



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report

Newport City Council

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About the Auditor General for Wales

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The Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. The Auditor General's appointed auditors are responsible for the annual audit of nearly £5.5 billion of funding that is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Non Jenkins and Jackie Joyce under the direction of Alan Morris.

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Summary

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the relevant Welsh inspectorates, as well as work undertaken on his behalf by the Wales Audit Office, this report presents a picture of improvement over the last year. The report is in three main sections; which cover the Council's delivery and evaluation of services in relation to 2011-12, and its planning of improvement in 2012-13.
 - A Safe and Healthy City – The Council has made some improvements in services that contribute to safety and health in Newport but the pace of improvement in other services is slower than that of other Welsh councils.
 - There have been some improvements in services that contribute to other improvement objectives but due to limitations in the Council's use of performance measures it is sometimes difficult to fully assess achievements and improvement.
 - The Council is making progress in establishing the new Property Services function but weaknesses in strategic management, asset information and investment planning continue to hinder long-term improvement.
 - The Council has made a number of changes to the way in which it delivers housing benefits but these have not yet resulted in service improvements.
- 2 Overall the Auditor General has concluded that whilst improvements have been made in some services, there have been key weaknesses in the way improvement is managed and delivered, which the Council has recognised and is now addressing.
- 3 In part one of our report we conclude that whilst the Council's performance in some services has improved, performance overall has declined over the last three years. We came to this conclusion because we found that:
 - Vibrant City Centre - Fewer people visited Newport city centre in 2011-12 than in 2009, although the number was more than the Council had expected. Up to date data are not available on the city's performance in attracting and supporting private investment.
 - More Business, More Jobs - Although the Council provided support to local business and helped to create and safeguard jobs, overall performance has not improved.
- 4 In part two we conclude that the Council's self evaluation of performance has been weak and has hindered its efforts to manage, evaluate, report and improve performance. The Council recognises these issues and is responding positively. We came to this conclusion because:
 - The Council's review did not demonstrate whether it had achieved its improvement objectives and improved outcomes for citizens.
 - The Council recognises that its processes for self evaluating its performance had been disjointed and

hindered the Council from effectively managing, evaluating, reporting and improving performance.

- The Council generally has effective arrangements in place to collect, record and monitor performance indicators but accuracy of reporting needs to improve.

5 Finally, part three of the report sets out our views on how well the Council is planning for and making arrangements to support improvement. Our overall conclusion is that it is unclear whether the Council is likely to comply with the requirement to make arrangements to secure continuous improvement in 2012-13. The pace of improvement has been slow in some key areas and it faces difficult decisions in order to achieve some £27 million savings over the next five years. We came to this conclusion because:

- The Council recognises the need to strengthen accountability arrangements to improve performance and efficiency.
- The Council has a good track record of managing its budget but acknowledges that its approach to medium-term financial planning needs to improve, as does the way in which savings are classified and reported. Councillors face some tough decisions to address the £27 million funding gap over the next five years.
- The Council continues to make some progress in addressing our proposals for improvement but recognises that in some cases progress had been slow and there were inconsistencies in the way it managed and addressed our findings.

- Partners are strongly committed to the Gwent Frailty programme (GFP) vision and have created a sound programme management framework to underpin it. Gwent Frailty is in the early stages of implementation and challenges remain to ensure it is sustainable, to change established behaviours and to demonstrate its impact.
- A new Education Achievement Service for South East Wales has been created and is focussing on improving attainment within schools.

Detailed report

Introduction

- 6 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. **Appendix 1** provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education) and the Care and Social Services Inspectorate for Wales (the CSSIW), we have brought together a picture of what each council in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last annual improvement report, drawing on the Council's own self-assessment.
- 7 We do not undertake a comprehensive annual review of all Council arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of prioritised work undertaken this year.
- 8 Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- recommend to Ministers of the Welsh Government that they intervene in some way;
 - conduct a special inspection and publish the report with detailed recommendations;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
 - make proposals for improvement – if we make proposals to the Council, we would expect them to do something about them and we will follow up what happens.
- 9 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.

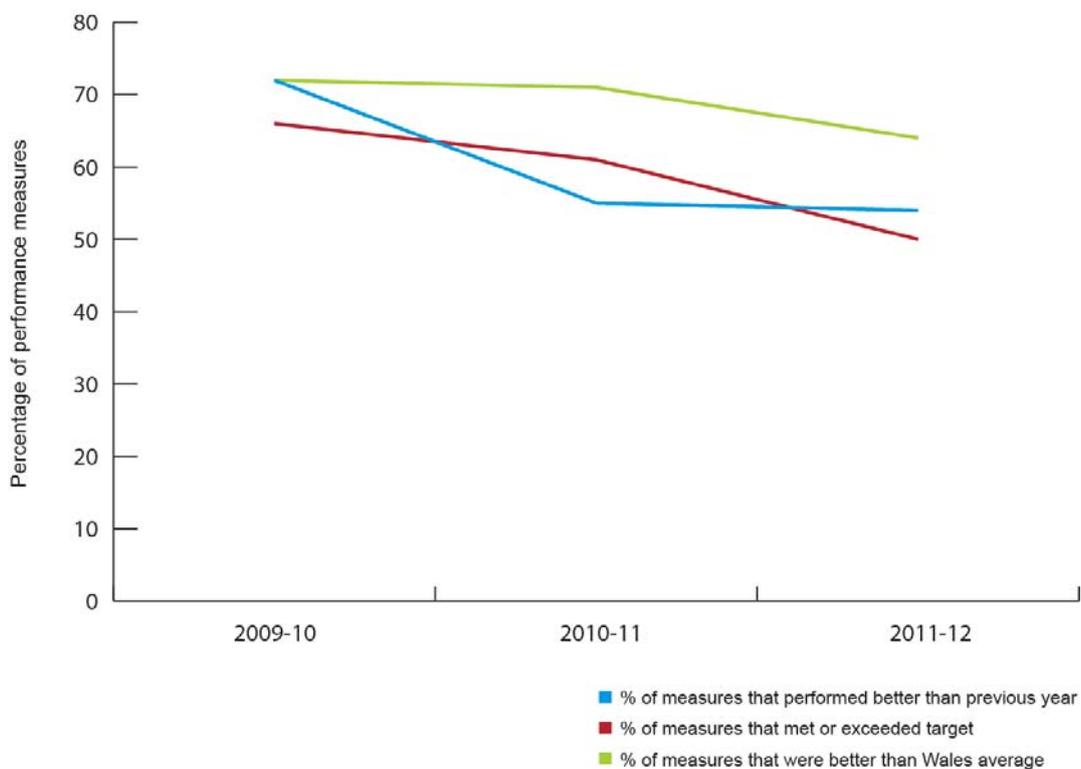
Whilst improvements have been made in some services, there have been key weaknesses in the way improvement is managed and delivered, which the Council has recognised and is now addressing

Whilst the Council's performance in some services has improved, performance overall has declined over the last three years

10 The Council's *Improvement Plan 2012-13* states that its overall goal 'is to secure continuous improvement across everything it does by making incremental

and prudent changes to the way it plans and delivers services and conducts its business'. The Council's own analysis of its improvement during 2011-12 revealed that 54 per cent of measures performed better than the previous year, 50 per cent performed better than target and 64 per cent performed better than the Wales average. A longer term analysis of the Council's 161 performance measures shows that the Council's performance overall over the last three years has declined (see [Figure 1](#)).

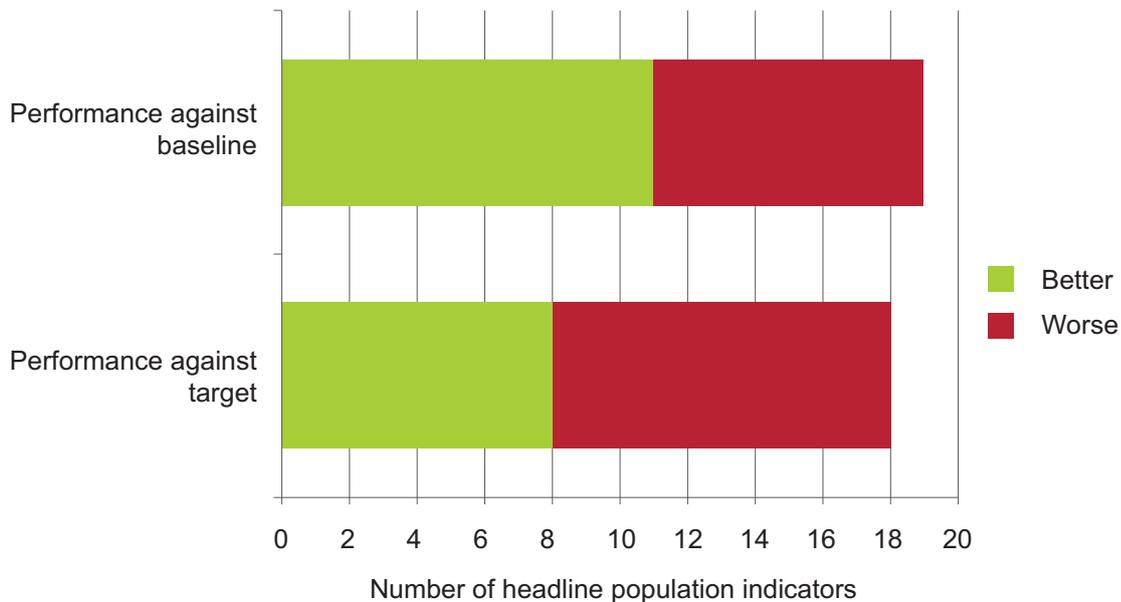
Figure 1 – Analysis of performance measures compared with previous year, in-year target and Welsh average for 2009-10, 2010-11 and 2011-12



11 Other analyses of performance measures reveal similar patterns. In the Council's *Annual Performance Review 2011-12* published in October 2012, the Council reports that of the 40 performance indicators that can be compared with the previous year, 24 (60 per cent) show an improvement in performance in 2011-12 as compared to the previous year, and 16 (40 per cent) show a decline in performance. Thirty six indicators have targets for 2011-12, of which 18 (50 per cent) show that the Council did not meet the targets it set itself.

12 The Council has 23 specific 'headline population indicators' for its nine improvement objectives. Our analysis of the 19 headline indicators that can be compared with baseline figures indicates that 11 (58 per cent) of the measures show an improvement in performance. Of the 18 measures that have targets for 2011-12, eight of these (44 per cent) met or exceeded the target.

Figure 2 – Analysis of improvement objective 'headline population indicators' actual performance achieved in 2011-12 compared with baseline and 2011-12 target



13 In August 2011, the Council published its Improvement Plan¹ which sets out the following improvement objectives (see Appendix 4 for details):

- Vibrant City Centre
- More Business, More Jobs
- Excellent Education for All
- A Safe and Healthy City
- A Positive Image
- Good Transport Links
- Customers
- Performance
- You

14 Below we provide a brief analysis of how well the Council is performing in delivering improvement against these priorities.

Vibrant City Centre - Fewer people visited Newport city centre in 2011-12 than in 2009 although the number was more than the Council had expected. Up-to-date data are not available on the city's performance in attracting and supporting private investment.

15 As part of its improvement objective *Vibrant City Centre*, the Council identified city centre regeneration and the Newport festival as the two specific actions it would take to achieve the improvement objective. As part of regenerating its city centre, the Council selected its development partner and also secured Debenhams to be the anchor retail store and Cineworld as the leisure anchor during 2011-12. Much of the actual redevelopment work will commence in 2013, including, the development of offices and shops on the Cambrian centre site, refurbishment of Newport Market, the new bus terminus in Lower Dock Street and the Friars Walk shopping and leisure scheme.

16 The first Newport Festival was held in 2010 and received positive feedback from residents and businesses. As part of the 2011 Newport Festival a variety of events were held in the city centre including the Food Festival, the Big Splash and the comedy festival.

¹ Improvement Plan 2011-12 *Fit for the Future Feeling Good about Newport*

- 17 As a measure of success, the Council uses the UK Competitiveness Index² which is a good barometer to judge how well councils, regions and countries in the UK are performing in attracting new private sector investment as well as supporting existing businesses to flourish. Because the Index is published every two years data is not available to make an assessment for 2011-12. In 2008 Newport was ranked 31st out of 44 UK designated cities and in 2010 it was ranked 28th out of 43 UK designated cities³. Wales is the least competitive region in the UK and the Council's performance should also be viewed against the current UK wide economic climate.
- 18 The other measure used by the Council to assess whether it has made its city centre more vibrant is footfall. Whilst the footfall in the city centre was lower in 2011-12 (8.9 million) than in 2009 (10.1 million), the Council exceeded its expectation of achieving 7.9 million visitors to the city centre in 2011-12.
- 19 During April 2012, we reviewed the Council's arrangements to plan, deliver and evaluate its regeneration initiatives. Our review focused on assessing if the Council has effective arrangements for: planning its approach to regeneration activities; activities and responsibilities are organised in a way that supports delivery of objectives; and if the Council takes account of relevant information when evaluating the delivery of its strategy.
- 20 We concluded that although the Council had plans and structures to support the delivery of regeneration in Newport, arrangements were not sufficiently robust to enable it to comprehensively evaluate the impact of its regeneration initiatives. The Council is currently addressing our proposals for improvement. Since we undertook our review the Council has published its *Economic Development Strategy 2011-2015* and will be holding a key stakeholder conference in Spring 2013 to revisit the Strategy.
- 21 It should also be noted that the Welsh Government via its 'Vibrant and Viable Places' New Regeneration Framework consultation sought views on the future of its investment policies and it is also considering its future funding of Newport's urban regeneration company Newport Unlimited. The Council recognises the difficult economic circumstances and potential changes at national level, it knows that it will need clear and realistic regeneration priorities to create the right conditions for businesses to thrive.

² UK Competitiveness Index (UKCI) was first introduced and published in 2000 by University of Wales Institute, Cardiff. It represents a benchmarking of the competitiveness of the UK's regions and localities. The UK Competitiveness Index has been designed as an integrated measure of competitiveness focusing the development and sustainability of businesses and the economic welfare of individuals.

³ Populations of more than one hundred thousand people excluding London.

More Business, More Jobs - Although the Council provided support to local business and helped to create and safeguard jobs, overall performance has not improved

- 22 The Council has an improvement objective called *More Business, More Jobs* (see [Appendix 4](#) for more details) and has undertaken a number of activities during 2011-12. Actions include providing support to businesses and working with local partners to deliver programmes to help residents develop skills and find employment. The Council helped 48 new business start-ups, created 194 jobs and safeguarded 256 jobs in the Newport. Skills programmes were aimed at young people not in education, employment or training, carers and the long term unemployed. Some 1,387 people were engaged in projects and 558 were supported in to employment or further training. This performance should be viewed against the current UK wide economic climate.
- 23 Despite this activity, and that the Council met the targets it had agreed with the Welsh Government in its Outcome Agreement, the three measures used by the Council to judge its own success on this improvement objective show that it has not met its improvement objective or achieved its own planned improvement. The Council did not meet its 2011-12 targets set for all three measures, and two measures showed that performance had declined below that of the baseline set a number of years ago. For example, the Council wanted to increase the number of active enterprises in the city from a baseline of 3,805 in 2008 to 3,825

in 2011-12 but the actual number of active enterprises in 2011-12 was 3,715 – lower than both the target and the baseline. On a more positive note the rate of economic inactivity has improved from 27.3 per cent in 2009 to 25.6 per cent in 2011-12 and the Council nearly met its target for 2011-12 of 25.5 per cent.

- 24 Other measures that can help to provide a picture of performance include the rate of year 11 school leavers not in education, employment or training. Although the rate in Newport has been steadily declining since 2007 to 6.7 per cent in 2011-12, it is still one of the highest levels in Wales and well above the Welsh average of 4.4 per cent.

A Safe and Healthy City – The Council has made some improvements in services that contribute to safety and health in Newport but the pace of improvement in other services is slower than that of other Welsh councils

- 25 *A Safe and Healthy City*, is another of the Council's improvement objectives and covers a number of services including social services, leisure, waste and community safety. The Council's self assessment reports that crime and disorder across Newport has declined. The Council works as part of the Safer Community Partnership and uses data to identify hot spots and allocate resources accordingly, for example, in particular areas of the city and also particular times of the year such as Halloween.

- 26 In 2011-12, there has been a 20 per cent reduction in anti-social behaviour incidents across the Council area as a whole and a marked reduction of 32 per cent in the city centre compared with the previous year. Serious property crime also reduced by 22 per cent. The Council had a target to reduce the number of anti-social behaviour incidents reported to the Council by 10 per cent to 1,350. However, due to changes in data collection methods it is not as easy for the Council to measure and report its own performance against this particular indicator. Despite this the Police data clearly shows that there has been a reduction compared with the previous year.
- 27 The Council has a number of programmes aimed at improving the health of the public. These include Active Newport⁴, Going for Gold⁵ and MEND⁶, where it performed better in 2011-12 than planned. The Council exceeded its target of 35,000 people joining the Going for Gold programme and in March 2012 there were 47,409 participants. The Council states that some 57 families completed the MEND programme with positive results in terms of weight reduction in children. The 16 week exercise referral programme was completed by 863 people representing 41 per cent of those starting.
- 28 However, there was an overall reduction in the number of visits to Newport's sports facilities from 1.84 million in 2010-11 to 1.76 million in 2011-12. There was also a decline in the numbers of visits to sports and leisure facilities per 1,000 population where the visitor participated in physical activity from 7,639 in 2010-11 to 7,408 in 2011-12. The performance in 2011-12 is below the Welsh average of 8,761 and places the Council 16th out of the 22 councils in Wales. The Council told us that this may be due to the closure of two leisure centres and the prevailing economic environment.
- 29 Prosiect Gwyrdd⁷ continues to progress and whilst timescales have been delayed, a final decision by all five councils on the best environmental, cost effective and practical solution for dealing with waste is due in the 2012-13 financial year. The combined municipal waste of the five authorities makes up 40 per cent of the total municipal waste of Wales and the Welsh Government has outlined a target for councils to achieve a 70 per cent recycling and composting rate by 2025.
- 30 The Council's performance on waste in 2011-12 improved, but comparison with performance across Wales indicates that the Council is not improving at the rate of other councils. The Council continues to reduce the percentage of waste that it sends to landfill, from 59.27 in 2009-10 to 51.74 in 2011-12. This performance is better than the Welsh average of 44.73 per cent. In 2010-11 the Council was placed 15th and whilst there has been improvement, the rate of improvement has been slower than other Council's across Wales and has resulted in the Council being placed 19th in 2011-12.

4 Newport City Council's Active Newport programme encourages more people to be more active, more often.

5 The project promoted healthy eating and active lifestyles among children and families and emphasised two important messages: Eat 5 portions of fruit and vegetables per day and Do 60 minutes of activity each day at least 5 times per week.

6 MEND, Mind Exercise Nutrition ...Do it! is a free 10 week, fun and local healthy living programme, getting children and their families fitter, healthier and happier.

7 Prosiect Gwyrdd is a partnership between five councils (Caerphilly, Cardiff, Monmouthshire, Newport, and the Vale of Glamorgan) that aims to look for the best environmental, cost effective and practical solution for waste after recycling and composting has been maximised in each council area.

31 The Council is also increasing the amount of waste that is prepared for reuse or recycled from 43.7 per cent in 2010-11 to 46.35 per cent in 2011-12. However, this performance is below the Welsh average of 48.53 per cent. In 2010-11 the Council was placed 10th and whilst there has been improvement the rate of improvement has been less than that across Wales and has resulted in the Council being placed 14th in 2011-12.

32 Following our review of waste management in 2011 we made a number of proposals for improvement and the Council is making progress in addressing many of them. For example, it continues to market its waste recycling services to improve participation rates. However, although the Council is now aiming to have a draft waste management strategy by March 2013 progress in developing the strategy has been slow.

The pace of change in Adult services has increased and the Council has worked hard to transform Children's services but it has more to do to demonstrate that it achieves good outcomes for all individuals across all social service areas

33 CSSIW published its *Annual Review and Evaluation of Performance for 2011-2012* for social services in Newport in October 2012. The evaluation report outlines a number of areas of progress as well as areas for improvement or development. The report can be found on the CSSIW website: (<http://wales.gov.uk/cssiwsbsite/newcssiw/publications/lareviews/20112/?lang=en>). The following paragraphs are drawn from the report.

34 'Newport social services has worked hard to achieve the transformation of Children's Services, which has included implementing the Integrated Family Support Services as part of a national pilot. It has reduced the numbers of looked after children and children on the Child Protection Register through the introduction of preventative and focussed intervention services. This is in keeping with its strategic direction.

35 The pace of change in Adult Services has increased. Partnership working with the Aneurin Bevan Health Board is a key aspect of the way services function. The integration of Health and Social Care has been fostered by the number of integrated posts from Head of Service to Service Managers. For example, senior managers in both organisations are looking at merged business support functions, and plan in the medium term to form a single planning and partnership unit. The Gwent Frailty Programme has been enthusiastically implemented, and has reported some notable successes. Newport has been keen to embrace its diverse heritage and has promoted work to assist better understanding between different communities'.

36 CSSIW stated that the Council 'has further to go to demonstrate that it achieves good outcomes for all individuals across all service areas. It has some excellent examples of service provision. However, despite initiatives such as the quality-based fee structure, it has also had some examples of commissioned residential care services for adults which have struggled to meet residents' needs and keep them safe'.

- 37 CSSIW identified three examples of good practice: the Serennu Children's Centre; the Missing Children's project; and the Care Home Quality Fees project. It also identified adult protection services and holding reviews as two areas of risk.
- 38 In terms of the Council's performance there is a mixed picture of improvement:
- The Council has reduced the numbers of looked after children from 283 in 2011 to 278 in 2012.
 - Performance in relation to delayed transfers of care, per 1,000 population aged 75 or over, declined from 3.61 in 2010-11 to 5.78 in 2011-12 and is worse than the Welsh average of 5.03. The decline in Newport is not in line with the trend across Wales where delayed transfers of care are improving from an average of 5.76 in 2010-11 to 5.03 in 2011-12. In 2010-11 the Council was placed 7th out of the 22 councils in Wales, and performance in 2011-12 places it 15th. In 2011-12, its first year, the focus of the GFP was to prioritise hospital discharge. Despite the Community Resource Team facilitating discharges from hospital, performance has declined.
 - Older people helped to live at home, per 1,000 population aged 65 or over has seen a decline from 85.77 in 2010-11 to 77.48 in 2011-12 and is below the Welsh average of 78.6. In 2010-11 the Council was placed 8th out of the 22 councils in Wales and performance in 2011-12 places it 10th.
- Although the number of people aged over 65 residing in care homes increased from a rate of 19.19 per 1,000 population aged 65 or above in 2010-11 to 19.59 in 2011-12, it is still better than the Welsh average of 21.35. In 2010-11 the Council was placed 5th out of the 22 councils in Wales and performance in 2011-12 places it 6th.
 - The time in which adaptations for disabled people are provided has slightly improved from an average of 646 days in 2010-11 to an average of 638 days in 2011-12 but they are still the longest in Wales and well above the Welsh average of 326 days.
- 39 The Council faces significant challenges in addressing these issues and securing better outcomes for its citizens. The challenges include dealing with significant budget pressures and the predicted overspend in Social Services of nearly £3.9 million in 2012-13 and high sickness absence rates.

There have been some improvements in services that contribute to other improvement objectives but due to limitations in the Council's use of performance measures it is sometimes difficult to fully assess achievements and improvement

40 The Council has an improvement objective *A Positive Image* which includes promoting Newport to tourists and transferring the management of Tredegar House⁸ to the National Trust. The numbers of tourists increased from just over 2 million in 2009 to just over 2.5 million in 2011-12 and was significantly better than expected. A number of projects aimed at increasing visitor numbers have been completed, for example, woodland and heath management works, Tredegar House successfully transferred to the National Trust in March 2012 and ongoing work to the cycle route from Caerleon to the City Centre.

41 The Council has made some progress in achieving its improvement objective *Customers*; it opened the face-to-face Information Station in January 2012, which provides a range of Council services and access to Gwent Police and the Health Board also. The integrated Streetscene service was also established with the aim of providing a 'one-stop' approach for the public to report problems. It is difficult to evaluate improvement as a number of the measures used by the Council do not have historic comparisons for example:

- Whilst the Council reports that customer satisfaction in 2011-12 was 91.8 per cent there is no historic comparison available. In April 2011, the Council introduced a new two stage corporate complaints and compliments policy and started recording all complaints and compliments received. In relation to complaints received, the Council received 357 stage 1⁹ complaints and 18 stage 2¹⁰ complaints during 2011-12. The Council reported that only 43 per cent of complaints were resolved within the Council's timescale of 20 days.

42 Complaints to the Public Services Ombudsman reduced from 32 in 2010-11 to 17 in 2011-12, there was also a reduction in the number of complaints that the Ombudsman investigated (one in 2011-12 compared with three in 2010-11) and one complaint was upheld. The Public Services Ombudsman for Wales in his *Annual Letter 2011-12* to the Council stated that 'it is pleasing to note a decrease in both the number of complaints received by my office and the number of complaints taken into investigation, in comparison with the figures for 2010-11. These figures are also below the Local Authority average. The largest number of complaints continues to relate to Planning and Building Control, whilst there has been a clear decrease in the number of complaints relating to Children's Social Services. The response times for your Authority indicate there is a need for improvement in this area.'

8 Tredegar House is an example of a 17th century Charles II mansion

9 Stage 1 complaint. This stage is designed to deal with initial complaints or concerns and will be looked into by the service area that the complaint is regarding.

10 Stage 2 complaints will be dealt with by a senior officer within the Council, who may be independent to the service that the complaint is regarding.

- 43 The Council has an improvement objective *You*, which included actions to support employees to reach their full potential. The Council has undertaken a number of activities related to training and development, health and safety and absence management. During 2011-12, 2,160 (68 per cent) employees had a review meeting. The Council has only one performance measure for this particular improvement objective and that relates to sickness absence. In 2011-12 the number of days (full time equivalent) lost due to sickness absence was 10.42 and the Welsh average was 10.4. The rate of sickness absence in 2011-12 is slightly higher than the previous year when 10.06 days were lost due to sickness and is above the target the Council set itself of 10 days in 2011-12.
- 44 The role of the Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. Over time, new powers to impose standards on organisations will come into force through legislation. Until that time, the Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 45 The Commissioner works with all local authorities in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of local authorities to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every local authority is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report; provides a formal response and collects further information as required. The Commissioner's comments in relation to Newport are as follows:
- 46 'The Council established a Fairness Commission during 2011-12, to ensure that policies and budgetary proposals do not have a negative effect on minority groups. The Fairness Commission will give due consideration to the Welsh language as it continues to progress its work. In addition to this, the Council now considers the Welsh language side by side with other protected equality characteristics named in the 2010 Equalities Act. The Council has shown its commitment to support the language by providing additional funding for Welsh language resources in the City's Libraries. Nevertheless, no significant progress was made in implementing the Council's Welsh Language Scheme on a corporate level during 2011-12, and it failed to offer any formal courses for staff to raise their awareness of the Welsh Language Scheme. Establishing a programme of awareness courses for staff is a key target for the Council during the year to come. Although the Council has committed to developing bilingualism on its website, the expected progress was not apparent during 2011-12. Developing the website will be a priority for the Council in 2013'.

The Council is making progress in establishing the new Property Services function but weaknesses in strategic management, asset information and investment planning continue to hinder long-term improvement

47 In 2011, we reviewed the Council's work on asset management and its proposals for reorganising the delivery of its Property Services function. Reorganisation involved the creation of a new Property Division within the Regeneration and Regulation Service which included asset management. Our review focused on assessing whether the Council was establishing an effective Property Services team to deliver its corporate asset management priorities going forward, and concluded that the Council is making progress in establishing the new Property Services function but weaknesses in strategic management, asset information and investment planning continue to hinder long-term improvement.

48 The Council has undertaken a number of activities to address issues regarding its Asset Management function and activities. A new service called Property Services located in Regeneration and Regulatory Services was established and the implementation of the new structure took place during 2012-13. Although the Council has a high-level Corporate Property Strategy and Strategic Asset Management Plan, work to develop it further in to a full strategy has been undertaken. Other activities include: the appointment of the Business Systems Manager; development of new performance indicators; implementation of a

property information management system; appointing a disposal partner; reconvening the Strategic Asset Management Group; developing guidance and handbooks; and the adoption of revised processes and controls for approving Capital Programme changes. Many actions and activities have been undertaken during 2012-13 and it is for this reason that it is too early to assess the extent to which asset management proposals are being fully addressed by the Council and we will continue to monitor how the Council develops its approach to asset management.

The Council has made a number of changes to the way in which it delivers housing benefits but these have not yet resulted in service improvements

49 During 2011-12 the Council made a number of changes to the way in which it administers its benefit service, which it anticipates will deliver improvements in the future. These include enhancing its website to give more benefits information, developing the 'One Stop Shop' facilities and implementing an electronic document management system. Whilst these changes have taken place performance on two key indicators has not improved:

- Processing times for new claims have lengthened from 22 days in 2010-11 to 24 days in 2011-12. This is longer than the Welsh average of 20 days. Performance has further deteriorated in the first two quarters of 2012-13. This remains an area of focus for the Council and one we will continue to monitor.

- The average time taken to process change of circumstances notifications during 2011-12 was eight days. This is the same performance as in the previous year and is also longer than the Welsh average of seven days.

50 The Council is one of 12 national pilot sites for the Department for Work and Pensions in launching 'digital inclusion' for all its online Universal Credit claimants.

The Council's self evaluation of performance has been weak and has hindered efforts to manage, evaluate, report and improve performance. The Council recognises these issues and is responding positively

- 51 In our second Improvement Assessment Letter to the Council (December 2012), we reported that the Council discharged its improvement reporting duties under the Measure; however, it should ensure that it acts more in accordance with Welsh Government guidance. The Council does not currently have consistent operational arrangements for effective self-evaluation. The Council's own review of its performance¹¹ did not evaluate performance nor demonstrate whether it achieved its improvement objectives or improved outcomes for citizens.
- 52 We have previously reported that there were limitations in the Council's evidence base. It did not effectively utilise evidence that it had available, and which is used by services, to evaluate its performance and improvement. This, along with a lack of clearly articulated improvement objectives, limited the Council's ability to demonstrate where it has or has not improved, whether it has achieved its improvement objectives, or whether citizens are better off.
- 53 Our work found that there were a number of issues which significantly hindered the Council from being able to effectively manage, report, evaluate and improve performance during 2011-12 including:
- fragmented reporting systems;
 - inconsistencies between information available within service areas and that used corporately;
 - weaknesses in service planning; and
- limitations in the development of improvement objective actions and measures.
- 54 We found that a wide range of performance and other useful information is collected and used within service areas and is regularly reported at a number of different management levels within the organisation as well as to Members. However, weaknesses in the selection and presentation of this information meant that the Council could not effectively evaluate or use the information to make judgements about how it was performing and delivering its improvement objectives. These weaknesses have made it difficult for Members and officers to evaluate how the Council is performing in relation to its improvement objectives.
- 55 Each service is required to produce a service plan at the beginning of each financial year and is subject to a six monthly review by scrutiny. Many plans lack outcome focussed measures to demonstrate impact and outcomes for users. Services lack ownership of improvement objectives because service plans do not clearly reflect each improvement objective that is relevant to them. This means that the Council's current service plans do not help it to monitor and evaluate the delivery of its improvement objectives.
- 56 The Council acknowledges these weaknesses and the need to improve accountability and performance management and has begun to make changes to the way in which performance

¹¹ Newport City Council Annual Performance Review 2011/12.

data is reported. It is also committed to strengthening performance management through its Performance Board by ensuring that accountability for delivery of improvement, transformation and efficiency is clear across the organisation. The Council has responded positively to our work and we can see some evidence that arrangements are beginning to change.

- 57 Every council needs to have good information and use it well if it is to provide good services and make them even better. The Council has established systems for collecting performance indicators and we have recently audited these systems to assess how effective and reliable these arrangements are. The measures we selected for audit are measures the Council uses to judge how well it is delivering its improvement objectives and whether it is making a difference for its citizens.
- 58 We found that the Council generally has effective arrangements in place to collect, record and monitor performance indicators but accuracy of reporting needs to improve. Of the 42 measures we audited, one was qualified and five needed to be corrected due to errors. Despite having systems to collect and record performance measures the Council need to improve the accuracy of figures published in reports. A separate analysis of the performance indicators contained in the Council's *Annual Performance Review 2011-12* reveals that five indicators have been misquoted and figures relating to the skills and worklessness project have also been misquoted.

- 59 The auditor appointed by the Auditor General recently gave his opinion on the Council's accounts and based on this the Appointed Auditor's view is that the financial statements were generally satisfactory. [Appendix 3](#) gives more detail.

It is unclear whether the Council is likely to comply with the requirement to make arrangements to secure continuous improvement in 2012-13. The pace of improvement has been slow in some key areas and it faces difficult decisions in order to achieve some £27 million savings over the next five years

The Council recognises the need to strengthen accountability arrangements to improve performance and efficiency

60 In our first *Improvement Assessment* Letter to the Council (October 2012), we reported that there had been a number of changes in senior management during 2012. For most of the year the Council had been operating an interim senior management structure pending the outcome of the May 2012 elections. The previous Managing Director resigned in October 2012 to take up a post at a council in England, and Newport City Council's new Chief Executive took up his post in January 2013.

61 As a result of the May 2012 elections, the Council had a change in Administration. The Labour group now holds 37 of the Council's 50 seats. The new Council commissioned external consultants to review its senior management structure. The Council recognises that its new management structure needs to address key issues such as: economic growth; strategic capacity; alignment and accountability; responsibility and innovation as well as value for money. It recognises that performance and transformation should be at the heart of what it does and proposes to strengthen the focus on transformation to support services to drive out efficiencies and move to alternative delivery models. In order to hold heads of service to account, there will be a fundamental review of service plans and business planning processes (including performance indicators) in order to determine what exactly is required for delivery. The new management structure is currently bedding in under the direction of the new Chief Executive.

62 The Council also intends to strengthen the role of scrutiny and address concerns regarding the imbalance of work between the scrutiny forums and a lack of focus and meaningful outcomes. In the new arrangements, three scrutiny committees have replaced the previous six overview and scrutiny forums. The Council, in its Corporate Plan, has set out its intentions regarding its strategic direction and improvement ambitions for the next five years. The Council is committed to strengthening performance management through its Performance Board by ensuring that accountability for delivery of improvement, transformation and efficiency is clear across the organisation.

63 In our first *Improvement Assessment* Letter to the Council (October 2012), we reported that the Council discharged its improvement planning duties under the Measure. However, it should ensure that it acts more in accordance with Welsh Government guidance. In September 2012 the Council published its six overarching five-year improvement priorities and outcomes and 24 improvement priorities for 2012-13 in its *Delivering a better Newport Improvement Plan 2012-2013* (the Plan) see [Appendix 4](#) for details. The Plan includes improvement priorities for 2012-13, performance measures and a description of actions to be undertaken.

64 Many of the actions detailed in the Plan contribute to the overarching five-year improvement priorities and outcomes. Each of the 24 improvement priorities for 2012-13 have a limited number of measures which will not always help the Council to demonstrate whether it has achieved the

priority or whether citizens are better off as a result. The links between actions, improvement priorities and measures to demonstrate achievement are not always clear and it will be difficult for the Council to easily measure and evaluate impact.

65 Although the Council states that it is using an approach to managing performance that focuses on outcomes (Results Based Accountability or RBA), it is not evident in the Plan. For example, in *Newport is a Safer City, the improvement priority 2012-13* 'to ensure that the city's infrastructure is safe and well maintained' has a measure relating to the condition of roads. A more outcome-based approach could use measures that demonstrate the impact of well-maintained roads, such as reductions in the number of road-traffic collisions, injuries and fatalities. The Council recognises the need to strengthen its approach to focus more on measuring outcomes and intends for this to be done through its revised performance management arrangements.

66 The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 set out specific requirements for local authorities in Wales. They are required to develop and publish equality objectives and a strategic equality plan by April 2012. There is alignment between the requirement to produce equality objectives and the 'fairness' element that authorities must pay consideration to in setting improvement objectives under the Measure. The Council has not undertaken an Equality Impact Assessment on its improvement objectives but has on its Improvement Plan. Despite this, there is evidence that the Council considers fairness to be important and has an overarching

improvement objective – Newport is a Fairer City – which includes an action to establish an independently chaired Fairness Commission. There are clear links between the Council's equality objectives and some themes in the Plan, for example: domestic abuse; community cohesion; and worklessness.

The Council has a good track record of managing its budget but acknowledges that its approach to medium-term financial planning needs to improve as does the way in which savings are classified and reported. Councillors face some tough decisions to address the £27 million funding gap over the next five years.

67 In our first *Improvement Assessment* Letter to the Council (October 2012), we reported that in recent years, the Council has been working on improving its financial management and planning processes. The Council has a track record of managing within its budget and in 2011-12, it underspent by £3.4 million. The Council Fund balance, excluding schools balances, has remained at an agreed level of £5 million and the level of earmarked revenue reserves have broadly been maintained and stood at £64 million at the end of 2011-12.

68 The Council's financial performance in 2011-12 was aided by: a programme of financial savings; spending in some areas not being as high as anticipated; income greater than had been estimated; and inflationary pressures that had been overestimated. We reviewed a number of recent financial and budget monitoring reports, and savings appear to cover a range

- of expenditure reductions. The Council needs to agree on a working definition of 'savings' that is understood across the organisation to ensure consistency and clarity of reporting.
- 69 At the end of 2011-12, the Council held some £65 million in useable reserves, an increase of some £800,000. None of these reserves were used in order to balance the budget for 2012-13 but there were transfers to support saving plans such as the 'Invest to Save' reserve. The Council maintains its General Fund Reserve at a minimum level of £5 million and does not currently have plans to utilise any of this balance to support it's 'in year' expenditure.
- 70 In October 2012 the Council was forecasting an overspend on its 2012-13 revenue budget of some £1.9 million due, in the main, to financial pressures in its Social Services Department. The Council is currently forecasting a balanced position on its financial outturn budget for 2012-13 as the 'in year' overspend can be managed within its base budget contingency of £2 million. This will reduce the resources that can be credited to reserves for 2013-14.
- 71 The Council recognised that its financial planning needs to be better coordinated and consolidated through a strengthened Medium Term Financial Plan so that it becomes a key driver in helping the Council manage its financial pressures and deliver its improvement priorities over a longer time span. The Council recently extended its planning horizon to 2017-18 and is developing a longer-term transformation programme to address future financial challenges.
- 72 The Council's current Medium Term Financial Plan identifies significant financial challenges over the next few years due to anticipated reductions in funding from Government for both revenue and capital expenditure and increased demand for some services. The Council have estimated that it has a funding gap of nearly £27 million over the next five years. The funding gap for 2013-14 is just over £8 million. The Council has already identified savings of £12 million that it believes can be achieved with no impact on frontline services.
- 73 The Council recognises that there is much more work to be done to move to a sustainable financial position and that difficult decisions are needed if it is to deliver its priorities within reducing resources.

The Council continues to make some progress in addressing our proposals for improvement but recognises that in some cases progress had been slow and there were inconsistencies in the way it managed and addressed our findings

- 74 In our first *Improvement Assessment* Letter to the Council (October 2012), we reported that overall, the Council recognises that progress against many of our proposals for improvement has been mixed. Some work to address our proposals is scheduled to be undertaken during 2012-13, for example: improving the management of the Council's assets and developing an asset management strategy; and developing an integrated waste management strategy.
- 75 It is encouraging to note that the Council has responded positively to our work during the year and there is evidence of the Council increasing the pace of change and beginning to address issues including: extending its medium term financial planning horizon; addressing weaknesses in its performance management arrangements; and putting in place systems to co-ordinate and manage external regulator reports.
- 76 CSSIW also stated that the Council responded to its areas for development and provided evidence of progress in relation to the majority of improvement areas identified in last year's performance evaluation report.

Partners are strongly committed to the Gwent Frailty programme vision and have created a sound programme management framework to underpin it. Gwent Frailty is in the early stages of implementation and challenges remain to ensure it is sustainable, to change established behaviours and to demonstrate its impact.

- 77 From April 2011, Aneurin Bevan Health Board and Blaenau Gwent, Caerphilly, Monmouth, Newport and Torfaen Councils began implementing an ambitious integrated model of health and social care called the Gwent Frailty Programme (GFP). The GFP has legal status under a Section 33 Partnership agreement¹² between the Health Board and the five local authorities and is supported with £6.9 million of Invest to Save Funding from the Welsh Government. The GFP's aims have significant relevance to the way in which the public sector bodies involved use their resources and are central to the delivery of improvement priorities at all agencies involved.
- 78 The Wales Audit Office undertook an initial review of the arrangements for GFP implementation, focused on providing early assurance in relation to governance arrangements and direction of travel towards achieving intended aims and outcomes, rather than an evaluation of success. We concluded that Partners are strongly committed to the GFP vision and have created a sound programme management framework to underpin it. The GFP is in the early stages of implementation

¹² A partnership agreement under Section 33 of the National Health Service (Wales) Act 2006 has been established to allow for the integration of health and social care services and the pooling of budgets to deliver the Gwent frailty project.

and challenges remain to ensure it is sustainable, to change established behaviours and to demonstrate its impact.

- 79 Our report contains proposals for improvement. These are being taken forward by the Programme Board and an action plan to address these recommendations is being completed. We will continue to review progress with the programme and will also monitor the action plan. We also anticipate undertaking follow-up work.

A new Education Achievement Service for South East Wales has been created and is focussing on improving attainment within schools

- 80 The South East Wales Consortium in September 2012 established the Education Achievement Service for South East Wales¹³. The Education Achievement Service has been created by the five local authorities to raise education standards. The Education Achievement Service will monitor, support and challenge schools to improve attainment levels. Benefits of the service include increased capacity to support schools that require challenge, using data more effectively to focus on outcomes, identifying good practice across schools that can be used to improve outcomes, more efficient administration and facilitating professional learning communities.
- 81 As part of a collaborative approach to improving education the Council have agreed to establish a joint appointment of Chief Education Officer between Newport and Blaenau Gwent from February 2013.

¹³ It comprises the five local authorities of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen and is a jointly owned company limited by guarantee to deliver improvement support for schools and drive educational attainment.

Appendices

Appendix 1 Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is informed by a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. This report also summarises the Auditor General's conclusions on the authority's self-assessment of its performance.

The Auditor General may also in some circumstances carry out special inspections (under section 21), which will be reported to the relevant authorities and Ministers, and which he may publish (under section 22). This published Annual Improvement Report summarises audit and assessment reports including any special inspections (under section 24).

An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Useful information about Newport and Newport City Council

The Council

The Council spends approximately £361 million per year (2011-12). This equates to about £2,555 per resident. In the same year, the Council also spent £39.7 million on capital items.

The average band D council tax in 2011-12 was £995 per year. This has increased by 2.9 per cent to £1,023 per year for 2012-13.

The Council is made up of 50 elected members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 10 Conservatives
- 2 Independent
- 37 Labour
- 1 Welsh Liberal Democrats

The Council's Chief Executive, who commenced his duties with the Council in January 2013, is Will Godfrey; Strategic Director - People: Stewart Greenwell; Strategic Director – Place: Sheila Davies; and the Head of People and Transformation: Debra Wood-Lawson.

Other information

The Assembly Members for Newport are:

- Rosemary Butler, Newport West
- John Griffiths, Newport East

The Regional Assembly Members are:

- Mohammad Asghar, South Wales East
- Jocelyn Davies, South Wales East
- Lindsay Whittle, South Wales East
- William Graham, South Wales East

The Members of Parliament for Newport are:

- Jessica Morden, Labour MP for Newport East
- Paul Flynn, Labour MP for Newport West

For more information see the Council's own website at www.newport.gov.uk or contact the Council at Newport City Council, Civic Centre, Godfrey Road, Newport, South Wales NP20 4UR.

Appendix 3

Appointed Auditor's Annual Audit Letter

Councillor R Bright
Leader of the Council and Chair of Cabinet
Newport City Council
Council Offices
Civic Centre
Newport
South Wales
NP20 4UR

Dear Councillor Bright

Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting and its use of resources

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

On 22 October 2012 I issued an unqualified audit opinion on the accounting statements confirming that they presented a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 18 October 2012 (see summary below) and a more detailed report of the issues arising will follow in due course.

Exhibit 1 – Significant issues arising from the audit

Reporting requirement	Audit findings
Uncorrected misstatements	<p>I reported the following uncorrected misstatements that were included in the financial statements:</p> <ul style="list-style-type: none"> • A provision should have been created to account for the likely future liability for insurance claims arising out of a 'Scheme of Arrangement' with Municipal Mutual Insurance for the payment of insurance liabilities dating back before 1992. We estimated that the provision should have been for £624,000. • Depreciation relating to some of the Council's assets was understated by £299,000. • The Council's provision for bad debts was based on arbitrary percentages and did not reflect recent trends or prior year actual rates leading to an estimated 'overestimation' of £717,000. • The Council's creditors were 'overstated' by £148,000. • The Council did not correctly account for its share of 'jointly controlled' operations.
Corrected misstatements	<p>There were five significant misstatements arising out of our audit that had been corrected in the accounts, ranging in value from £114,000 to £3.922 million.</p>
Other significant issues arising from the audit	<p>I highlighted some concerns about the qualitative aspects of the accounting practices and financial reporting. However, there was a significant improvement in both the quality and timely provision of working papers to support the draft financial statements and the Council has addressed the areas of concern that we reported last year.</p> <p>We did not encounter any significant difficulties during our audit.</p> <p>There were no significant matters discussed and corresponded upon with management that we needed to report.</p> <p>There were no other matters significant to the oversight of the financial reporting process that I needed to report and I did not identify any material weaknesses in your internal financial controls.</p>

Although the Council was able to meet its obligation to publish its accounts by 30 September this was without an audit certificate. The delay was caused by a technical issue which arose late in the audit and related to the former Municipal Insurance Company and the provision for potential liabilities that could fall on the Council in the future. Based on the information contained in the accounts it seemed likely that the accounts were materially misstated. It was necessary to re-examine the way in which the Council was accounting for this potential liability and carry out an assessment of whether the accounts needed to change to reflect the updated position that had been brought to our (and local authorities) attention. Once the position had been clarified, a meeting of the Audit Committee was arranged for 18 October to consider my revised Financial Statements Report and to approve and sign the accounts, along with an updated Letter of Representation to me.

I issued a certificate confirming that the audit of the accounts had been completed on 19 November 2012. During the course of the year there have been no formal challenge or objection issues that I have had to deal with. However, I received a number of emails from members of the public making various allegations about the way that the Council was being managed. I had to dedicate additional audit resources to the consideration of these issues for which I will be raising a small additional fee to that which was set out in my Annual Audit Outline.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts, as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall, I am satisfied that the Council has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

The Annual Improvement Report refers to a number of financial issues and I have contributed to these as part of my audit of the financial statements. In particular, whilst it is acknowledged that the Council has a good track record of managing its budgets, its approach to medium term financial planning needs to improve. There are also weaknesses in the way in which savings are reported. Whilst the Council has been working on improving its financial management and planning processes, the development of a robust and transparent medium term financial planning process is especially important in the current financial climate. The arrangements that are being developed on extending the planning horizon to 2017-18 and developing a longer term transformation programme to address these challenges will greatly assist with the process.

I would like to express my appreciation to all the Council staff that assisted with the completion of my audit.

Yours sincerely

Ann-Marie Harkin
For and on behalf of the Appointed Auditor

30 November 2012

cc. Ms Sheila Davies, Interim Managing Director
Chris Barton Head of Finance (Section 151 Officer)

Appendix 4

Newport City Council's improvement objectives and self assessment

The Council's improvement objectives

The Council is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

The Council published its improvement objectives for 2011-12 in its 'Fit for the Future – Feeling Good about Newport Improvement Plan 2011-2012' which can be found on the Council website at http://www.newport.gov.uk/stellent/groups/public/documents/plans_and_strategies/cont527461.pdf

They are:

2011-12 Improvement Objectives
Vibrant City Centre Newport is a distinctive and vibrant city
More Business, More Jobs Newport has a prosperous and thriving economy More people in Newport participate in the local economy
Excellent Education for All Children and young people succeed in school or work Adults in Newport Are Successful and Realise Their Potential
A Safe and Healthy City People in Newport are healthy and thriving People in Newport Live in a Safe and Inclusive Community
A Positive Image Newport is a distinctive and vibrant city
Good Transport Links Newport has a prosperous and thriving economy
Customers Newport citizens are satisfied with council services Services are joined-up and designed around the needs of the customer

2011-12 Improvement Objectives (continued)

Performance

The council delivers a balanced budget
Council services are efficient and offer value for money

You

Newport City Council employees reach their full potential

The Council published its improvement objectives for 2012-13 in its 'Delivering a better Newport Improvement Plan 2012-2013' which can be found on the Council website at http://www.newport.gov.uk/_dc/index.cfm?fuseaction=improvement.homepage. They are:

2012-13 Improvement Objectives

Newport is a Caring City

People live in sustainable communities
People lead independent lives and are supported when appropriate

Priorities for 2012/13:

- To support service users by providing services that meet their eligibility needs
- To support more people to live independent lives
- To support the Families First programme and ensure that support is provided in a timely and effective manner
- To reduce incidents of homelessness by targeting activities (particularly in the context of central government welfare reform agenda)
- To raise awareness with householders of funding and support available to them to make their homes more energy efficient and to reduce their fuel bills

Newport is a Fairer City

Decisions are tested and monitored for fairness
The Council makes the most of its resources

Priorities for 2012/13

- To ensure families and vulnerable people are maximising their income by receiving the benefits to which they are entitled
- To ensure the range and quality of housing is appropriate to meet people's needs

2012-13 Improvement Objectives (continued)

Newport is a Learning and Working City

The life chances of children and young people are improved

Adults in Newport are successful and realise their potential

The local economy is strong and confident

Priorities for 2012/13:

- To increase the number of businesses supported through the delivery of grant aid
- To increase inward investment in Newport
- To support initiatives which generate employment and training for work opportunities
- To improve the annual footfall rate in the city centre
- To reduce the rate of young people not in education, employment or training

Newport is a Greener and Healthier City

The attractiveness of the city is improved

Environmental sustainability is promoted

People live healthier lives

Priorities for 2012/13

- To increase the number of people taking up leisure activities and participating in all forms of physical activity across the city
- To implement a schedule of tree planting to offset the city's carbon footprint
- To increase the amount of waste that is reused, recycled and composted
- To increase green space
- To deal with reported fly-tipping incidents promptly and effectively

Newport is a Safer City

People in Newport live in a safe and inclusive community

Newport is a vibrant, welcoming place to visit and enjoy

Priorities for 2012/13

- To enhance publicity and enforcement regarding anti-social behaviour
- To ensure that the city's infrastructure is safe and well maintained

2012-13 Improvement Objectives (continued)

Newport is supported by an improving and transformed city council

Newport City Council is an energised and successful organisation delivering quality services to the people of Newport

Priorities for 2012/13

- To ensure that performance indicators meet or exceed targets
- To increase levels of customer satisfaction
- To reduce the number of days lost due to sickness absence
- To increase levels of engagement with the workforce
- To deliver the transformation project and meet budgets

The Council's self-assessment of performance

The Council's self-assessment of its performance during 2011-12, called 'Annual Performance Review 11/12' can be found on its website at:

http://www.newport.gov.uk/_dc/index.cfm?fuseaction=improvement.homepage.

Appendix 5

Proposals for improvement 2012-13

Over the course of our work in 2012-13 we have made some new proposals for improvement. These have previously been reported to the Council and are set out below for information. We will continue to monitor and report on the progress made by the Council in implementing the proposals as part of our future programme of work.

Follow-up review of Asset Management August 2012

The Council should introduce an effective asset management strategy for its property and associated infrastructure. This should:

- set out a vision for each type of asset which shows how they will contribute to Council objectives and service aims;
- set targets for assessing progress, including the condition and suitability of each asset; and
- describe an overall plan for achieving this.

To enable Property Services to deliver the Council's strategic goals, it needs to:

- agree and articulate a clear strategic direction for asset management setting out what it intends to achieve in the short, medium and long term;
- make certain its business plan covers all activity of the new service;
- ensure the action plan is SMART¹⁴ and focused on delivering outcomes; and
- make sure that departmental plans and individual staff targets link to the business plan and corporate objectives to support their delivery.

Undertake a systematic rolling programme of condition and suitability assessments, to ensure that comprehensive information for all Council buildings is held within a single database.

Formulating a long-term capital strategy, linked to achieving the aims of the asset management strategy. This should include a formal corporate approach to options appraisal for proposed capital projects.

Review the current range of performance data and ensure a comprehensive range of appropriate outcome-focused measures is in place to manage service improvement in each service.

Address weaknesses in the range and coverage of business plan reporting through the inclusion of comprehensive performance baselines, trend data, ranking data, budget performance, risk and benchmarking information.

Ensure that asset information is up to date, complete, and held in a form which allows the production of appropriate management reports.

¹⁴ SMART is a mnemonic used to set project management objectives and/or Key Performance Indicators (KPIs) that support effective performance management. The letters broadly conform to the words Specific, Measurable, Attainable, Relevant and Timely.

Evaluation of Regeneration Activity September 2012

Ensure that its Economic Development Strategy and Master Plan clearly relate to the relevant objectives in the Community Strategy and Improvement Objectives and to each other, to help the Council assess their contribution to its improvement programme and to achieving the Council's strategic priorities.

Prioritise its actions and, against those actions, consistently include more details regarding outcomes, targets, deadlines, resources, milestones, risk factors and mitigating actions, which can be used to monitor progress, measure success and establish improvement.

Strengthen the setting of outcomes and targets for regeneration schemes and projects, and ensure sufficient performance information is available to maintain monitoring and evaluation.

Include more details on time, budget and resources in regeneration documents such as project initiation documents to enable assessment of value and cost effectiveness.

Improvement Assessment Letter October 2012

Improvement Plan

The Council should ensure that it has arrangements in place to publish its Improvement Plan as soon as practicable after the start of each financial year, and to act more in accordance with the Measure guidance.

Implementing proposals for improvement

The Council should implement arrangements that ensure accountability for addressing proposals for improvement are clear, and that robust monitoring and reporting processes are in place that clearly track and report if progress is being made.

Financial planning

- the Council needs to agree on a working definition of 'savings' that is understood across the organisation;
- the Council should report financial 'savings' information in a way that clearly identifies the type and nature of the saving;
- to improve its approach to medium-term financial planning, the Council should incorporate appropriate data to help identify the financial impacts of changes in the demand for services as well as changing demographics; and
- to improve its approach to medium-term financial planning, the Council should use financial modelling tools to predict likely financial and service impacts given a range of assumptions and scenarios.

Improvement Assessment Letter December 2012

The Council should ensure that it acts more in accordance with Welsh Government guidance by:

- evaluating its success in achieving its improvement objectives and expressing its view clearly;
- using a wider evidence base of information to enable it to assess whether it has met its improvement objectives;
- extending the use of comparative information including historical performance and comparison with other bodies;
- maximising accessibility to citizens and stakeholders of its performance assessment; and
- actively seeking feedback and comments from citizens and communities on its Performance Review.

Performance Management

The Council should:

- clarify strategic responsibilities for performance management within its new management structure; and
- implement more joined-up/coherent and robust corporate arrangements to manage, report, evaluate and improve performance.

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