

Report

Cabinet



Part 1

Date: 18 September 2019

Subject **Wales Audit Office – Annual Improvement Report 2018/19**

Purpose To present Cabinet with the Wales Audit Office (WAO) Annual Improvement Report 2018/19 and to confirm the Council's Wellbeing Objectives 2019/20. The report outlines the audit and regulatory work completed in 2018/19 and how Newport Council is meeting its duty under the Local Government Measure 2009.

Author Head of People and Business Change

Ward All

Summary The Local Government (Wales) Measure 2009 requires the Auditor General (WAO) to publish an Annual Improvement Report for each Authority in Wales to ensure that we make arrangements to secure continuous improvement in the exercise of our functions.

The WAO Annual Improvement Report 2018/19 concluded that *'Based on, and limited to, the work carried out by the WAO and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) in 2019/20.'* The report attached outlines all of the WAO performance audit work and Regulatory Inspections completed in 2018/19 and summary of the proposals for improvement made to the Council in those reports.

This report also reaffirms our commitment to deliver the Wellbeing Objectives in 2019/20 that are in the Corporate Plan 2017-22. This will ensure that improvements identified in the WAO report and in the end of year review report to Cabinet in July 2019 are implemented.

Proposal Cabinet is asked to note the findings of the report from the WAO and to ensure that the appropriate arrangements are in place to address areas of improvement identified in the report.

Action by Strategic Director and Heads of Service

Timetable Immediate

This report was prepared after consultation with:

- Senior Leadership Team
- Corporate Management Team

Signed

Background

The Local Government (Wales) Measure 2009 requires the Auditor General for Wales to undertake a forward looking annual improvement assessment and to publish an Annual Improvement Report for each authority in Wales. All authorities have a general duty to 'make arrangements to secure continuous improvement in the exercise of our functions.'

The basis of the Auditor General's statement is based upon the 2018/19 audit and inspection work completed by the WAO and other regulatory bodies such as Estyn, improvement assessment work, assurance work in relation to the Wellbeing of Future Generations Act, national audit work and local risk-based audits.

In his report attached (see Appendix 1), the Auditor General concluded:

'Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2019/20.'

The Auditor General's statement also concluded that whilst no formal recommendations were made, a number of proposals for improvement were raised and the WAO will monitor progress against these and relevant recommendations made in their national reports as part of their improvement assessment work.

Wellbeing Objectives 2019/20

The work undertaken by the Wales Audit Office provides assurance to the Council in the delivery of services as outlined in the Council's Corporate Plan 2017-22. In the plan we made a commitment to deliver 4 Wellbeing Objectives:

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

The Local Government Measure 2009 requires the Council to produce an Improvement Plan which outlines how the Council will deliver continuous improvement in the delivery of the Corporate Plan. In April 2018, following consultation with the Welsh Local Government Association and Wales Audit Office, Cabinet agreed to amalgamate the Improvement Plan 2016-18 with the Corporate Plan's Wellbeing Objectives and to continue to monitor continuous improvement through the Council's Annual Report and other performance management mechanisms.

In July 2019, a report was presented to Cabinet summarising the Council's service areas' progress in delivering their service plans in 2018/19 and the performance against national and local measures. As part of our own monitoring and continuous improvement activity, we will be monitoring progress against those areas of the Council that are underperforming and the recommendations made by the Wales Audit Office and other Regulatory activities.

The Corporate Annual Report 2018/19 will also be presented in October 2019 to Cabinet. This report and the Cabinet Report on the Corporate Annual Report in October 2019 reaffirms Cabinet's commitment to deliver the Corporate Plan and also comply with the Local Government Measure 2009.

Annual Improvement Report is attached at Appendix 1.

Financial Summary

There are no direct financial impacts in relation to this report. Where proposals for improvement have been made in the report these will be undertaken through business as usual activities by the Council.

Risks

There are no direct impact of this report to the risks identified in the Council's Corporate Risk Register. Where specific WAO assurance activity has raised proposals for improvement, service areas have considered the impacts of these on their service delivery and management plans are in place to implement their findings.

You will need to complete the following Risk table

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?
Proposals for improvement are not implemented by the Council.	M	L	Management Plans are in place to monitor and implement proposals for improvement.	Corporate Management Team.
Non compliance with the Local Government (Wales) Measures 2009	M	L	This report mitigates against the risk of non compliance.	Corporate Management Team

Links to Council Policies and Priorities

Continuous improvement is central to the Council's ambitions for itself, organisationally, and in terms of its role in advancing the City's reputation and the quality of life for its citizens. A range of core priorities and programmes are influenced by this agenda, including:

- The Corporate Plan
- The Improvement Plan
- The Well-being Objectives and Well-being Statement

Options Available and considered

Cabinet are asked to:

- (a) Consider and accept the conclusion contained in the Auditor General's Annual Improvement Report on the Council's continuous improvement activity.
- (b) Confirm its commitment to deliver the Council's Wellbeing Objectives from the Corporate Plan in 2019/20
- (c) Disregard the findings of the WAO report and not to commit to the Wellbeing Objectives in 2019/20.

Preferred Option and Why

The preferred options are (a) and (b) as the Annual Improvement Report is required under the Local Government Measure 2018/19. The report presents an overview of audit and assurance activity undertaken by the Wales Audit Office and other external regulators. The findings contained in this report supports the continuous improvement activities undertaken by the Council in the delivery of its Corporate Plan.

Comments of Chief Financial Officer

There is no additional budgetary impact as a result of this report, any recommended improvements will be dealt with through existing budgets.

The Improvement Report confirms that the Council complied with its responsibilities relating to financial reporting and use of resources and that appropriate arrangements are in place to secure economy, efficiency and effectiveness in their use of resources but the Council continues to face significant financial challenges.

Comments of Monitoring Officer

There are no specific legal issues arising from the Report. The Council has a statutory duty under the Local Government (Wales) Measure 2009 and the Local Government Act 1999 to secure continuous improvement in the delivery of services. The Auditor General has a duty to carry out an annual assessment and issue a report setting out his views on the Council's arrangements to secure service improvement. The latest Annual Report for 2018/19 confirms that, based on the findings of various regulatory and statutory inspections, the Council is discharging this statutory duty and is likely to comply with the duty to secure continuous improvement in 2019/20, subject to addressing certain issues identified in the Report.

Comments of Head of People and Business Change

The report presents a balanced picture of the Council's continuing drive to improve performance and change. We have welcomed those reports in 2018/19 where our strengths have been recognised and areas where improvements are required. We will look to ensure that these proposals for improvement are implemented and support the Council to deliver quality services.

There are no direct staffing implications contained in this report.

Comments of Cabinet Member

The Chair of Cabinet has been consulted on the report.

Local issues

Not Applicable

Scrutiny Committees

Not Applicable

Equalities Impact Assessment and the Equalities Act 2010

Not Applicable

Children and Families (Wales) Measure

Not Applicable

Wellbeing of Future Generations (Wales) Act 2015

The Auditor General helps to ensure that public bodies are held to account for their performance in relation to the requirements of the Wellbeing of Future Generations (Wales) Act 2015 and the Local Government Measure (2009). The Wales Audit Office consider the Wellbeing of Future Generations (Wales) Act 2015 in the planning and implementation of their work, they provide the council with assurance as well as helping to identify areas for improvement.

The Auditor General has stated that the council is meeting its statutory requirements in relation to continuous improvement for the Local Government Measure 2009. This conclusion has been reached after considering the accumulated audit and inspection work that was carried out during 2018/19.

Each review has its own action plan to address proposals for improvement identified in the individual reviews; each action plan considers how to respond to proposals for improvement in a sustainable way that addresses current issues whilst considering long-term needs.

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

Not Applicable

Background Papers

Cabinet Report - Early End of Year Performance Review, July 2019

Cabinet Report - Corporate Annual Report, September 2018

Cabinet Report - Wellbeing Report, April 2018

Dated: September 2019