey	168
	Parental Choice Survey	Education	Online SNAP Survey	128
	Perception of Newport	People & Business Change	Bus Wi-Fi Survey	1773
Dec 2021	EU Citizens Survey	People & Business Change	Online SNAP Survey	84
	Digital Staff Survey	People & Business Change	Online SNAP Survey	49
	Digital Residents Survey	People & Business Change	Online SNAP Survey	22
	WM Parent Survey (Childcare & Edu Provision)	RIH	Online SNAP Survey	13
Jan 2022	Wellies Forum Feedback (Disabled Childrens Team)	C&YP Services	Online SNAP Survey	14
	Big Play Survey 2021-22	RIH	Online SNAP Survey	40
	Budget Consultation 2022-23	People & Business Change and Finance	Online SNAP Survey	97
	Budget Consultation 2022-23	People & Business Change and Finance	Bus Wi-Fi Survey	886
	WEF Perception Survey	Education	Online SNAP Survey	Ongoing (13 so far)
Feb 2022	Transport for Wales	People & Business Change	Online SNAP Survey	41

Date	Subject	Client	Source	Responses
	VPRS Client Survey	People & Business Change	Online SNAP Survey	Ongoing (12 so far)
	Wellies Forum Feedback (Disabled Childrens Team)	C&YP Services	Online SNAP Survey	7
	Siblings Event Feedback (Disabled Childrens Team)	C&YP Services	Online SNAP Survey	6
Mar 2022	Public Participation Strategy	City Services	Online SNAP Survey	11

Involvement and Engagement Activity with Businesses of Newport

The economy and businesses of Newport are a vital backbone to providing prosperity and opportunities for the communities of Newport. At Newport City Council we have continued to ensure the views and engagement of businesses are considered in the development and delivery of Council strategy and policies. Throughout 2021/22 the Council was represented at the [Newport Now \(Business Improvement District\)](#) and has continued to engage with businesses through the following mechanisms.

- **NCC City of Newport Grants** – Consulted with businesses in the development of the Council’s City of Newport Grants.
- **City of Newport Business Newsletters** – keeping businesses informed of covid funding, latest business development news and signposting to other government organisations. This is issued to approx. 7,000 businesses.
- **Account Managers meetings** – consists of 57 business support organisation representatives.
- **M4 Business Breakfast** – Resumed in March 2022.
- **NCC Business Support** – Using [Facebook](#) and [Twitter](#) to engage and provide business support updates to the city’s business community.
- **Advice, guidance, and business support grants** – throughout 21/22 NCC processed over 3,937 grant applications and provided ongoing advice and support to businesses.

Participation Strategy

Newport Council is committed to encouraging people to participate in the decision making of the Council and in 2021/22 we agreed the Council’s [Participation Strategy](#). This Strategy outlines how we will comply with the Local Government and Elections Wales Act 2021 and make it easier for people to engage with the Council. This will include promoting public awareness of the Council’s functions and corporate governance arrangements, facilitating access to information about decision-making and improving ways in which the public can comment on proposed decisions. The Strategy will also strengthen the role of Scrutiny in considering the views of the public and will include a Petition Scheme that will set out how the Council will consider and respond to public petitions. In 2022/23 the Council will be commencing work to deliver the new Strategy.

Compliments, Complaints, and Comments (including Whistleblowing)

Through the Public Services Ombudsman Act 2019 the council is required to report on the number of compliments, comments and complaints received in the previous year. An annual report is published separately by the council every year which provides an overview of all corporate and social services compliments, comments and complaints. This is reported to the [Council’s Governance and Audit Committee](#) and Cabinet.

	2017/18	2018/19	2019/20	2020/21	2021/22
Stage 1 complaints	284	271	354	261	271
Stage 2 complaints	24	28	33	39	31
Complaints to Public Service Ombudsman Wales	37	38	31	14	24

In conclusion of the report, it is recognised that further work to support service areas to improve responding to complaints following the Council’s service level agreement, improve engagement on the role of the Ombudsman’s powers. The report has identified seven actions to improve the service delivery which is summarised in the action recommendations and actions table in the report.

The effectiveness of the Council's Whistleblowing policy is reviewed regularly and monitored by the Standards Committee and numbers of whistleblowing complaints are reported on an annual basis.

The Way we Work – Council Decisions and Achievements

Throughout the year Newport City Council and its Cabinet make many decisions to improve people’s lives. We also receive much recognition in the work that council services and staff deliver to communities. Below are some of the most notable decisions and achievements made in 2021/22.

April 2021	May 2021	June 2021	July 2021	August 2021	September 2021
<p>As part of a new scheme to provide affordable homes for people at risk of homelessness, part of Hill Street carpark will be leased to Linc Cymru for a supported housing project.</p>	<p>City of Newport welcomes new Mayor.</p> <p>Newport City Council has formally welcomed Councillor David Williams as the first citizen of the city.</p>	<p>Newport City Council’s household waste recycling centre has been shortlisted for a national award.</p> <p>The centre is one of three across the UK, and the only one from Wales.</p>	<p>Newport City council has successfully secured an £80,000 grant from the Wolfson Foundation to help fund the Transporter Bridge transformation project.</p> <p>This project will allow future generations to enjoy and learn about this remarkable piece of Newport’s engineering project.</p>	<p>HMS Severn, Newport’s formerly affiliated naval vessel, has officially reinstated its association with the city.</p>	<p>Some of Newport City Council’s ward boundaries are set to change after the recommendations of the Local Democracy and Boundary Commission for Wales.</p> <p>The changes to some electoral wards will deliver greater electoral party across the city, which can only be a positive step for the electorate in Newport.</p>
<p>Newport City Council has pledged its support for Plantlife’s No Mow May campaign.</p> <p>The council has pledged its support in recognition of our status as a Bee Friendly City, and the Councils duty to enhance nature and take actions to reduce the impact of climate change.</p>	<p>Newport City Council and campaigning body Generation Rent have launched a new project to improve engagement with people who are privately renting their homes.</p> <p>The need for safe, secure and energy efficient homes has never been so important. The results of the work with Generation Rent, will give us a better understanding of the private rented sector, and help shape future strategies.</p>	<p>Full council considered and supported a review of the council’s senior leadership team.</p>	<p>Newport has stepped forward in contest to become UK City of Culture 2025.</p> <p>Newport City Council and its partners are committed to ensuring people feel good about working, living, and investing in our city. Stepping up to be the UK City of Culture 2025 will promote confidence and pride within our communities.</p>		<p><i>“See, hear, learn, use and love the Welsh language”</i></p> <p>Newport City Council aspires Welsh to become a part of everyone’s life in the city, as it sets forward ambitious proposals to encourage people to learn and speak Welsh.</p> <p>This is just one of the many commitments set by Newport City Council to help achieve the national target of 1 million Welsh speakers by 2025.</p>

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					Newport City Council's Leader Councillor Jane Mudd has launched its most generous package of support grants for new and existing small and medium businesses.
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October 2021	November 2021	December 2021	January 2022	February 2022	March 2022
<p>Despite not progressing to the next stage in the bid to become the next City of Culture 2025, the council will use the work that has been done.</p> <p>This opportunity will further develop our cultural partnerships and wider offering in Newport.</p>	<p>Newport City Council declared an ecological and climate change emergency.</p> <p>A motion declaring an emergency, which was unanimously approved was proposed by Councillor Jane Mudd, leader of the council, and seconded by Councillor Jason Hughes, Cabinet Member for sustainable development.</p> <p>In passing the motion, the council recognised that climate change is an issue where we all need to work together to tackle it.</p>	<p>Following a recent monitoring inspection visit, Estyn has confirmed that St Julian's School has made sufficient progress and removed from special measures.</p> <p>This is excellent news for the school, staff and students. A considerable amount of work has been done in partnership with the school.</p> <p>This is a great achievement for the school, and we are determined that the impetus and positive development will continue.</p>	<p>Work to remove trees infected with ash dieback disease along the A467 in Rogerstone has commenced. The trees potentially pose a great risk to the public therefore, removal is essential in the interest of safety.</p>	<p>A proposal by one of Newport's most prestigious businesses to expand on a new site in the city was given the green light by the council's planning committee.</p> <p>SPTS Technologies, a KLA Company, is currently based at its Welsh headquarters, just off Ringland Way, but plans to move to a new location on the other side of Newport in Imperial Park.</p> <p>Planning permission was granted, subject to the signing of a 106 agreement and conditions, for new headquarters which would include facilities for manufacturing, research, and development as well as offices.</p>	<p>Newport City Council will provide more targeted support to local charities after changes to its discretionary rate relief scheme were agreed.</p> <p>The changes allow the council to consider giving a rate relief 'top-up' to small, locally based charities and organisations.</p>

<p>For the second year, two of Newport parks have been recognised for their environmental credentials with a national award.</p> <p>Beechwood Park and Belle Vue Park have both been awarded Green Flag status for 2021/22 by Keep Tidy Wales. A third council site, Gwent Crematorium, has also received Green Flag recognition.</p>	<p>Newport City Dog Home won gold at the 2021 RSPCA Cymru Paw Print awards for their hard work with stray dogs.</p>		<p>Newport City Council is working with Newport Now, to tackle graffiti in the city centre.</p> <p>Member businesses can have graffiti removed free of charge by the council, thanks to funding from Newport Now. The initiative is aimed at making the city centre a more desirable place to shop, live and work to promote Newport's economy.</p>	<p>Newport City Council's Cabinet has today agreed how it will spend its budget for the coming year with a focus on education, support, quality of life and the future of the city.</p>	<p>A ceremony was held at Bassaleg School to mark the start of work to replace aging buildings with state-of-the-art teaching facilities.</p> <p>It will be the latest scheme to be delivered with match funding from the Welsh Government through its Sustainable Communities for Learning Programme.</p> <p>Over the next three years, a modern teaching block, dining and assembly areas will be created to replace the older structures.</p> <p>It will also ensure there are sufficient school places to meet growing demand.as the overall capacity of Bassaleg School increases by 300 from September 2023</p>
			<p>Newport City Council has committed £100,000 of funding to support local organisations that are helping people affected by food poverty</p>		

Conclusion and Action Plan for Improvement

Conclusion

The last financial year has seen Newport City Council undertake significant structural changes to meet the demands and expectations of residents and service users in Newport. As the city and the Council is emerging from the post Covid pandemic new opportunities and greater challenges are being experienced, in particular with the cost of living crisis. The cost of living crisis is bringing new challenges with additional demands and pressures being faced by services across the Council.

Newport City Council is aware of ongoing improvements that need to be made to ensure the continuity of services but also to improve the experience of people who require the support of the Council. The Council's new Corporate Plan and service plans will outline the Council's strategic priorities over the next 5 years, and it will be important to ensure that we continue to have robust governance, finance and controls to ensure decisions are made using the best available information and data.

Action Plan for Improvement

The table below outlines the recommendations and actions for the Council to improve its governance and performance in 2022/23. These actions will be monitored through the service area plans and will be reported through the Mid-year and End of Year service plans as well as the 2022/23 Annual Well-being and Self-Assessment report.

Recommendation / Issue(s)	Action	Source Report	Lead Service Area	Anticipated Completion Date
Service plans need to be reviewed including objectives, performance measures and risks across the Council to ensure that they align to the strategic priorities of the Council.	Review the Council's service plans to ensure that the objectives, performance measures and risks align to the Council's strategic priorities and areas of underperformance are addressed by the senior leadership team.	Annual Corporate Well-being Self-Assessment report 2021/22	People, Policy and Transformation	31 st December 2022
Deliver the actions from the Council's Participatory Strategy to improve involvement across Council activities including their role with the Council's performance and meeting with the requirements of the Local Government Act 2021.		Participatory Strategy	Democratic Services	31 st March 2024
Review the Council's Planning, Performance and Risk Policies to align with the Local Government Act and to support the Council to deliver its new Corporate Plan,	Review, update and implement the Strategic planning framework including the service and improvement planning cycles.	Annual Corporate Well-being Self-Assessment report 21/22	People Policy and Transformation	31 st March 2023

Recommendation / Issue(s)	Action	Source Report	Lead Service Area	Anticipated Completion Date
A review of the governance arrangements around the development, delivery and monitoring of the Council's future 'Transformation Plan' is currently underway and will also include clear responsibilities and arrangements for other key areas, such as financial management, capital programme, major projects etc.	To conclude the review and communicate the outcome to all concerned.	Annual Governance Statement 2021/22	People Policy and Transformation/ Finance	31st March 2023
New Members have the appropriate skills to effectively undertake their roles.	Training and Induction for new Members will be reviewed and updated following Local Government elections in May 2022.		Law and Standards	31st March 2023
Development of the engagement and participation strategy.	Ideally there should be a formal policy for the type of issues that the Council will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes needs to be developed. Consideration to be given to developing a formal policy and communicating it to all relevant stakeholders.		Law & Standards and People, Policy and Transformation	31st March 2023
The Council's Constitution is kept up to date following recent legislation.	The Council's Constitution is kept up to date following recent legislation. Consideration needs to be given to further update the Council's Constitution to reflect the Local Government and Elections (Wales) Act 2021.		Law and Standards	31st March 2023
Revised decision making and review/reporting arrangement.	Following the new structure, the interim decision making arrangements which have been in place should be formally updated and implemented		Law and Standards	31st March 2023
Planning, Performance and Risk Management Framework is out of date and needs to be updated to reflect Local Government & Elections (Wales) Act 2021 and support the new Corporate Plan.	To update the Council's Planning, Performance and Risk Management Framework including supporting policies (Planning and Performance Policy / Risk Management Policy) to reflect legislative changes and support the delivery of the new Corporate Plan 22-27.		Annual Well-being and Self-Assessment Report	People, Policy, and Transformation

Recommendation / Issue(s)	Action	Source Report	Lead Service Area	Anticipated Completion Date
The Council will continue to improve safeguarding arrangements	To deliver the actions identified in the Corporate Safeguarding Annual Report 2021/22.	Corporate Safeguarding Annual Report 2021/22	Children Services (Safeguarding Team)	31 st March 2024
The Council should demonstrate longer-term considerations for its property portfolio strategic planning and associated decision-making processes.	Following the pandemic and the introduction of our 'New Normal' working policies and the development of our new Corporate Plan we will review our Strategic Asset Management Plan, and Disposal and Asset transfer strategies. This will be supported by an asset rationalisation programme in our Transformation Plan.	Audit Wales Review: Springing Forward – Strategic Asset Management	People, Policy & Transformation	31 st August 2023
Engage with public sector partners across Gwent to realise the potential benefits arising from a strategic approach to a single public estate.	The asset rationalisation programme in our Transformation Plan will also consider opportunities for working with partners, which may be within a Gwent or local/Newport context.		People, Policy & Transformation	31 st December 2023
<p>Implement the 'Actions for improvement' from the Compliments, Comments and Complaints Annual Report 2021/22.</p> <p>DP 9999</p>	<p>Deliver the seven 'Actions for Improvement' identified in the Compliments, Comments and Complaints Annual Report 2021/22:</p> <ul style="list-style-type: none"> • Roll out of hybrid training to service areas. • Review 'My Council' services and improve data capture in the Contact Centre. • Analyse complaint demographics and improve recording of data. • Standardise digital complaints process. • Improve compliance with the Compliments, Comments and Complaints Policy across service areas. • Review and update the Unacceptable Actions Policy. • Improve accessibility for disadvantaged and vulnerable customers. 	Compliments, Comments and Complaints	People, Policy and Transformation	31 st March 2023

Recommendation / Issue(s)	Action	Source Report	Lead Service Area	Anticipated Completion Date
Ensure key decisions within NCC support the principles of equalities and Welsh Language	To deliver the actions identified in the Council's Annual Report 2021/22 against the Strategic Equalities Plan.	Strategic Equalities Plan Annual Report 2021/22 Welsh Language Annual Report 2021/22	People, Policy and Transformation	31 st March 2024
Implement the actions identified through Information Risk Report and Digital Report to improve the Council's Information and digital governance and processes.	Deliver the actions identified through the Council's Information Risk Report 2021/22 and Digital Report 2021/22.	Information Risk Report 2021/22 Digital Report 2021/22	People Policy and Transformation	31 st March 2023

Have your Say

We welcome your views on this report, the council's plans for the future and how it did last year. We would also like to know how you; your family and your community have been affected by our work to improve the services that we deliver.

Ways to get in touch:

Newport City Council Website: www.newport.gov.uk



Download the My Newport App to your Smartphone device.
Available on Apple and Android devices.



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Telephone – (01633) 656 656 between 8.00am and 6.00pm Monday to Friday



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Newport
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Report

Governance & Audit Committee

Part 1

Date: 27 October 2022

Subject Half Yearly Report on Treasury Management for the period 2022/23

Purpose This report is to inform Governance & Audit Committee of treasury activities undertaken within the financial year 2022/23 and confirms, (other than interest rate volatility exposure), that all treasury and prudential indicators have been adhered to. The Committee is asked to make any comments or observations, as needed, which will be included in this report when subsequently sent to Cabinet / Council.

Author Assistant Head of Finance / Chief Accountant

Ward All

Summary In line with the agreed Treasury Management Strategy, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicate that, in the future, temporary borrowing may be required to fund normal day-to-day cash flow activities and longer-term borrowing will increase to fund commitments in the current capital programme, as well as the impact of reduced capacity for 'internal borrowing'. However, symptomatic of the extraordinary funding received in the previous year, the Council is anticipated to remain a net investor of funds in the short term (£50m at end of September), and this has continued to cause an unusual variance and non-compliance against the performance indicator that monitors exposure to interest rate changes.

Up to end of September 2022, the Council's net borrowing is £140.6m, a decrease of £1.5m on 31 March 2022 levels.

Proposal To note the report on treasury management activities during the first half year period of 2022-23 and offer Governance & Audit Committee an opportunity to provide feedback on this situation in the subsequent report to Cabinet/Council.

Action by Head of Finance / Assistant Head of Finance

Timetable Immediate

This report was prepared after consultation with:

- Treasury Advisors
- Head of Finance

Signed

Background

1. 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 required the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.

2. CIPFA defines Treasury Management as

The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

3. The 2022/23 Treasury Management Strategy was approved by the Council as part of the Capital Strategy in February 2022 and can be viewed at the following location.

<https://democracy.newport.gov.uk/documents/s21100/04%20Cabinet%20Report%20-%20Capital%20Strategy%20and%20Treasury%20Strategy%202022-23.pdf?LLL=0>

4. This report presents the following information:

- details of capital financing, borrowing, any debt rescheduling and investment transactions
- reports on the risk implications of treasury decisions and transactions
- details the monitoring position on treasury management transactions
- compliance with treasury limits set and Prudential Code

BORROWING STRATEGY / ACTIVITY

Short and Long Term Borrowing

5. Whilst the Council has significant long-term borrowing requirements, the Council's current strategy of funding capital expenditure is through the concept of 'internal borrowing', where the Council seeks to use its existing cash balances to afford its capital expenditure prior to taking out external borrowing i.e. deferring taking out new long term borrowing and funding capital expenditure from the Council's own cash resources for as long as is possible, which it has because of its 'cash-backed' reserves and, to a lesser extent, day to day positive cash-flows. The Council may undertake borrowing early if there is a clear underlying need for future borrowing and it feels it can minimise the risk of future interest rate rises while providing value for money. Any such action will be in line with advice from our treasury advisors.

6. As anticipated, the Bank of England has started to increase interest rates with a traditional perception that their control will mitigate inflationary pressures. The Council's treasury advisors predict that rates will continue to increase until December 2022, thereafter borrowing is anticipated to become cheaper again, albeit it is unlikely to return to the low levels seen in recent years. Given current investment levels, and whilst a couple of longstanding loans fall due for redemption between now and financial year end, it is anticipated that the year-end position will still be a net investment balance of circa £20m. This also prudently assumes that capital spending is in line with the capital programme, when instead commonly service managers will identify an increasing need to slip capital budgets into following year as the year progresses, which in turn defers the need to borrow still further.

7. By using an internal borrowing strategy, the Council can also minimise cash holding at a time when counterparty risk remains relatively high, especially within the current economic climate. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long-term borrowing so this remains a sensible consideration in operating an 'internal borrowing' arrangement – i.e. it would cost more to borrow than it would to utilise existing investment balances and forego interest receivable.
8. Whilst the strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current longer term borrowing rates may rise into the future. The performance indicator for interest rate exposure is exceeded currently due primarily to the level of recurrent short term investments being undertaken. There has been a conscious choice to keep a larger "cash" balance, which originated during the Covid-19 pandemic, and there is also an assumption that capital expenditure levels will need to increase significantly to address the levels/budgets approved in capital programme. The market position is being constantly monitored in order to manage this risk as best as possible.
9. The following table compares the borrowing levels at the end of September with the equivalent from March 2022 and the end of the previous year. This indicates a net reduction in borrowing of £1.5m during 2022-23 due to the EIP (equal instalment of principal) loans in the portfolio which pays back principal over the life of the loan, so the borrowing levels decline naturally over the life of the loan as an alternative to maturity based loans where the amount borrowed is only repaid at the end when the loan period expires. There are a couple of smaller value maturity loans that fall due for redemption before the end of financial year. At this stage it is not anticipated there will be a need to replace these with equivalent borrowing, though this is likely to be a temporary position.

Comparison	As at Sept 22	End March 22	End March 21
	£'000	£'000	£'000
Public Works Loan Board	95,794	97,064	101,973
Temporary Borrowing			5,000
Interest Free Borrowing	9,815	10,080	10,553
LOBOs	30,000	30,000	30,000
Ex - LOBO converted to more traditional instrument	5,000	5,000	5,000
Total Borrowing	140,609	142,144	152,526

10. As well as traditional external borrowing via the Public Works Loans Board (PWLB), the Council has LOBO (Lender Option / Borrower Option) borrowing totalling £30m. One of the more unusual features of a LOBO is that the lender can volunteer a change in rate at certain intervals, and this is more probable in an environment of rising interest rates, as currently experienced. Therefore, all £30m outstanding is subject to potential change of interest rates by the lender (which would automatically trigger a right to the Council to repay these loans). No such calls have been made in the first 6 months of 2022/23, and should a change of interest rate be requested, a decision on how to proceed considering other financing options would be made in conjunction with our treasury advisors.

INVESTMENTS ACTIVITY / POSITION

11. The Council's strategies in this area of Treasury Management are:

- to be a short term and relatively low value investor, consistent with the pursuit of an 'internal borrowing strategy' and
- investment priorities should follow the priorities of security, liquidity and yield, in that order.

12. The following table compares the investment levels at the end of September 2022 with the equivalent from the end March 2022 and the previous year. This indicates a net decrease in investment activity of £8.3m since March 2022.

Comparison	As at Sept 22	End March 22	End March 21
	£'000	£'000	£'000
Investments	-50,000	-58,265	-24,780

13. These investments reflect surplus cash invested in financial institutions or organisations to provide a return. Appreciating the ongoing Ukrainian turmoil, (and whilst the global nature of investment markets makes it difficult to track the ultimate consequences), it can be confirmed that none of the Council's investments directly involve Russian institutions.

14. As commenced during the pandemic, the Authority has continued to keep more cash available at shorter notice than is normal to cover any unexpected calls on cash flow. Currently, there is not much demand for very short term borrowing within the market place, and rates on deposits below 1 month with the Debt Management Account Deposit Facility (DMADF) are 1.87%. The Authority's investments with other local authorities are for slightly longer periods and involve interest rates of between 1.42% and 2.8%, depending on length of deposit. It is anticipated that investments will reduce during 2022/23 as an alternative to borrowing until we ultimately reach the minimum balance of £10m during 2023/24, which will remain invested for compliance with MiFID II and to avoid being treated as retail customers by treasury advisors. Currently, the Council has £10m invested in the CCLA money market fund for this purpose, with the current return being circa 1.94%, although this can fluctuate. It can be redeemed without notice should greater returns start to be evident elsewhere as interest rates rise, and, in line with that, possible alternatives such as "covered bonds" are currently being reviewed for their security, liquidity and yield.

15. The Council is also looking into the possibility of investing in longer term pooled investments, which often generate higher returns and appreciation in investment values. This follows an approved savings proposal as part of the 2021/22 budget, which increased the income target for interest income by £200k. To date, the Council has achieved this target without needing to undertake these investments, due to high investment balances and, more recently, increasing interest rates. Therefore, the earliest such investments, including 'covered bonds' mentioned above, would be undertaken in 2023/24. A clearer picture of the economic outlook will be available at that point, as will the confirmed accounting treatment for such investments going forward, which is an important aspect affecting the 'risks' of such activity.

NON-TREASURY INVESTMENTS

16. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by Ministry of Housing, Communities and Local Government's (MHCLG) and Welsh Government, in which the

definition of investments is further broadened to also include all such assets held partially for financial return.

17. Whilst the Statement of Accounts for 2021-22 is still to be finalised, illustratively at year end (March 22) the Authority held such investments in:
 - directly owned property such as office and commercial units of £12.7m
 - loans to developers £10.6m
 - shareholding in subsidiaries £0.3m (Newport Transport)
18. Directly held property is subject to annual valuation review which can change the value of the holding. In terms of the financial valuations of these assets, the Covid-19 pandemic impacted global financial markets such that less weight can be attached to previous market evidence for comparison purposes, to inform opinions of value. Therefore, the valuations are currently reported on the basis of 'material valuation uncertainty'. Consequently, less certainty and a higher degree of caution should be attached to the valuation of these property investments than would traditionally be the case.
19. The developer loans activity reflects those regenerative partnership projects that are included within the capital programme to assist developers with cash flow loans on particular projects and which are required to be repaid plus interest. The increase of £5.9m during 2021-22, when compared to previous year, reflects the progress in relation to the Indoor Market and Mill Street regeneration schemes predominantly. The capital programme for 2022-23 includes a budget to extend the loan facility by £500k in respect of the Indoor Market development. This has been captured in an amended loan agreement.

OTHER TREASURY CONSIDERATIONS FOR 2022-23

Economic background and Counter Party Update

20. Appendix A outlines the underlying economic environment as provided by the Council's Treasury Management Advisors, Arlingclose. This is very useful context in informing annual strategy and assisting in effective treasury decisions.
21. Arlingclose constantly review their advice in light of changing economic conditions. The latest such advice being:

Fitch has revised the United Kingdom's outlook to Negative from Stable and affirmed the short and long-term sovereign ratings.

Arlingclose Advice:

Where strategies permit, Arlingclose remains comfortable with clients making investments of unlimited amounts for up to 50 years with the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts.

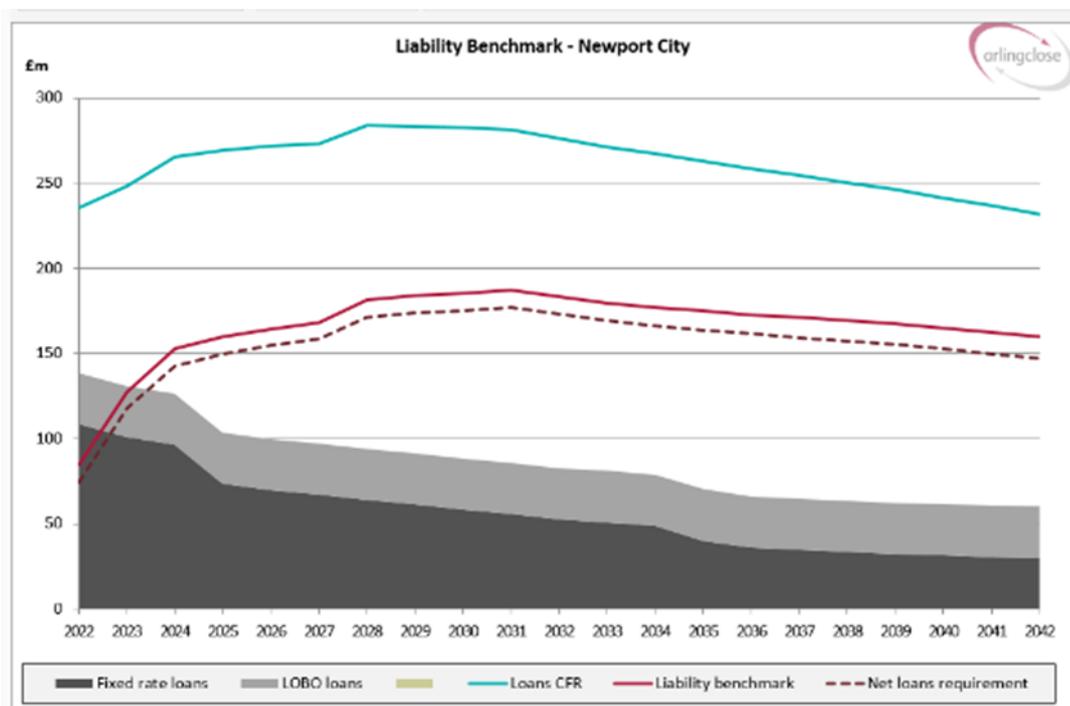
There is no change to our investment advice on entities located in the United Kingdom.

Compliance with Prudential Indicators approved by Council

22. The Authority measures and manages its exposures to treasury management risks using various indicators which can be found in Appendix B. There is an exception that the Council is exposed to higher degree of interest rate fluctuation than anticipated in the treasury strategy, the rationale of which is explained in that appendix and reflects, primarily, the volume of net investments being undertaken at the moment. But, other than that, the Authority continues to comply with the Prudential Indicators for 2022/23, set in February 2022 as part of the Treasury Management Strategy.

Liability Benchmark Indicator

23. CIPFA recommends that the optimum position for external borrowing should be at the level of the Liability Benchmark (i.e. all balance sheet resources should be used to maximise internal borrowing). If the outputs show future periods where external loans are less than the Liability Benchmark, then this indicates a borrowing requirement thus identifying where the authority is exposed to interest rate, liquidity and refinancing risks. Conversely, where external loans exceed the Liability Benchmark then this will highlight an over borrowed position which will result in excess cash in the organisation requiring investment thus exposing the authority to credit and reinvestment risks and a potential cost of carry. The treasury strategy should explain how the treasury risks identified by the Liability Benchmark are to be managed over the coming years.
24. A recent change in guidance recommended sharing details of benchmark liability periodically with members. The Liability Benchmark is effectively the Net Borrowing Requirement of a local authority plus a liquidity allowance. In its simplest form, it is calculated by deducting the amount of investable resources available on the balance sheet (reserves, cash flow balances) from the amount of outstanding external debt and then adding the minimum level of investments required to manage day-to-day cash flow. It is often denoted in pictorial form using the following graph:



25. 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 about 2040. 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 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 ability to use further internal borrowing will diminish, with internal borrowing reducing over time as reserves and cash balances are utilised.

- As existing borrowing matures (grey area reducing) there will be the need to refinance this debt over the long-term.

Ultimately the most fundamental way to reduce an inherent need to borrow is to reduce the level of capital expenditure funded by borrowing. The graphical illustration above remains predicated upon future capital expenditure of £7.5m per annum afforded by borrowing. This is however, illustrative at this point as the effect of such borrowing will ultimately need to be afforded in the Council revenue budget and, given an early anticipation of pressures on the Council's revenue budget going forward, will need be assessed for affordability and prudence. This may impact subsequently upon differing liability benchmark scenarios being adopted at next reporting interval.

Outlook for short to medium term

26. As outlined in the Liability Benchmark graph, and elsewhere in the report, the Council has a longer term underlying need to borrow. This is driven by the increasing expenditure on the Capital Programme, with a significant peak expected during 2022/23 and 2023/24, as well as the need to refinance existing borrowing. It is anticipated that the need to borrow will crystallise towards the latter part of the 2023/24 financial year, unless there is slippage against the Capital Programme, in which case that need could be deferred until 2024/25. In the intervening period, the Council should be able to manage its cashflow requirements through its internal borrowing strategy and gradually reducing the level of investments held. If there are any short term cashflow needs, these can be addressed via short term borrowing.
27. Because of there not being a short term need to borrow, it is not anticipated that the Council will be significantly impacted by the recent rise in interest rates. Aside from LOBOs, which could potentially see interest rate rises, all of the external borrowing is on a fixed rate basis. Therefore, and in line with advice from the treasury advisors, the intention is to hold off undertaking any borrowing until absolutely necessary, in anticipation that rates will reduce, even if not to the levels available in recent years. This position will be reviewed on a regular basis in conjunction with the treasury advisors, especially in light of the volatile economic context and the regularly changing borrowing rates.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Investment counterparty not repaying investments	High but depending on investment value	Low	The Council only invests with institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds available for investment will also alleviate the risk. Colleagues also monitor financial circulars and Treasury consultants advice to be able to respond in a timely fashion, and withdrew its investment from one local authority recently.	Members, Head of Finance, Treasury staff, based on advice from treasury advisors

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?
Interest Rates moving adversely against expectations	Medium	Medium	Interest rates are currently volatile, however the Council's external borrowing is based on fixed interest rates, although there is a degree of risk in relation to LOBOs. The Council will continue to monitor interest rates in anticipation of a medium term need to borrow and will work with its treasury advisors to identify the optimum time to undertake any new borrowing.	Head of Finance, Treasury staff, treasury advisors

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

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

The Prudential Code and statute requires that, during and at the end of each financial year, reports on these matters are presented to Council for approval.

Preferred Option and Why

The approach required by statute is quite prescriptive, such that there aren't many choices/options. This report is a regular half yearly event. The Governance and Audit Committee acts as the main scrutiny mechanism before a similar report is received by Cabinet/Council. The approach remains unchanged in advocating that the Committee notes the contents of the report in relation to Treasury activities and Indicators, and particularly the deficiency against the interest rate exposure indicator and provides endorsement or feedback pertinent to add to the Cabinet/Council report.

Comments of Chief Financial Officer

Decisions made on treasury matters will be made with a view to comply with the Treasury Management Strategy, Prudential Indicators, taking advice, where needed, from our Treasury Advisers.

It can be seen from the report that the Council continues to have high investment levels, largely resulting from slippage originating within the Capital Programme and the significant amount of cash received via Welsh Government grants towards the end of 2021/22. There remains an underlying, medium-term, need to borrow, which is currently anticipated to peak towards the end of 2023/24. In light of current interest rate volatility, the Council will continue to closely monitor rates in conjunction with its treasury advisors. However, at this point, there is sufficient confidence that the need to borrow is not imminent and, therefore, there is no sense of urgency in needing to commit to borrowing now, particularly as the advice is that interest rates are likely to fall over the medium term. In the event of circumstances changing rapidly, I have the delegation authority to borrow as needed to manage cash-flows and manage Treasury activity risk.

Comments of Monitoring Officer

There are no legal implications. The in-year and annual treasury management report is consistent with relevant Chartered Institute of Public Finance and Accountancy Guidance, Treasury Management principles and the Council's investment Strategy.

Comments of Head of People and Business Change

There are no direct HR implications associated with the report.

The Well-being of Future Generations Act requires public bodies to balance short-term needs with the needs to safeguard the ability to meet long-term needs. As stated in this report, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows but current forecasts indicate that in the future longer-term borrowing will increase to fund the capital programme. Sound financial management by the Council aligns with the well-being goal of a Prosperous Wales.

Comments of Cabinet Member

N/A

Local issues

N/A

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**

For this report, a full Fairness and Equality Impact Assessment has not been undertaken. This is because this report is not seeking any strategic decisions or policy changes, with its purpose being to update on the treasury management activities for the year retrospectively. However, fairness and equality are considered as part of service delivery and will feature in annual finance reports, such as the Treasury and Capital Strategy.

In terms of the Wellbeing of Future Generations (Wales) Act, and the five ways of working contained within it, this report highlights examples of these being supported. This report is a backwards looking report of the treasury management activities of the Council. It shows that we followed the treasury management strategy and the compliance with prudential code and treasury management indicators. This links into the long-term objectives of the authorities and ensures that the Councils' activities are carried out in an affordable, prudent and sustainable manner.

In the case of the Welsh Language, the service will continue to ensure that, wherever possible, services or information is available in the medium of Welsh.

The Equality Act 2010 contains a Public Sector Equality Duty, which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better-informed decision-making and policy development and services that are more effective for users. Nothing in this report is considered to have a direct equality impact.

Consultation

N/A

Background Papers

Report to Council February 2022: Capital Strategy and Treasury Strategy.

Dated: 20th October 2022

APPENDIX A

External Context - Provided by Council's Treasury Advisors

Economic background: The ongoing conflict in Ukraine has continued to put pressure on global inflation and the economic outlook for UK and world growth remains weak. The UK political situation towards the end of the period following the 'fiscal event' increased uncertainty further.

The economic backdrop during the April to September period continued to be characterised by high oil, gas and commodity prices, ongoing high inflation and its impact on consumers' cost of living, no imminent end in sight to the Russia-Ukraine hostilities and its associated impact on the supply chain, and China's zero-Covid policy. Central Bank rhetoric and action remained robust. The Bank of England, Federal Reserve and the European Central Bank all pushed up interest rates over the period and committed to fighting inflation, even when the consequences were in all likelihood recessions in those regions.

UK inflation remained extremely high. Annual headline CPI hit 10.1% in July, the highest rate for 40 years, before falling modestly to 9.9% in August. RPI registered 12.3% in both July and August. The energy regulator, Ofgem, increased the energy price cap by 54% in April, while a further increase in the cap from October, which would have seen households with average energy consumption pay over £3,500 per annum, was dampened by the UK government stepping in to provide around £150 billion of support to limit bills to £2,500 annually until 2024.

The labour market remained tight through the period but there was some evidence of easing demand and falling supply. The unemployment rate 3m/year for April fell to 3.8% and declined further to 3.6% in July. Although now back below pre-pandemic levels, the recent decline was driven by an increase in inactivity rather than demand for labour. Pay growth in July was 5.5% for total pay (including bonuses) and 5.2% for regular pay. Once adjusted for inflation, however, growth in total pay was -2.6% and -2.8% for regular pay.

With disposable income squeezed and higher energy bills still to come, consumer confidence fell to a record low of -44 in August, down -41 in the previous month. Quarterly GDP fell -0.1% in the April-June quarter driven by a decline in services output, but slightly better than the 0.3% fall expected by the Bank of England.

The Bank of England increased the official Bank Rate to 2.25% over the period. From 0.75% in March, the Monetary Policy Committee (MPC) pushed through rises of 0.25% in each of the following two MPC meetings, before hiking by 0.50% in August and again in September. August's rise was voted by a majority of 8-1, with one MPC member preferring a more modest rise of 0.25%. The September vote was 5-4, with five votes for an 0.5% increase, three for an 0.75% increase and one for an 0.25% increase. The Committee noted that domestic inflationary pressures are expected to remain strong and so given ongoing strong rhetoric around tackling inflation further Bank Rate rises should be expected.

On 23rd September the UK government, following a change of leadership, announced a raft of measures in a 'mini budget', loosening fiscal policy with a view to boosting the UK's trend growth rate to 2.5%. With little detail on how government borrowing would be returned to a sustainable path, financial markets reacted negatively. Gilt yields rose dramatically by between 0.7% - 1% for all maturities with the rise most pronounced for shorter dated gilts. The swift rise in gilt yields left pension funds vulnerable, as it led to margin calls on their interest rate swaps and risked triggering large scale redemptions of assets across their portfolios to meet these demands. It became necessary for the Bank of England to intervene to preserve market stability through the purchase of long-dated gilts, albeit as a temporary measure, which has had the desired effect with 50-year gilt yields falling over 100bps in a single day.

Bank of England policymakers noted that any resulting inflationary impact of increased demand would be met with monetary tightening, raising the prospect of much higher Bank Rate and consequential negative impacts on the housing market.

After hitting 9.1% in June, annual US inflation eased in July and August to 8.5% and 8.3% respectively. The Federal Reserve continued its fight against inflation over the period with a 0.5% hike in May followed by three increases of 0.75% in June, July and September, taking policy rates to a range of 3% - 3.25%.

Eurozone CPI inflation reached 9.1% y/y in August, with energy prices the main contributor but also strong upward pressure from food prices. Inflation has increased steadily since April from 7.4%. In July the European Central Bank increased interest rates for the first time since 2011, pushing its deposit rate from -0.5% to 0% and its main refinancing rate from 0.0% to 0.5%. This was followed in September by further hikes of 0.75% to both policy rates, taking the deposit rate to 0.75% and refinancing rate to 1.25%.

Financial markets: Uncertainty remained in control of financial market sentiment and bond yields remained volatile, continuing their general upward trend as concern over higher inflation and higher interest rates continued to dominate. Towards the end of September, volatility in financial markets was significantly exacerbated by the UK government's fiscal plans, leading to an acceleration in the rate of the rise in gilt yields and decline in the value of sterling.

Due to pressure on pension funds, the Bank of England announced a direct intervention in the gilt market to increase liquidity and reduce yields.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to 4.40%, the 10-year gilt yield rose from 1.61% to 4.15%, the 20-year yield from 1.82% to 4.13% and the 50-year yield from 1.56% to 3.25%. The Sterling Overnight Rate (SONIA) averaged 1.22% over the period.

Credit review: In July Fitch revised the outlook on Standard Chartered from negative to stable as it expected profitability to improve thanks to the higher interest rate environment. Fitch also revised the outlook for Bank of Nova Scotia from negative to stable due to its robust business profile.

Also in July, Moody's revised the outlook on Bayerische Landesbank to positive and then in September S&P revised the GLA outlook to stable from negative as it expects the authority to remain resilient despite pressures from a weaker macroeconomic outlook coupled with higher inflation and interest rates.

Having completed its full review of its credit advice on unsecured deposits at UK and non-UK banks, in May Arlingclose extended the maximum duration limit for five UK banks, four Canadian banks and four German banks to six months. The maximum duration for unsecured deposits with other UK and non-UK banks on Arlingclose's recommended list is 100 days. These recommendations were unchanged at the end of the period.

Arlingclose continued to monitor and assess credit default swap levels for signs of credit stress but made no changes to the counterparty list or recommended durations. Nevertheless, increased market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

Arlingclose's Economic Outlook for the remainder of 2022/23 (based on 26th September 2022 interest rate forecast)

	Current	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	2.25	4.25	5.00	4.75	4.25	3.75	3.25						
Downside risk	0.00	-1.00	-1.00	-0.75	-0.50	-0.50	-0.50	-0.75	-1.25	-1.50	-1.75	-1.75	-1.75

Arlingclose expects Bank Rate to rise further during 2022/23 to reach 5% by the end of the year.

The MPC is particularly concerned about the demand implications of fiscal loosening, the tight labour market, sterling weakness and the willingness of firms to raise prices and wages.

The MPC may therefore raise Bank Rate more quickly and to a higher level to dampen aggregate demand and reduce the risk of sustained higher inflation. Arlingclose now expects Bank Rate to peak at 5.0%, with 200bps of increases this calendar year.

This action by the MPC will slow the economy, necessitating cuts in Bank Rate later in 2024.

Gilt yields will face further upward pressure in the short term due to lower confidence in UK fiscal policy, higher inflation expectations and asset sales by the BoE. Given the recent sharp rises in gilt yields, the risks are now broadly balanced to either side. Over the longer term, gilt yields are forecast to fall slightly over the forecast period.

Background:

Monetary policymakers are behind the curve having only raising rates by 50bps in September. This was before the “Mini-Budget”, poorly received by the markets, triggered a rout in gilts with a huge spike in yields and a further fall in sterling. In a shift from recent trends, the focus now is perceived to be on supporting sterling whilst also focusing on subduing high inflation.

There is now an increased possibility of a special Bank of England MPC meeting to raise rates to support the currency. Followed by a more forceful stance over concerns on the looser fiscal outlook. The MPC is therefore likely to raise Bank Rate higher than would otherwise have been necessary given already declining demand. A prolonged economic downturn could ensue.

Uncertainty on the path of interest rates has increased dramatically due to the possible risk from unknowns which could include for instance another Conservative leadership contest, a general election, or further tax changes including implementing windfall taxes.

The government's blank cheque approach to energy price caps, combined with international energy markets priced in dollars, presents a fiscal mismatch that has contributed to significant decline in sterling and sharp rises in gilt yields which will feed through to consumers' loans and mortgages and business funding costs.

UK government policy has mitigated some of the expected rise in energy inflation for households and businesses flattening the peak for CPI, whilst extending the duration of elevated CPI. Continued currency weakness could add inflationary pressure.

The UK economy already appears to be in recession, with business activity and household spending falling. The short- to medium-term outlook for the UK economy is relatively bleak. Global bond yields have jumped as investors focus on higher and stickier US policy rates. The rise in UK government bond yields has been sharper, due to both an apparent decline in investor confidence and a rise in interest rate expectations, following the UK government's shift to borrow to loosen fiscal policy. Gilt yields will remain higher unless the government's plans are perceived to be fiscally responsible.

The housing market impact of increases in the Base Rate could act as a “circuit breaker” which stops rates rising much beyond 5.0%, but this remains an uncertainty.

APPENDIX B

Local Context

On 31st March 2021, the Authority had net borrowing of £128.3m arising from its revenue and capital income and expenditure. 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. Whilst work on the 2021-22 Statement of Accounts remains a work in progress, a comparative draft illustration is provided in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.22 Draft/budgeted £m	31.3.21 Actual £m
General Fund CFR	295	281
Less: *Other debt liabilities	-39	-41
Loans CFR	256	240
Less: Usable reserves	-168	-108
Less: Working capital	-4	-4
Net borrowing	84	128

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

The treasury management position on 30th September 2022 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.22	Movement	30.9.22	30.9.22
	Balance £m	£m	Balance £m	Rate %
Long-term borrowing	97	-1.2	95.8	3.80%
Long-term interest free borrowing	10.1	-0.3	9.8	0%
LOBOS	30	0	30	4.30%
Ex LOBO	5	0	5	3.80%
Short-term borrowing	0	0	0	N/A
Total borrowing	142.1	-1.5	140.6	
Long-term investments	0	0	0	N/A
Short-term investments	-36	-4	-40	2%
Cash and cash equivalents	-22.3	12.3	-10	2%
Total investments	-58.3	8.3	-50	
Net borrowing	83.8	6.8	90.6	

Borrowing

CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority.

PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders.

The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able fully access the PWLB

Borrowing Strategy and Activity

As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.

Over the April-September period short term PWLB rates rose dramatically, particular in late September after the Chancellor's 'mini-budget', included unfunded tax cuts and additional borrowing to fund consumer energy price subsidies. Exceptional volatility threatened financial stability, requiring Bank of England intervention in the gilt market. Over a twenty-four-hour period some PWLB rates increased to 6%, before the intervention had the desired effect, bringing rates back down by over 1% for certain maturities. A truly wild and unprecedented period in fixed income markets, with a direct impact on PWLB rates.

Interest rates rose by over 2% during the period in both the long and short term. As an indication the 5-year maturity certainty rate rose from 2.30% on 1st April to 5.09% on 30th September; over the same period the 30-year maturity certainty rate rose from 2.63% to 4.68%

At 30th September the Authority held £140.6m of loans, (a decrease of £1.5m on 31st March 2022 levels, as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th September are summarised in Table 2 above.

The Authority's borrowing decisions are not predicated on any one outcome for interest rates, but the Council's portfolio is a little unusual in being so skewed towards long term fixed rate instruments.

There remains a strong argument for diversifying funding sources, particularly if rates can be achieved on alternatives which are below gilt yields + 0.80%. The Authority will evaluate and pursue these lower cost solutions and opportunities with its advisor Arlingclose.

LOBO loans: The Authority continues to hold £30m of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the 6 months to end of September 2022.

Other Debt Activity

Although not classed as borrowing, the Authority previously raised capital finance previously to afford Glan Usk School and the Southern Distributor Road. The Accounts for 2021-22 are still be being prepared at the time this report is finalised, but as an illustration the 2020-21 Statement of Accounts indicated an outstanding liability of £39m to pay to the operator.

Treasury Investment Activity

CIPFA revised TM Code defines treasury management investments as those which arise from the Authority’s cash flows or treasury risk management activity that ultimately represents balances which need to be invested until the cash is required for use in the course of business.

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority’s investment balances ranged between £98.7 million and £50 million due to timing differences between income and expenditure. The investment position is shown in table 3 below.

Table 3: Treasury Investment Position

	31.3.22	Net	30.9.22	30.9.22	30.9.22
	Balance	Movement	Balance	Income Return	Weighted Average Maturity
	£m	£m	£m	%	days
Banks & building societies (unsecured)	-2.3	2.3	0		
Covered bonds (secured)					
Government (incl. local authorities)	-46	6	-40	2%	70
Money Market Funds	-10	0	-10	2%	On call
Total investments	-58.3	8.3	-50		

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum 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.

The increases in Bank Rate over the period under review, and with the prospect of more increases to come, short-dated cash rates, which had ranged between 0.7% - 1.5% at the end of March, rose by around 1.5% for overnight/7-day maturities and by nearly 3.5% for 9-12 month maturities.

Indicatively by end September, the rates on DMADF deposits ranged between 1.85% and 3.5%. The return on the Council’s sterling low volatility net asset value (LVNAV) Money Market Funds ranged between 0.9% - 1.1% p.a. in early April and between 1.8% and 2.05% at the end of September.

Non-Treasury Investments

The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and Welsh Government, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

The Authority also held investments in

- directly owned property such as office and commercial units of £12.7m
- loans to developers £10.6m
- shareholding in subsidiaries £0.3m

Compliance

The Chief Finance Officer reports that all treasury management activities undertaken during the quarter complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 4 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 4 below.

Table 4: Debt Limits

	2022/23	30.9.22	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied?
	Maximum	Actual			Yes/No
Borrowing	141.9	140.6	192	271	Y
PFI and Finance Leases	40	40	41	41	Y
Total debt	181.9	180.6	229	297	Y

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

In addition to the debt limits above, the Council introduced, as part of its 2022/23 Capital & Treasury Management Strategy, a new indicator. This indicator required the Council to remain within approved capital expenditure limits - i.e. not exceed its approved capital borrowing headroom for 2022/23. Compliance with the indicator is set out below.

	Borrowing headroom (£m)	Approved use of headroom as at 30/09/2022 (£m)	Complied with (Y/N)?
Borrowing headroom 2022/23	£2.391	£2.334	Y

Table 5: Investment Limits

Sector	Time limit	Counterparty limit	Sector limit	30.9.22 Actual	Complied? Yes/No
The UK Government	50 years	Unlimited	n/a	£13m (average of 26 days invested)	Y
Local authorities & other government entities	25 years	£20m	Unlimited	£27m total (average of 91days invested). Max of £5m with one counterparty	Y
Secured investments *	20 years	£10m	Unlimited	0	Y
Banks (unsecured) *	13 months	£5m	Unlimited	0	Y
Building societies (unsecured) *	13 months	£5m	£10m	0	Y
Registered providers (unsecured) *	5 years	£5m	£25m	0	Y
Money market funds *	n/a	£10m	Unlimited	£10m (on call)	Y
Strategic pooled funds	n/a	£10 m	£25m	0	Y
Real estate investment trusts	n/a	£10m	£25m	0	Y
Other investments *	5 years	£5m	£5m	0	Y

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: Other Councils have adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating *or* (credit score) of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

This is a functionality that we are potentially looking to volunteer in next year's treasury strategy but in the interim the Council still uses the table overleaf prescriptively in considering investments

Investment Limits

Credit rating	Banks unsecured	Banks	Government	Corporates	Registered Providers
		secured			
UK Govt	n/a	n/a	£ Unlimited	n/a	n/a
			50 years		
AAA	£5m	£10m	£10m	£5m	£5m
	5 years	20 years	50 years	20 years	20 years
AA+	£5m	£10m	£10m	£5m	£5m
	5 years	10 years	25 years	10 years	10 years
AA	£5m	£10m	£10m	£5m	£5m
	4 years	5 years	15 years	5 years	10 years
AA-	£5m	£10m	£10m	£5m	£5m
	3 years	4 years	10 years	4 years	10 years
A+	£5m	£10m	£5m	£5m	£5m
	2 years	3 years	5 years	3 years	5 years
A	£5m	£10m	£5m	£5m	£5m
	13 months	2 years	5 years	2 years	5 years
A-	£5m	£5m	£5m	£5m	£5m
	6 months	13 months	5 years	13 months	5 years
None	£1m	n/a	£10m	Not Applicable	£5m
	6 months		25 years		5 years
Pooled funds and real estate investment trusts		£10m per fund or trust			

No non-compliance issues were identified in first 6 months of 2021-22.

Interest Rate Exposures: This indicator is set to control the Authority’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	2022/23 Limit	2022/23 Forecast		Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates (borrowing)	200,000	0		Y
Upper limit on one-year revenue impact of a 1% fall in interest rates (investments)	-100,000	-172,967		N

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

However the Council's borrowing solely utilises long term fixed rate instruments, which reduces the interest rate risk exposure to those elements that are due for redemption this financial year. This equates to 3 loans totalling £1.7m with collective net interest rate 8.4% pa. The Council is not immediately intent to replace such loans, but if it did, it would be doing so at far less interest rate than 8.4%, so there is no cost to such interest rate exposure

The Councils investment performance indicator shows a compliance failure because investment balances are deliberately held short term to utilise instead of additional borrowing. All would be subject to interest rate exposure should the market be exhibited a downward trend in interest rates and if there were a long term reinvestment motivation. This is not the current reality and so there remains little practical impact from the modelled compliance deviation.

Maturity Structure of Borrowing: This indicator is set to control the Authority’s exposure to refinancing risk. This indicator covers the risk of replacement loans being unavailable, not interest rate risk. The upper and lower limits on the maturity structure of all borrowing were:

Borrowing Limits and tolerances

	Upper Limit	Lower Limit	30.9.22 Actual	Complied?
Under 12 months	60%	0%	1%	Y
12 months and within 24 months	40%	0%	1%	Y
24 months and within 5 years	40%	0%	23%	Y
5 years and within 10 years	40%	0%	6%	Y
10 years and within 20 years	30%	0%	17%	Y
20 years and within 30 years	20%	0%	16%	Y
30 years and within 40 years	20%	0%	20%	Y
40 years and within 50 years	20%	0%	9%	Y
50 years and above	20%	0%	7%	Y

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 were:

	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£10m	£10m	£10m
Actual principal invested beyond year end	0	0	0
Complied?	Y	Y	Y

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Report

Governance & Audit Committee

Part 1

Date: 27 October 2022

Subject Internal Audit – Progress against audit plan 2022/23
Quarter 2 (Q2)

Purpose To inform Members of the Council’s Governance & Audit Committee of the Internal Audit Section’s progress against the 2022/23 agreed Internal Audit plan for the first 6 months of the year by providing information on audit opinions given to date and progress against key performance targets.

Author Chief Internal Auditor

Ward General

Summary The attached report identifies that the Internal Audit Section is making progress against the 2022/23 audit plan and internal performance indicators.

Site visits to establishments have resumed.

The Internal Audit Plan was based on 1073 audit days.

The follow up audit of the Passenger Transport Unit (PTU) Taxi Contracts has resulted in a second consecutive *Unsatisfactory* audit opinion.

Proposal

- 1) The report be noted by the Council’s Governance & Audit Committee
- 2) Members of the Governance & Audit Committee consider calling in the Strategic Director and Head of Service in relation to the second consecutive *Unsatisfactory* audit opinion for the PTU Taxi Contracts.

Action by The Governance & Audit Committee

Timetable Immediate

This report was prepared after consultation with:

- Chief Financial Officer
- Monitoring Officer
- Head of People, Policy & Transformation

Signed

Background

1. This report aims to inform Members of the Governance & Audit Committee of progress of work undertaken by the Internal Audit Section of the Council against the agreed Internal Audit plan. Progress against the audit plan for the first 6 months of the year will be reported along with the performance of the team for that period.
2. The report gives Members assurance (or otherwise) on the adequacy of the internal control environment operated within the Council by providing the audit opinions on work undertaken at the end of Q2.

Internal Audit Staffing

3. The team currently operates with an establishment of 8 audit staff. At the start of the year there were 6 audit staff in the team; support is being provided by an external internal audit provider.
4. The relationship with Monmouthshire County Council (for sharing of the Chief Internal Auditor) continues on a 50:50 basis.

Public Sector Internal Audit Standards (PSIAS)

5. The Public Sector Internal Audit Standards (PSIAS) came into force from April 2013 (updated March 2017) which the team needs to ensure it is compliant with as it carries out work in line with the audit plan. These standards replace the former Code of Practice for Internal Audit within Local Government – Chartered Institute of Public Finance & Accountancy (CIPFA).
6. A requirement of the PSIAS is for the Internal Audit team to be externally assessed once every five years to ensure compliance with these Standards. The Welsh Chief Auditors' Group proposed an option of a peer review in order to meet the requirements of this external assessment, which has been agreed by respective S 151 Officers of local authorities in Wales. Newport's peer review took place in 2017/18; the outcome being that the team is compliant with the Standards, with no significant areas of non-compliance. The next review will take place at the end of 2023.

Internal Audit Plan

7. The 2022/23 Revised Internal Audit Plan was agreed by the Governance & Audit Committee on the 28th July 2022 and was based on 1073 audit days with 62 opinion related jobs.
8. Generally in Q1 of our audit plan the team are finalising reports in draft at year end, completing audit jobs which were ongoing at year end but draft reports had not been issued, picking up carried forward jobs from the previous year and starting new year audit jobs. In order to undertake audit work effectively and efficiently we need the co-operation of service managers and the staff in their service areas to accommodate site visits (where necessary), meetings and provide relevant documentation.
9. In 2021/22 external resources were brought in to undertake audit jobs which could not be completed in house due to vacancies. This support has continued into 2022/23 to ensure appropriate audit coverage during the year.

Performance

10. The Audit Section's performance is measured against planned work, which incorporates externalities like special investigations, financial advice and financial regulations training. Where actual time taken for the review exceeds planned time there will be an impact on the audit plan. Ad-hoc reviews requested by management cannot be planned for but will have an immediate impact on the achievement of the audit plan; we will endeavour to minimise these throughout the year. The section has been involved with some special investigations so far this year but if this increases significantly it could have an impact on this year's achievement of the audit plan; there have also been a few unplanned reviews.
11. The section's performance is measured against performance indicators set and agreed by the Welsh Chief Auditors' Group. Performance against these indicators is reported to the Governance & Audit Committee on a quarterly basis; the targets for each of the indicators are set internally by the Chief Internal Auditor.
12. The performance for Quarter 2 2022/23 is summarised below with the detail shown at **Appendix A**:
 - a. 31% of the original audit plan has been achieved so far which is in line with the target of 30%;
 - b. The promptness of issuing draft reports (comparing timescale between finalising all fieldwork and issuing the draft report to management) averages 3 days, well within the target time of 10 days;
 - c. The promptness of report finalisation (comparing timescale from meeting with client to discuss issues raised in the draft report to issue of finalised report to management) averages 2 days which is within the target time of 5 days.
13. 12 out of 13 2021/22 audit reviews which were in draft as at 31/03/22 have now been finalised. The remaining audit is in the process of being finalised and will be completed shortly.
14. A vacancy / secondment provision was taken into account in the planning stages which related to the Chief Internal Auditor's work with Monmouthshire and 2 vacant posts. The team took on additional external professional support to enable it to achieve the 2021/22 audit plan and has carried this through to 2022/23.
15. The vacancies in the team will managed through recruitment and by external support.
16. The team is on track to complete the agreed Internal Audit plan by the year end.
17. Inevitably there will be some overruns on reviews undertaken within the team which may result in not as many reviews being undertaken as were planned for the year. Some planned work may be deferred by service managers to either later in the year or the following financial year. The Chief Internal Auditor will review the situation throughout the year and will prioritise audit work if necessary, to complete the plan.
18. From time to time the team does get involved with additional non-planned audit work which can result in time consuming special investigations.

Quality Control

19. On completion of all audit reviews, an evaluation questionnaire is sent out to the service manager with the final report. This gives the manager who has been audited an opportunity to comment on the audit review itself, confirming (or not) that it was of benefit to their service and that the main

risks had been covered; the staff, their approach, constructiveness and helpfulness; the report, covering the benefits of discussing the draft report, whether the balance was right via the inclusion of strengths and weaknesses, whether management comments were correctly reflected and if the report format was easy to follow. These questionnaires are returned in confidence to the Chief Internal Auditor who will assess the comments and address any criticisms. Generally, there has been positive feedback from service managers via these questionnaires; this will continue to be collated throughout the year and fed into the annual audit report for 2022/23.

Financial Training

20. In the Audit Section's continued efforts to ensure that Council's assets are safeguarded and to provide assurance to management that their internal controls are robust, further training specifically on financial regulations and contract standing orders will be offered to all service areas. This course is mandatory for all managers and is available bimonthly, as part of the Corporate Training Programme. Feedback from staff who have previously attended courses has been positive. 5 training sessions have been held so far this year, with others planned.

Audit Opinions 2022/23

21. Audit opinions issued so far in 2022/23 are shown at **Appendix B**. Definition of audit opinions currently given is shown at **Appendix D**.
22. 28 jobs were completed to at least draft report stage by 30 September 2022, 10 of which warranted an audit opinion: 1 x *Good*, 8 x *Reasonable*, 1 x *Unsatisfactory*, no *Unsound* audit opinions. In addition, 4 grant claims have been audited resulting with an *Unqualified*, opinion.
23. Other work completed related to the Annual Governance Statement, the new financial system and the provision of financial advice and financial regulations training (**Appendix C**).
24. The *Unsatisfactory* opinion related to a follow up of an *Unsatisfactory* audit, hence a second consecutive *Unsatisfactory* opinion; the area audited was the PTU Taxi Contracts (Follow-Up) 2021/22.

Job number	Service Area	Section or Team	Job Title	Risk Rating / Priority	Draft / Final	Opinion given
P2223-P70	City Services	Transport	PTU Taxi Contracts (Follow-Up) 2021/22	High	Draft	Unsatisfactory

25. The key concerns identified from the audit leading to the second consecutive *Unsatisfactory* audit opinion are shown at **Appendix E**.
26. The audit opinion relates to the adequacy of internal controls within the system or establishment being reviewed. The opinion is derived from the balance of strengths and weaknesses identified from evidence obtained, and testing undertaken, during the audit. Where the auditor believes that any issues identified are the result of a deliberate action and may be in breach of the Disciplinary Code or Employee Code of Conduct, further investigations will be carried out and action taken as appropriate.

Service Management Responsibilities

27. Heads of Service and service managers are responsible for addressing any weaknesses identified in internal systems and demonstrate this by incorporating their agreed actions into the audit reports. When management sign off the reports, they are accepting responsibility for addressing the issues identified within the agreed timescales.
28. Although Heads of Service are responsible for implementing and maintaining adequate internal controls within service areas, operational managers are responsible for working within those controls and for ensuring compliance with Council policies and procedures. All reports, once finalised, are sent to the respective Heads of Service and Strategic Directors for information and appropriate action where necessary.

Follow up audit reviews

29. Where *Unsatisfactory* or *Unsound* opinions are issued, we aim to follow up within a twelve month timescale to ensure that the agreed actions have been taken by management and that the internal control systems are improved. Previously these have been reported separately to this Governance & Audit Committee on a six-monthly basis. For Members' information the reasons why this audit received an *Unsatisfactory* assurance opinion are outlined at **Appendix E**, in order to provide more timely information.

Financial Summary

30. There are no financial issues related to this report.

Risks

31. If the plan is not completed due to a lack of resource in the team, the Chief Internal Auditor may have to qualify his year end assurance opinion provided to the Governance & Audit Committee.

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?
Audit Plan not completed	L	L	Audit work will be prioritised ; Have engaged with external provider to provide additional resources to support the team.	Chief Internal Auditor

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

32. Giving management assurance on systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision, looking after the public pound makes our City a better place to live for all our citizens, hence Improving People's Lives.

Options Available

33. This is a factual progress report and therefore there are no specific options to be considered. The quarterly reports provide a mechanism for monitoring the performance and progress of the Internal Audit team and the adequacy of the Council's internal control environment to ensure the public pound is spent wisely and appropriately and that fraud, theft and corruption is minimised.
34. The Governance & Audit Committee is asked to note progress on delivery of the audit plan and audit opinions given to date and ask questions, make observations and recommendations, as necessary.

Preferred Option and Why

35. N/A

Comments of Chief Financial Officer

36. There are no specific financial issues coming from this report. The internal audit team fulfils my statutory requirement to provide an internal audit function and provides assurances or highlights issues in the 'control environment' operated by services and functions in the operational aspects of carrying out their services and functions.
37. Most services reviewed this year to date are showing a reasonable or better level of control. An exception is the 'Passenger Transport Unit Taxi function' which has received a second 'unreasonable' assessment. In order to gain assurance that this is being acted upon in a timely manner, the committee is able to call in appropriate officers.

Comments of Monitoring Officer

38. There are no legal implications. The report has been prepared in accordance with the Council's internal audit procedures and the Performance Management framework. The progress made to date in delivering the objectives set out in the approved Audit Plan highlights the effectiveness of the work undertaken by this service area in ensuring that adequate and effective internal financial controls are in place.

Comments of Head of People, Policy and Transformation

39. As part of the Well-being of Future Generations Act (2015) and its corporate governance arrangement it is necessary to ensure that the Council's functions are operating effectively and efficiently to manage its governance, internal control and risk management arrangements in the delivery of the Corporate Plan and its statutory duties. This report presents a review of the Internal Audit activity during the period concerned and the outcomes of completed audit reviews. There are no direct human resources impact from this report.

Local issues

40. N/A

Scrutiny Committees

41. N/A

Equalities Impact Assessment and the Equalities Act 2010

42. The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.
43. All audits are undertaken in a non-discriminatory manner and key equalities issues identified under the scope of the audits will be identified as part of the audit reports and management discussions. As this is a report on the performance of the Internal Audit Team and audit opinions issued, there is no requirement for an Equalities Impact Assessment. All audits are undertaken in a non-discriminatory manner.

Children and Families (Wales) Measure

44. N/A

Wellbeing of Future Generations (Wales) Act 2015

45. The role of Internal Audit supports the Council in complying with the principles of the Wellbeing Act and providing assurance on the activities undertaken across the Council. In compiling this report the principles of this Act have been considered:
- Long term** - The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan that is aligned to the Council's Corporate Plan.
- Prevention** - Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.
- Integration** - Internal Audit opinions provide an objective opinion on the adequacy of the Council's corporate governance, internal control and risk management environment in operation and support sound stewardship of public money.
- Collaboration** - Internal Audit work in collaboration with operational managers to develop an appropriate action plan in order to address identified concerns.
- Involvement** - Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources. The involvement of the Governance & Audit Committee provides assurance and oversight of an effective internal audit provision to carry out its duties.

Consultation

46. N/A

Background Papers

47. N/A

Dated:

Appendix A

Newport City Council Internal Audit Service Performance Indicators

2021/22	2021/22 Target	1 st Qtr 21/22	2 nd Qtr 21/22	3 rd Qtr 21/22	4 th Qtr 21/22	Comments
Proportion of planned audits complete	82%	20%	30%	42%	71%	[Profiled Target Q2 30%]
Directly chargeable time against total time available	50%	57%	55%	53%	53%	Quarterly performance
Directly chargeable time against planned	100%	78%	75%	78%	80%	Quarterly performance
Proportion of Special Reviews responded to within 5 working days	100%	100%	100%	100%	100%	Cumulative figures
Number of sessions provided to train staff in all Service Areas on best financial practice	8	2	5	8	11	Cumulative figures
Staff turnover rate (number of staff)	0	0	0	0	1	Quarterly performance
Promptness of draft report issue (end of fieldwork to draft report issue date)	10 days	7 days	6 days	6 days	5	Cumulative figures
Promptness of report finalisation (date of client meeting to final report issue date)	5 days	5 days	4 days	3 days	3	Cumulative figures

2022/23	22/23 Target	1 st Qtr 22/23	2 nd Qtr 22/23	3 rd Qtr 22/23	4 th Qtr 22/23	Comments
Proportion of planned audits complete	82%	19%	31%			[Profiled Target Q2 30%]
Directly chargeable time against total time available	50%	50%	56%			Quarterly performance
Directly chargeable time against planned	100%	60%	58%			Quarterly performance
Proportion of Special Reviews responded to within 5 working days	100%	100%	100%			Cumulative figures
Number of sessions provided to train staff in all Service Areas on best financial practice	8	3	5			Cumulative figures
Staff turnover rate (number of staff)	0	0	0			Quarterly performance
Promptness of draft report issue (end of fieldwork to draft report issue date)	10 days	2 days	3 days			Cumulative figures
Promptness of report finalisation (date of client meeting to final report issue date)	5 days	2 days	2 days			Cumulative figures

Appendix B
Opinions as at 30 September 2022, Q2

Good	1
Reasonable	8
Unsatisfactory	1
Unsound	0
Total	10
Unqualified	4

Internal Audit Services - Management Information for 2022/23
Q2

Job number	Service Area	Section or Team	Job Title	Risk Rating / Priority	Draft / Final	Opinion given
P2223-P78	Environment & PP	Climate Change	Carbon Reduction Team (2021/22)	Medium	Final	Good
P2223-P3	Finance	Income & Tax	Sundry Debtors	Medium	Final	Reasonable
P2223-P4	Finance	Procurement & Payments	Purchasing Cards - System	High	Final	Reasonable
P2223-P14	People, Policy & Transformation	Human Resources	Recruitment & Selection	High	Draft	Reasonable
P2223-P26	Children Services	Childrens Teams	Children With Disabilities	Medium	Final	Reasonable
P2223-P29	Children Services	Residential Homes	Rose Cottage	Medium	Final	Reasonable
P2223-P35	Adult Services	Integrated Teams	Mental Health Service (2021/22)	High	Final	Reasonable
P2223-P57	Education Serv	Primary Schools	Rogerstone Primary (2021/22)	Medium	Final	Reasonable
P2223-P79	Environment & PP	Cemetery & Crematorium	Gwent Crematorium	Medium	Draft	Reasonable
P2223-P70	City Services	Transport	PTU Taxi Contracts (Follow-Up) 2021/22	High	Draft	Unsatisfactory
P2223-P53	Education Serv	Grants	Education School Improvement Grant (SIG) 2021/22	Medium	Final	Unqualified
P2223-P54	Education Serv	Grants	Pupil Development Grant (PDG) 2021/22	Medium	Final	Unqualified
P2223-P76	Environment & PP	Public Protection	Scambusters Grant Claim 2021/22	Medium	Final	Unqualified

Job number	Service Area	Section or Team	Job Title	Risk Rating / Priority	Draft / Final	Opinion given
P2223-P84	Housing & Communities	HSG / Supporting People	Housing Support Grant (HSG)	Medium	Final	Unqualified

Appendix C

Non Opinion work 2022/23 Q2

Job number	Service Area	Section or Team	Job Title
P2223-P1	Finance	Accountancy	New Financial System
P2223-P7	Finance	Accountancy	Annual Governance Statement
P2223-P9	Finance	General	Financial Advice
P2223-P18	People, Policy & Transformation	General	Financial Advice
P2223-P19	People, Policy & Transformation	General	Financial Regulations Training
P2223-P24	Law & Standards	General	Financial Advice
P2223-P32	Children Services	General	Financial Advice
P2223-P37	Adult Services	General	Financial Advice
P2223-P40	Prevention & Inclusion	General	Financial Advice
P2223-P45	Regen & Economic Dev	General	Financial Advice
P2223-P66	Education Serv	General	Financial Advice
P2223-P72	City Services	General	Financial Advice
P2223-P82	Environment & PP	General	Financial Advice
P2223-P87	Housing & Communities	General	Financial Advice

INTERNAL AUDIT SERVICES – OPINION DEFINITIONS

	GOOD	Well controlled with no critical risks identified which require addressing; substantial level of assurance.	Green
	REASONABLE	Adequately controlled although risks identified which may compromise the overall control environment; improvements required; reasonable level of assurance.	Yellow
	UNSATISFACTORY	Not well controlled; unacceptable level of risk; changes required urgently; poor level of assurance.	Amber
	UNSOUND	Poorly controlled; major risks exists; fundamental improvements required with immediate effect.	Red

Unqualified	<p>The Financial Statement is free from material misstatement and presents fairly the activities of the organisation.</p> <p>The terms and conditions of the grant funding have been complied with.</p>
Qualified	<p>There is a lack of supporting information or documentation to verify that that figures quoted in the Financial Statement fairly represent the activities of the organisation.</p> <p>The terms and conditions of the grant funding have not been fully complied with.</p>

Appendix E

Extract from the Draft Internal Audit Report – PTU Taxi Contracts Follow Up Audit 2021/22

[the previous audit report was issued as Final in February 2020 with an *Unsatisfactory* audit opinion]

WEAKNESS RATINGS

The following ratings have been applied to the individual weaknesses identified during the follow up audit. These are detailed in Appendix 1 - Analysis of Findings and Action Taken / Action Plan below.

RATING	DESCRIPTION	TOTAL IDENTIFIED DURING REVIEW
CRITICAL	Major risk to the system.	0
SIGNIFICANT	Unacceptable risk.	11
MODERATE	Risk partially mitigated but should still be addressed.	5

SUMMARY OF OUTSTANDING WEAKNESSES

The tables below summarise the outstanding individual weaknesses identified during the follow up review.

Ref.	CRITICAL
	No critical weaknesses were identified during this follow-up audit.

Ref.	SIGNIFICANT
1.01	The CTX system did not record all contracts / taxi usage across the Authority. Multiple and inconsistent records were used to monitor the various contracts.
1.02	The CTX database was not fully up-to-date with accurate operator licences and insurances. Dates of birth were missing for some drivers which resulted in the system reporting the driver was underage.
1.03	There were expired Disclosure Barring Service (DBS) checks and training for drivers and escorts recorded on the CTX database.
2.10	Taxi escorts were not required to submit any form of photo identification along with their DBS check.
2.11	Adequate driving licence checks were not undertaken prior to the award of contracts to ensure that drivers were appropriate.

Ref.	SIGNIFICANT
2.11 (New)	A taxi company continued to operate on contract work despite pleading guilty to offences relating to unlicensed drivers. The DBS and driving licence checks for the contracted driver was not updated / renewed (as this was a historical arrangement) and there was no reference to the offences and consideration of the contract continuation on the CTX system.
2.12	Purchase orders were not always raised in advance of the first taxi journey taking place and did not record the agreed journey cost. Purchase order justification box did not reference the ITT number to highlight market testing undertaken.
2.14	The monitoring system in place for Social Services / Corporate taxi contract arrangements required improvement. Key information was not recorded.
2.16	The details of the taxi driver / escorts were not always provided to the schools / social worker making the booking.
3.07	Employees within the PTU team have not attended Information Security training and the required Financial Regulations refresher training.
3.08	Absence recording in iTrent was not always input correctly and in a timely manner. Return to work discussions were not always recorded in the iTrent system.

Ref.	MODERATE
2.08	Taxi request forms were not always authorised by an appropriate officer in line with the requirements as set out on the form.
2.09	Copies of DBS certificates were sometimes uploaded onto eTender Wales.
2.13	Invoices received from taxi companies did not always contain adequate information.
3.06	Quality assurance checks had not been undertaken for the taxi contracts. The Taxi Licensing team required an updated school's contract list in order to assist with the undertaking of checks.
3.09	The formal agreement in place between Newport City Council and Monmouthshire County Council had yet to be strengthened with the development of a job description and job specification as indicated. The stated period of the original agreement had passed and should be considered for review.

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Report

Governance and Audit Committee

Part 1

Date: 27 October 2022

Subject Draft Work Programme

Purpose To report the details of this Committee’s work programme.

Author Democratic & Services Officer

Ward General

Summary The purpose of a forward work programme is to help ensure Councillors achieve organisation and focus in the undertaking of enquiries through the Governance & Audit Committee function. This report presents the current work programme to the Committee for information and details the items due to be considered at the Committee’s next two meetings.

Proposal **The Committee is asked to endorse the proposed schedule for future meetings, confirm the list of people it would like to invite for each item, and indicate whether any additional information or research is required.**

Action by Governance and Audit Committee

Timetable Immediate

Background

The purpose of a forward work programme is to help ensure Councillors achieve organisation and focus in the undertaking of enquiries through the Governance & Audit Committee function.

Attached at Appendix 1 is the forward work programme for this Committee. Below are the items scheduled to be presented at the Committee’s next two meetings. Committee Members are asked to endorse this schedule, confirm the list of people they would like to invite for each item, and indicate whether any additional information or research is required.

26 January 2023
Internal Audit Plan – Progress (Quarter 3)
Financial Memorandum on the 2021-22 Financial Audit
Corporate Risk Register (Quarter 2)
Audit of Financial Statements Report 2021/22
Audit Wales Annual Report on Grants Works 2021-22 Draft
Audit Enquiries Letter 2021/22

Lessons Learned 2021/22
Internal Audit Unsatisfactory Audit Opinions (6 monthly report)
Referrals to Audit Committee

Comments of Chief Financial Officer

There will be financial consequences for some of the reviews undertaken. These will be commented upon as the reports are presented. The preparing and monitoring of the work programme is done by existing staff for which budget provision is available.

Comments of Monitoring Officer

I have no comments, as there are no legal implications.

Staffing Implications: Comments of Head of People and Business Change

There are no staffing implications within this report. Any staffing implications of the reviews in the work programme will need to be addressed in individual reports.

Background Papers

None.

Appendix 1

(Audit Committee to meet every other month unless circumstances dictate otherwise)

30 March 2023
WAO Annual Report on Grants Works 2022-23
Corporate Risk Register (Quarter 3)
Audit Wales and Regulatory Bodies 6-month update
Annual Report on Compliments, Comments and Complaints Management 2023
Annual Governance Statement (draft statement)
Referrals to Audit Committee

25 May 2023
Appointment of Chairperson
Treasury Management Year End Report 2022/2023
Corporate Risk Register Quarter 4
Annual Report on Compliments, Comments and Complaints Management update
SO24/Waiving of Contract SOs: Quarterly report reviewing Cabinet/CM urgent decisions or waiving Contract SOs (Quarter 4, January to March)
Audit Wales Annual Report on Grants Works 2022-23 Draft
Internal Audit Annual Report 2022-2023
Internal Audit Annual Plan 2023-2024

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	<p>8. The Committee will receive an update report in six months regarding actions for improvement that have been included in the report.</p> <p>9. Clarification on the cause or reason for the spike of Social Services complaints in Q3.</p> <p>10. Although detailed equalities information is included in the Equalities Report, further information to be included in the report to identify whether the demographics of complainants, and how this compares to the demographic of the population in Newport.</p>	<p>M Bleazard</p> <p>M. Bleazard</p> <p>T McKim</p>
Agenda Item 5:	<p>Corporate Risk Register Update: Q 1</p> <p>1. Target completion dates and commentary on mitigated action did not link. This was essential as part of training for all officers.</p> <p>2. Look at snapshot of the different areas to see how the Council managed issues. A synopsis provided to give an account on issues being addressed by Cabinet or Scrutiny.</p> <p>P Flint is meeting with the Director of Social Services and will raise this.</p>	<p>P Flint</p> <p>P Flint</p>
Agenda Item 6:	<p>Progress Against Internal Audit Plan 2022/23: Quarter 1</p> <p>Training - Self-nomination was misleading and should be referred to as mandatory. To be picked up with HR.</p>	<p>A Wathan</p>
Agenda Item 7:	<p>Audit Wales Fee Consultation</p> <p>Request that the paper in relation to the above be circulated.</p>	<p>M Rushworth</p>
Agenda Item 8:	<p>Unsatisfactory Audits</p> <p>To check the remit of the committee as to whether Cabinet Member / Director / Chief Executive be invited to future meeting or receive a letter from the Committee regarding their concerns with their respective service area. Or if this should be escalated after second unsatisfactory audit.</p>	<p>R Cornwall/Governance Team</p>

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