

Report

Cabinet

Part 1

Date: 19 July 2017

Subject **Budget Consultation and Engagement**

Purpose To report to Cabinet on the process of public consultation and engagement, taking into consideration the budget process and new requirements as a result of the Wellbeing of Future Generations Act 2015

Author Policy, Partnership and Involvement Manager

Ward City Wide

Summary Newport City Council will ensure residents and service users can have their voices heard on decisions that affect them and the city. This will be achieved through a programme of engagement activity, undertaken with partners on an ongoing basis, and formal and informal consultation on service delivery options available to the Council.

In 2016 the involvement of residents and other stakeholders in budget proposals and other decisions was important as this is one of the five principles of sustainable development set out in the Wellbeing of Future Generations Act 2015. This report sets out how we can meet the relevant statutory duties and outlines principles for engagement, a timetable of activities and the key stakeholders.

Proposal Cabinet are invited to note and endorse the proposed approach and principles of engagement, including monitoring by Scrutiny.

Action by Head of People and Business Change, all Heads of Service to ensure robust engagement with stakeholders on Medium Term Financial Plan business cases

Timetable Immediate and over the course of 2017/18.

This report was prepared after consultation with:

- Business Improvement and Performance Manager
- News and Editorial Manager
- Head of Finance
- Head of Law and Standards
- Head of People and Business Change
- Children and Young People's Participation Officer

Signed

Background

As part of the budget setting processes for 2015/16 and 2016/17 the Council received over 3,000 and 1,000 responses respectively. This was the result of a wide ranging engagement programme which included electronic and traditional hard-copy surveys, presentations in ward meetings, face to face engagement at 23 venues across the city and extensive public communications e.g. in Newport Matters and social media. Partner organisations, particularly GAVO for the voluntary sector, were significantly involved in supporting the budget consultation for the first time 2016/17. For the 2017/18 budget there were 371 responses to the formal budget consultation in December 2016/January 2017, and this was in addition to a major public engagement programme to support the Wellbeing of Future Generations Act work which received over 2,300 responses; which can help to inform strategy and priorities both for the Medium Term Financial Plan and also in the longer term. The corporate aim in recent years has been to increase participation in budget planning through greater awareness, providing better information and being increasingly open and transparent e.g. in terms of publishing the results of consultation and accounting for the decisions made.

Since its inception in 2012 Newport Fairness Commission has considered the Council's approach to consultation and engagement on an annual basis, particularly with regards to the budget and medium term financial plan. In their response to the 2017/18 budget the Fairness Commission encouragingly noted:

"There are clear steps forward in the Council's handling of the consultation process, and in the potential for creative thinking about how best to deliver services in straitened financial circumstances."

"it is important to acknowledge what the NFC sees as steps forward in Council practices in the wake of these austerity measures being applied. For example, the consultation process for this round of budgetary proposals – while subject to the usual alarmingly tight time-constraints imposed by the Welsh Government (WG), plus the lateness of information being provided by the WG to local government decision-makers – is considerably improved compared with previous rounds."

One Newport Engagement Strategy

Engagement is underpinned by various statutory duties, most notably the Wellbeing of Future Generations Act 2015 (WFG Act) which introduces a requirement for "involvement" of stakeholders in decisions that affect them. Similar duties are also in place covering the involvement of children and young people under the Children and Families (Wales) Measure 2010. The Welsh Government, the Future Generations Commissioner, the Older People's Commissioner and the Children's Commissioner have all emphasised the continued importance of engagement with the public and stakeholders and have paid close attention to how local authorities are meeting their duties under the WFG Act.

The One Newport Engagement and Participation Strategy was developed to ensure that Public Services Board and its partners involve citizens, service users, agencies and practitioners in the design and delivery of services in Newport. This strategy also sets out how the statutory requirements of the guidance Shared Purpose, Shared Future will be addressed and how residents are engaged.

Development and delivery of the strategy is supported by the partnership Engagement Group, through a developing programme of work as outlined in this report (Timetable 1 and Annex A).

Engagement duties under the Wellbeing of Future Generations Act 2015

The WFG Act is intended to bring about sustainable development by improving the economic, social, environmental and cultural wellbeing of Wales, local communities and individuals. The Act requires public bodies to work collaboratively, in an integrated way, to think more about the long term, to work better with people, communities and to anticipate and prevent problems.

Under the WFG Act engagement with the public and stakeholders should not be limited to the budget process and 'involvement' will increasingly become a key principle of sustainable development and an essential part of public service planning and delivery. The Act places a clear requirement on all devolved Welsh public services to **involve** "a diversity of the population in the decisions that affect them"¹. Meeting this statutory duty will require the involvement of numerous different sections of the population by:

- **Characteristics** - including protected characteristics under the Equalities Act 2010, these are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion, sex, sexual orientation. The responses from these groups should be monitored and analysed to identify any differences from the wider population.
- **Area** – ensuring geographical communities from across the local authority area are involved.
- **Sector** – seeking the views and involvement of public sector partners, third sector organisations, education institutions and the local business community.

The WFG Act guidance states that public bodies "... must ensure that the people they involve reflect the diversity of the population that they serve. This entails involving the people and communities whose wellbeing they are seeking to improve. The sustainable development principle recognises both the needs of current and future generations..." and includes children and young people and older people."

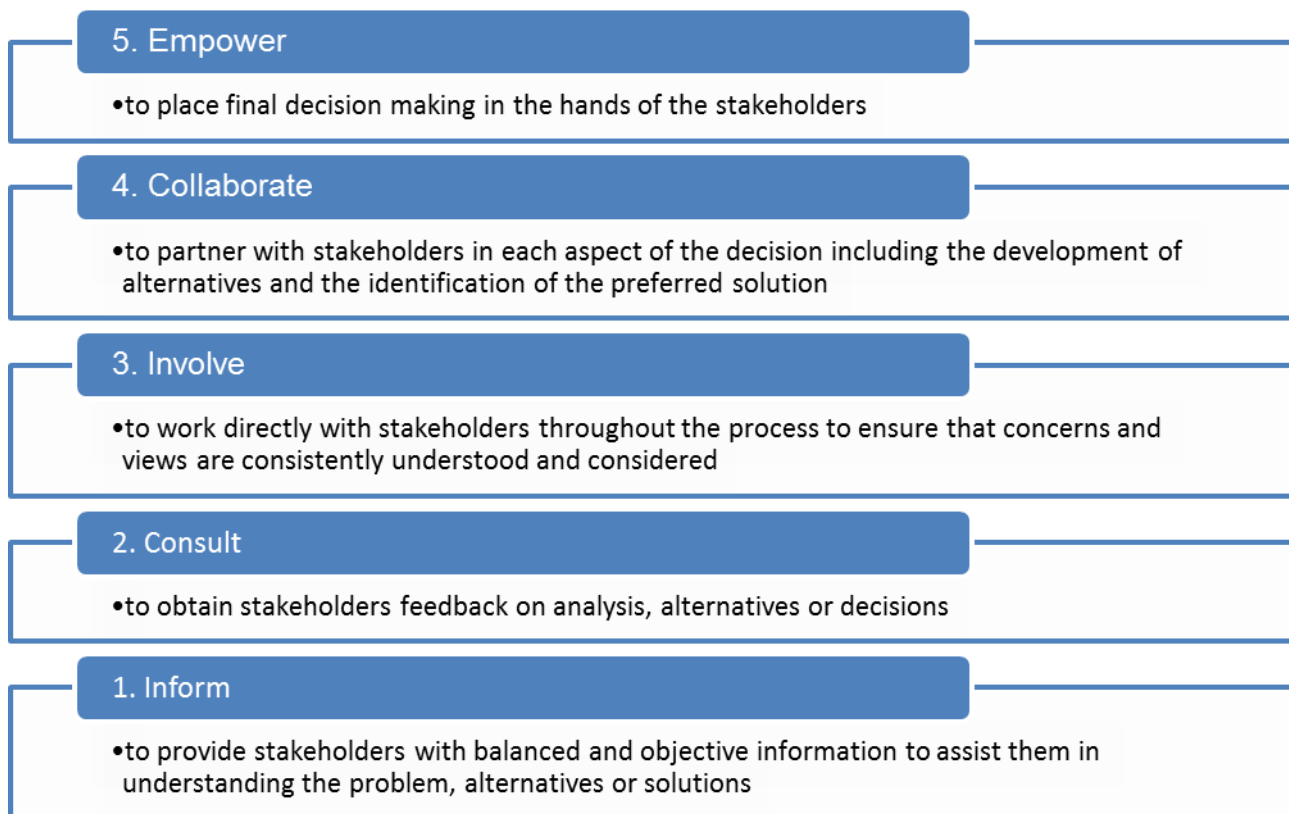
The 'involvement' duty under the Act builds on similar existing duties as set out in the National Principles for Public Engagement and the National Participation Standards for Children and Young People.

The 'Involvement' duty under WFG Act

The terms 'involvement', 'consultation' and 'information' have different meanings, whereas 'engagement' is a wider, catch-all term which covers all these activities. The different engagement activities can be thought of as a hierarchy, with each level introducing a greater degree of public participation and engagement, this is shown in figure 1.

¹ Extract from 'Shared Purpose: Shared Future' core guidance on the Wellbeing of Future Generations Act

Figure 1 **The hierarchy of engagement methods**



In common with most other local authorities NCC has generally been involved with level 1 and 2 informing and consulting with stakeholders, however the WFG Act states that we must go further by involving people in decisions which affect them (level 3).

There are a further two levels which develop the degree of participation and are in line with the implicit principles of sustainable development as set out in the guidance, but are not considered to be statutory duties on us. However good practice suggests that we should aim work towards collaborative programmes and empowerment of communities; there are initial examples of this in Newport including some innovative community development projects e.g. Maindee Unlimited taking over the running of the local library.

Collaboration as described in figure 1. has a different meaning to the ‘collaboration’ duty ‘ set out in the WFG Act which relates to public service organisations working together. A practical example of this duty could be that we should ensure that when setting our budget and medium term revenue plan we engage with partner organisations so that they are informed of our proposals and can assess the possible impact on their own services and objectives. This duty would go further than consultation and implies that the service providers should work together to ensure that they tackle complex, long term challenges therefore maximising their collective impact (the ‘integration’ duty)

As mentioned earlier in the report, in 2016/17 the Council led on a major public and partner engagement programme to inform the Well-being Plan (as required by the WFG Act). This achieved over 2,300 responses which is the biggest response rate we have achieved for a ‘visioning’ type engagement exercise. This year we will be following up on some of the insight gained from this exercise e.g. with regards to young people’s perceptions of crime and safety, whether people think Newport is still becoming a better place to live etc. However the main focus of public engagement work this year will be in relation to the Council’s budget as is outlined in the following section of this report and Annex A.

Engagement on the 2018/19 Budget and Medium Term Financial Plan

A two phase approach to engagement has been adopted in recent years as outlined below. Each year the Council has sought to progressively improve the engagement arrangements and to learn from our experiences.

Phase 1 - public 'conversation' – which relates to the period before formal budget proposals are made public in December. In this phase engagement work will be mainly concerned with informing the public of the context to the budget proposals, seeking suggestions for savings and alternative ways of working and general opinions. However during this phase it is also expected that service areas will seek to engage with the users of specific services which are likely to be facing budgetary pressures or potential restructuring. As this engagement will take place before specific proposals have been put forward it will most probably be about exploring options, seeking the general opinions of stakeholders and gathering information which will inform the development of detailed business case proposals. It is at this stage that Fairness and Equality Impact Assessments (FEIAs) need to be completed for business case proposals and if they are to be meaningful they should be undertaken as early as practicable in the process and should be revised as proposals are developed. Cabinet Members can play a vital role in ensuring that business cases are based on solid stakeholder engagement and have been subject to robust Fairness and Equality Impact Assessments ahead of key decisions being taken.

Phase 2 - formal budget consultation – which relates to the release of formal budget proposals for public consultation. In this phase stakeholders are invited to respond to draft business cases and indicate whether or not they agree with them and to make specific comments on them. This is primarily undertaken using on-line surveys and is promoted through NCC social media, however alternative formats are also prepared, e.g. so that people with sensory impairments can take part. With the introduction of the WFG Act and 'involvement' duty it is important that engagement on the budget is considered in the wider context of the work on the Act e.g. how budget decisions relate to the Council's wellbeing objectives and the sustainable development principle. Furthermore it is recognised that the understanding and insight gained through budget engagement should grow year on year and has a wider relevance than for just a single year's draft budget proposals.

Key principles for budget engagement

The pre-budget 'Conversation Stage' of engagement should commence during the summer. This will mainly be based on informing the public on the budget setting process and how they can keep informed e.g. timescales, how the public can keep informed and how they can make suggestions.

The budget setting process should be built on what we already know and an identification of gaps. Newport Matters should be used to respond to the earlier consultation to close the circle.

If the public are to be meaningfully engaged they must be provided with clear and understandable information which sets out budget proposals, what they aim to achieve, the main impacts, financial, staffing and other figures. In 2017/18 we started to monitor whether budget consultation respondents thought the individual proposals were clearly explained and this will continue in the next budget planning cycle.

Fairness and Equality Impact Assessments (FEIA) should be brought forward in the process of developing business cases, so that they can inform and shape the proposal. Heads of Service are responsible for direct engagement with service users and the public who are likely to be affected by decisions. This should be in addition to the formal budget consultation in December/January.

A multi-channel communications programme is a vital part of the engagement programme to ensure citizens are well informed and have a chance to meaningfully participate. We should clearly define the parameters for consultation so that 'good management' decisions are communicated but not consulted upon.

Scrutiny has a valuable role with their overview of the budget engagement programme and their contribution to its development.

The following timetable indicates the key timings and can be read in conjunction with the engagement stakeholders matrix in Annex A.

Timetable 1.

Dates	Activities
July – December 2017	<p>Pre-budget – ‘public conversation’ phase</p> <p>Various public events throughout the period (see Annex A for details)</p> <p>Service areas to engage with stakeholders as budget proposals are developed. Fairness and Equality Impact Assessments to inform engagement arrangements</p> <p>Presentations at ward meetings on the ‘Budget Challenge’ to help provide understanding and context</p>
December 2017 – January 2018	<p>Formal public consultation</p> <p>Following December Cabinet public consultation commences</p> <p>Consultation with Fairness Commission</p> <p>Consultation with Trade Unions and Schools Forum</p>

Financial Summary

	Year 1 (Current) £	Year 2 £	Year 3 £	Ongoing £	Notes including budgets heads affected
Costs (Income) Net Costs (Savings) Net Impact on Budget	Not applicable	Not applicable	Not applicable	Not applicable	Costs are to be met with existing budgets

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to undertake adequate and appropriate consultation on decisions, leads to potential judicial proceedings	H	M	Ensuring we have a robust consultation process in place will minimise the risk of future challenge to decisions, which could result in significant cost to the organisation	Head of People & Business Change
Failure to adequately judge public opinion, prior to making a decision	H	M	Ensuring we have mechanisms in place for the public to express their views and then ensuring that these are presented to decision makers so that they can be considered at the same time as the decision is being made.	Head of People & Business Change
Failure to undertake appropriate involvement of stakeholders leading to adverse opinions from regulators and criticism from Welsh Government, Future Generations Commissioner	H	M	Ensuring we have sound mechanisms in place to involve stakeholders in order to inform the Wellbeing Assessment and Local Wellbeing Plan	Head of People & Business Change

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

- Corporate Plan (currently under review)
- Strategic Equalities Plan
- Medium Term Revenue Plan
- Newport 2020
- Single Integrated Plan/Wellbeing Plan
- Wellbeing Objectives
- Local Wellbeing Assessment
- One Newport Engagement Strategy (PSB)

Options Available and considered

1. To note and endorse the proposed approach to engagement.
2. To note and endorse the proposed approach and principles of engagement, including monitoring by Scrutiny.
3. To direct for further work to be completed on the engagement programme.

Preferred Option and Why

To endorse the proposed approach to engagement, including monitoring by Scrutiny, which strengthens the role of elected members and their engagement in the budget setting process.

Comments of Chief Financial Officer

There are no financial implications to this report as the report is asking to endorse the proposed approach to engagement and monitoring.

Engagement and consultation will increasingly be crucial as the Council continues to make difficult budget decisions which affect services to the public. A key factor in this process is ensuring residents feel their views are valued and can influence outcomes and proposals and thinking.

Comments of Monitoring Officer

The Council has a number of legal and statutory duties regarding consultation and engagement when it comes to the planning and delivery of public services. Specific statutory duties will require public consultation in relation to proposed budgetary savings and service delivery changes and there is also an overriding duty to have regard to the public sector equality duty under the Equality Act in relation to the impact of any decision on particular disadvantaged groups. In addition, the Council is now subject to a number of target duties regarding how functions are discharged generally, for example the sustainable development principle under the Well-Being of Future Generations Act and one of the specific requirements in relation to public involvement in decision-making. A failure to consult or engage properly or to have regard to these target duties could leave the Council's decision-making processes open to legal challenge. Therefore, a robust and consistent approach is required to ensure that these engagement and consultation duties are complied with.

Comments of Head of People and Business Change

My comments are contained within the body of this report. A progressive approach to engagement will be vital going forward in ensuring that the Council's decision making processes are not only legally compliant but also reflect the views and needs of communities and build on their assets as we look to develop sustainable services in an increasingly challenging financial climate. It should be stressed that engagement should not be considered a corporate function but as a way of working that is intrinsic to good service delivery and planning and ultimately improving wellbeing.

Comments of Cabinet Member

The recommendations in this report represent good practice in the face of budget pressures that are mostly outside of our control. If we are to protect services we may need to expand our engagement and explore opportunities to increase community involvement in the development of services as shown in stages 4 and 5 in figure 1. There are many examples of good practice that include some projects that have developed outside of the Council's direct running but provide valuable and essential services to our residents, often working in partnership with us. I believe that Scrutiny have a vital role in the development of collaborative programmes that will allow us to go beyond the statutory service delivery requirements and sustain services in the face of continued financial pressures.

Local issues

No local issues.

Scrutiny Committees

Please include a record of any consultation with scrutiny committees. Please add here details of any consultation and the outcomes.

Equalities Impact Assessment and the Equalities Act 2010

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

Children and Families (Wales) Measure

The Children and Families (Wales) Measure 2010 requires that children and young people are involved in decisions which affect them. This report outlines how this will be achieved in relation to the 2018/19 budget planning process. Service areas are as part of their Fairness and Equalities Impact Assessments required to identify potential impacts on children and young people and how they are to be engaged in relation to the proposal. Newport Youth Council will also play a part in representing young people in responding to the budget consultation.

Wellbeing of Future Generations (Wales) Act 2015

- Long term: Engaging with the public and other stakeholders can inform long term strategy and decision making and can help build cooperative and sustainable approaches to service delivery. Yearly budget consultations should not be considered in isolation and should be considered along with other engagement exercises e.g. for the Wellbeing Assessment and also against the findings previous year's budget consultations.
- Prevention: Robust engagement and participation arrangements should give us a better understanding of the needs and also the assets of our communities which should inform our planning of services to focus on the things that matter and to be more preventions focussed in the longer-term.
- Integration: As part of the business improvement it will be vital to identify how individual proposals relate to the wellbeing goals (under WFG Act) and could impact on other Council services and external agencies. This evaluative thinking is part of the Fairness and Equalities Impact Assessment process
- Collaboration: We are increasingly working collaboratively with partner organisations to access harder to reach communities e.g. through GAVO's Engage Project which works with seven such groups. Engagement work is also planned through a multi-agency group to share resources and avoid duplication and consultation fatigue.
- Involvement: The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the City we serve is the underpinning principle

of the budget consultation and should be the basis for accountability and openness in decision making with regards to financial and service planning.

Crime and Disorder Act 1998

There are no direct impacts on crime and disorder arising from this report.

Dated:

Annex A - Newport City Council Budget - Stakeholder Engagement Matrix

Stakeholder groups	Main interests	Planned methods of engagement (and key stakeholders)
Public and minority groups	Children and young people, older people, Persons with protected characteristics (9 groups identified in Equalities Act 2010 i.e. age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion, sex, sexual orientation)	<p>Methods – Budget survey (Online and printed versions), Have Your Say questionnaire</p> <p>To be promoted through the following channels:</p> <ul style="list-style-type: none"> • Newport Matters (all households) • Social Media 20,000 contacts • One Newport – partner organisation contacts • Citizens Panel (700 local residents) • Newport City Homes resident events - (NCH tenants), Various dates in the summer • Maindee Festival – Fair Play Theme (all ages) • Sports in the Park – various dates in the summer (children and families) • Newport Food Festival (all ages) • National Play Day (all ages) • Newport 50+ Information Day (older people) • Rainbow Newport –social media contacts (LGBT+) • SEWREC networks – BME contacts • Newport Youth Council and Unity Youth Forum – (young people) • Ethnic Youth Support Team – BME young people • University of South Wales – (students and staff) • Coleg • GAVO – voluntary sector and Engage project which works with hard to reach groups • Newport Interfaith Group – contact network (multi-faith group) • BME Community Leaders (BME contacts)
Geographical communities	Wards and neighbourhoods of Newport. Including urban and rural	<ul style="list-style-type: none"> • Ward Meetings – budget and financial context provided by Heads of Service with Elected Members also in attendance • Elected members are also encouraged to promote engagement and participation in the budget consultation with their constituents • Face to face sessions in public venues across Newport

		<ul style="list-style-type: none"> • Citizens Panel survey. Previous surveys have gained responses from all wards however numbers for some wards will be relatively low and not statistically valid. However ward based engagement data can be supplemented with the in depth data available through the 'Ward Profiles' produced by the Council. • All Newport libraries will promote survey participation to all customers for one week in January (date to be confirmed) • Community Councils (representing more rural areas)
Business sector	Business leaders, chambers of commerce, cooperatives and unions	<ul style="list-style-type: none"> • Engagement with Newport Economic Network • Circulate survey through NCC business networks • Trade Unions to respond on behalf of members.

Any further events to be notified to one.newport@newport.gov.uk