

# Agenda

## Cabinet

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Dyddiad: Dydd Mercher, 19 Mehefin 2019

Amser: 4.00 pm

Lleoliad: Ystafell Bwyllgora 1 - Canolfan Ddinesig

At: Cynghorwyr: D Wilcox (Cadeirydd), P Cockeram, G Giles, D Harvey, R Jeavons, D Mayer, J Mudd, R Truman and M Whitcutt

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### Eitem

### Wardiau Dan Sylw

- 1 Ymddiheuriadau am Absenoldeb
- 2 Datganiadau o Fuddiant
- 3 Cofnodion y Cyfarfod Diwethaf (*Tudalennau 3 - 6*)
- 4 Adroddiad Diwedd Blwyddyn Rheoli Trysorlys (*Tudalennau 7 - 20*)
- 5 Diweddariad am y Gofrestr Risg Gorfforaethol (*Tudalennau 21 - 52*)
- 6 Rhifau Gweddilliwyd o PGA (*Tudalennau 53 - 68*)
- 7 Rhaglen Waith (*Tudalennau 69 - 76*)
- 8 Dyddiad y Cyfarfod Nesaf

17 Gorffennaf 2019, 4y.p, Ystafell Bwyllgor 1 – Y Ganolfan

Mae'r dudalen hon yn wag yn



# Minutes

## Cabinet

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Date: 22 May 2019

Time: 4.00 pm

Present: Cllrs Debbie Wilcox (Chair); P Cockeram, D Harvey, J Mudd, R Jeavons, D Mayer, M Whitcutt, G Giles, R Truman

In attendance: Mr W Godfrey; Ms B Owen; Mr J Harris; Mr G Price; Mr M Rushworth;

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### Part 1

#### 1 Apologies for Absence

There were no apologies.

#### 2 Declarations of Interest

There were no Declarations of Interest.

#### 3 Minutes

The minutes of the meeting held on 17 April 2019 were confirmed as a true record.

#### 4 Wales Audit Office Report on the Council's Well-being Step to Maintain our Focus on Regenerating the City Centre to become one of the UKs Top Cities

The Leader presented the report, the purpose of which was to present Cabinet with the Wales Audit Office (WAO) report and management action plan on how the Council is embedding the Well-being for Future Generations Act in the delivery of the Council's Well-being Objective '*To promote economic growth and regeneration whilst protecting the environment*' and the Step to '*Maintain our focus on regenerating the city centre to become one of the UK's top cities.*'

The Leader set out the background to this and highlighted the following points:

- In 2015 the Welsh Government delivered the Well-being of Future Generations (Wales) Act enabling all public bodies in Wales to create a Wales, and Newport, that we all want to live in now and in the future. This administration has an ambition to be one of the top cities.
- As an effective Cabinet and Council there is a need to ensure that the decisions made today consider the impact of current and future generations.
- The Well-being Act also places a duty on the Council to have regard for sustainable development and ensure throughout all of the Council's activities and decisions made that the principles of the five ways of working are considered: Long Term; Collaboration; Involvement; Prevention; and Integration.
- The Corporate Plan 2017-22 has four Well-being Objectives and the Steps that will be taken to deliver these objectives in support of the delivery of the Public Services Board's Well-being Plan 2018-23 and the Well-being Act.

- The review undertaken by the Wales Audit Office examined the extent to which Newport City Council has acted in accordance with the Well-being Act and how the Council has adopted the five ways of working in delivering the Well-being Objectives and Steps in the Corporate Plan.

The Leader set out the summary of findings contained in the report, namely:

- *'In taking steps to regenerate the city centre the Council has many positive examples of how it has taken account of the sustainable development principle (SDP). However, the Council recognises that there is more to do for it to consistently embed all of the five ways of working across its ambitions for the regeneration of the city centre.'*

The Leader noted the huge pressures imposed on staff to implement this within the authority and the Leader welcomed the findings of the report; in the decade of austerity to receive such a positive outcome is testament to members and officers alike.

In their report, WAO acknowledged the work taken to embed these principles of the five ways of working into decision making processes, notably:

- How the Council's Economic Growth Strategy will enable an opportunity to extend a longer term vision for the city 20 years and beyond;
- The way that the Council uses current and forecasted data to improve its understanding of preventative measures and how this can be used to improve its long term environmental aspirations for the city centre;
- The Council is using its position to collaborate and integrate with other public sector, third sector and private sector partners to support the delivery of the Corporate Plan and the opportunities that the Council has to build on these arrangements;
- The improvements the Council has made to involve citizens, businesses and other stakeholders in the decision making process and the need to build on its approach to ensure the full diversity of the city is captured in these processes.

As a result of the findings the report identified ten '*areas for development*' to help further embed the five ways of working principles into the governance and delivery of the Corporate Plan.

The Leader noted that management responses have been provided to the Wales Audit Office on how the Council will action and deliver improvements as outlined in the report, which has also been considered by Scrutiny.

In conclusion, the Leader asked Cabinet to note the outcomes of the report from the Wales Audit Office and to ensure as Cabinet that regular updates will be provided on the implementation of the management actions and delivery of the Corporate Plan in all service areas.

The Cabinet reinforced the Leader's positive comments and commended the report.

#### **Decision:**

Cabinet agreed the outcomes of the report and asked to be provided with regular updates on the progress of the service area implementing the necessary management actions.

## **5 Corporate Safeguarding Report**

The Leader introduced the report and confirmed it is the second annual Safeguarding report for Newport City Council detailing the current performance within social services in relation to safeguarding practice and wider safeguarding partners including the Violence Against Women, Domestic Abuse and Sexual Violence Legislation and requirements for the Council.

The report asked Cabinet to review the progress of key priority work plans for both corporate safeguarding arrangements and safeguarding specific teams. It was noted the work highlighted in the report will enable the Council to grow and ensure that safeguarding is 'everybody's business' and part of every Council service delivered to the citizens of Newport.

The Cabinet Member for Social Services gave credit to the Safeguarding Team and confirmed that whilst this message is now embedded through the Council the message now has to be relayed to the public. Mention was made of the Pilot Hub and the good results coming from joined-up services and good working practices.

The Leader requested that some thought is given to providing Young Carer Awards.

### **Decision:**

Cabinet agreed to continue to develop corporate safeguarding practice within all services across the Council in order to enable the Council to grow and ensure that safeguarding is 'everybody's business' and part of every Council service delivered to the citizens of Newport.

## **6 Revenue Budget Outturn 2018/19**

The Leader presented the report which set out the year-end position on the 2018/19 revenue budget.

The Leader acknowledged the effort of the whole organisation in achieving the outturn in a timely fashion which had resulted in the accounts being closed in record time in order to ensure earlier publishing of the statutory annual accounts, which will provide the ability to consider the position and make decisions earlier than in past years.

The report confirmed an underspend of c£2.3m, this represents a small variance of just 1.3% on the net budget. The figure is slightly more than the £1.6m forecast due in part to late grants received from Welsh Government and some lower spend in a few areas (as detailed in the table in paragraph 1.2 of the report). The table also confirms c£1.8m of one-off, unexpected, non-service income from VAT and rate refunds which when taken into account produced a balanced position at year-end.

The report showed a pattern of overspending in the key demand led areas and underspending in the non-service budget areas, which is as a result of better income and use of contingencies. In addition, there were some issues to be resolved in a very small number of schools which are being addressed. The Leader confirmed the vast majority of the Council's activities are spending close to budget and the challenges are in a very small number of areas which are common to nearly all Councils across the UK.

Overspending in the demand led areas amounted to approximately £5m and investment similar to that amount has been put in for the current year in line with the administration's priorities.

Regarding the underspend of £2.3m - the report recommended how the underspend could be allocated – referred to in paragraph 6.1, of the report. A few items to highlight were:

- (i) Cabinet, having previously considered the Chartist Tower re-development and the need to provide further support to ensure the re-development is a success in terms of how the city centre looks, had agreed to use £950k from the underspend in order for cladding to be installed to enhance the look of the building;
- (ii) Commitment to support the regional SENCOM service whilst it is reviewed this year and the £250k funding recommended allows funding to continue at previous levels whilst that review is carried out. However, the Leader drew Cabinet's attention to the news that the Council's contribution has reduced this year, compared to last year, and this amount can now be reduced to £190k. The Leader recommended to put the £60k this releases into the Invest to Save Reserve.
- (iii) In order to keep up the momentum on attracting and hosting national and regional events in the city, such as the Marathon, the report recommended investing £150k into a reserve to spend on this kind of activity in the future.

The Leader congratulated the Deputy Leader for his achievements in the 10k race and raising £1K for charity.

The underspend from last year is being used as additional spend this year, for the benefit of the city and the services the Council provides.

Cabinet welcomed the report. It was noted that whilst the vast majority of demand is outside the Council's control and the huge financial significance attached to that, this report demonstrates good financial management when faced with enormous demand pressures whilst still managing to set out one of the lowest council tax rates in the UK.

The Leader once again thanked the officers for delivering good financial management in a challenging year.

Cabinet was asked to:

- a) Note the out-turn position, which is subject to audit and the major variances for the year (Section 1-3 of the report); whilst noting the slight change of reducing the SENCOM reserve to £190k and putting a further £60k into the Invest to Save;
- b) To approve the use of the underspend as set out in Section 6 of the report and note the resulting level of the Council's general and earmarked reserves;
- c) Note the school's outturn and the position on the individual and total school reserves and note/comment on the next steps in this area in section 3 of the report;
- d) Note the other areas of budget pressures and challenges in section 1 and 2 of the report and note/comment on the actions currently in place to manage these.

#### **Decision:**

Cabinet agreed to accept officers recommendations and transfer the underspend into specific earmarked reserves.

### **8 Work Programme**

The Leader presented the Cabinet Work Programme.

#### **Decision:**

To agree the proposed programme.

### **9 A.O.B.**

- i. Newport County AFC

The Leader wished Newport County AFC best wishes and good luck in their play-off promotion game on Saturday. Cabinet agreed the club are great ambassadors for the City.

### **10 Date of Next Meeting**

The next meeting will take place on Wednesday 19 June 2019, at 4.00 pm in Committee Room 1, at the Civic Centre, Newport

# Report

## Cabinet

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### Part 1

Date: 6 June 2019

**Subject** **Report on Treasury Management covering the Financial Year 2018/19**

**Purpose** This report is to inform the Council of treasury activities undertaken for the financial year ending 31 March 2019.

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

**Ward** All

**Summary** In line with the agreed Treasury Management Strategy, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows. Current forecasts indicate that in the future, temporary borrowing will continue to be required to fund normal day-to-day cash flow activities and longer-term borrowing will increase to fund new commitments in the current capital programme as well as the impact of reduced capacity for 'internal borrowing'.

Near the end of the financial year, the Council undertook additional borrowing of £40m in advance of the maturity, and subsequent re-financing, of the £40m stock issue in early 2019/20. This is reflected by increased borrowing level at 31 March 2019, however this is offset by an increase in investment over the same period.

All borrowing and investments undertaken during the first half of the year was expected and within the Council's agreed limits.

**Proposal** That Cabinet:

1. **note and provide comment on the Annual Report on Treasury Management for the Financial Year 2018/19.**
2. **note and provide comment that 2018/19 Prudential Indicators for Treasury Management were in line with those set by Council in February 2018.**

**Action by** Head of Finance / Assistant Head of Finance

**Timetable** Immediate

This This report was prepared after consultation with:

- Treasury Advisors
- Head of Finance

**Signed**

## Background

1. In June 2009 the Authority adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2011 Edition (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.
2. Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.
3. The Authority has borrowed substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.
4. The 2018/19 Treasury Management Strategy was approved by the Council as part of the overall Medium Term Financial Plan and 2018/19 budget in February 2018 and can be viewed via the following link

<https://democracy.newport.gov.uk/documents/s14606/Item%207%20-%20TREASURY%20-%20REPORT%20and%20APPENDICES.pdf>

5. This report presents the following information.
  - details of capital financing, borrowing, debt rescheduling and investment transactions
  - reports on the risk implications of treasury decisions and transactions
  - details the outturn position on treasury management transactions in 2018/2019
  - confirms compliance with treasury limits set and Prudential code

## BORROWING STRATEGY / ACTIVITY

### Short and Long Term Borrowing

1. Whilst the Council has significant long term borrowing requirements, the Council's current strategy of funding capital expenditure is through reducing investments ('internal borrowing') rather than undertaking new borrowing where it can i.e. we defer taking out new long term borrowing and fund capital expenditure from the Council's own cash resources – which it has because of its 'cash-backed' reserves and, to a lesser extent, day to day positive cash-flows, for as long as we can. The Council may undertake borrowing early if, there is the need for future borrowing and it feels it can minimise risk of future interest rate rises while providing value for money, this will be in line with advice from our treasury advisors.

By using this strategy the Council can also minimise cash holding at a time when counterparty risk remains relatively high. The interest rates achievable on the Council's investments are also significantly lower than the current rates payable on long term borrowing and this remains the main reason for our current 'internally borrowed' strategy.

2. Whilst the strategy minimises investment counterparty risk, the risk of interest rate exposure is increased as the current low longer term borrowing rates may rise in the future. The market position is being constantly monitored in order to minimise this risk.
3. On 14 March 2019, in line with advice from the Authority's treasury advisors, the Council undertook £40m of borrowing in advance of the re-financing of the £40m stock issue to be re-paid on 10 April



2019. The possibility of taking this action was reported to Audit Committee in the half-year report brought in November 2018. The decision to undertake borrowing early was made due to the imminent decision on Brexit and the possibility of the UK leaving without a deal and the economic uncertainty that was surrounding the decision. The level of borrowing undertaken was in line with the long-term liability projection and within budgets set for 2019/20 and the authorised limits for 2018/19.

4. As shown in Appendix B, as at 31 March 2019 the level of borrowing has increased, but so has the level of investments by a similar value (held as cash and cash equivalents). On the repayment date of the stock issue of 10 April, the level of borrowing would fall by £40m as would the level of investments – as we will be liquidating our investments into cash and using this to then repay the Bond loan. The net borrowing of the Council has increased by £5.1m, this is in line with expectation due to funding the current capital programme, and is anticipated to increase further over future years.
5. In regards to LOBOs, no loans were called during the period. All £30m outstanding is subject to potential change of interest rates by the lender (which would automatically trigger a right to the Council to repay these loans) prior to the end of this financial year. Should a change of interest rate be requested, then it will be considered in detail and a decision on how we proceed will be made in conjunction with our treasury advisors.

## **INVESTMENTS ACTIVITY / POSITION**

6. The Council's strategies in this area of Treasury Management are (i) to be a short term and relatively low value investor and (ii) investment priorities should follow the priorities of security, liquidity and yield, in that order.

The Council's strategy of being a short-term investor has been maintained, though the early borrowing of £40m in relation to the re-financing of the stock has increased cash holdings temporarily. If this is excluded, investments in-year would have decreased by £5m. This is in-line with our expectations at the half-year report, and it is anticipated that this will continue to reduce in 2019/20 until we reach the balance of £10m, which will be invested for compliance with MiFIDII. The balance of investments as at 31 March 2019 is £56.2m (£16.2m excluding £40m set aside for refinance of the stock issue).

7. All investments are currently placed on a temporary basis and are placed in high security institutions, in line with our other strategy in this area, dealing with our investing priorities of (i) security (ii) liquidity and (iii) yield, in that order. At the 31 March 2019 £48.5m was placed with various local authorities, £1.0m with Santander Call Account, £5m with Barclays Corporate and £5m with Bank of Scotland. The maximum maturity date of any investment held is 14 June 2019.
8. January 2018 saw the implementation in the UK of the second Markets in Financial Instruments Directive (MiFID II), where firms will be obliged to treat all local authorities as retail clients unless they opt up to professional client status and meet certain criteria. These criteria include holding a minimum of £10m investment balance and employing knowledgeable and experienced staff to carry out investment transactions. It is anticipated that our investment balances will remain well above the minimum £10m.
9. The Council does not hold any long-term (more than 364 days) investments as at 31 March 2019.

## **OTHER YEAR-END TREASURY MATTERS**

### **Economic background and Counter Party Update**

10. Appendix A outlines the underlying economic environment during the financial year, as provided by the Council's Treasury Management Advisors 'Arlingclose'.
11. As discussed previously in this report the Council does not have any long-term investments, and the investments that it currently undertakes is mainly with other local authorities which are deemed very

secure, therefore the risk is currently 'low'. There were no significant changes in credit ratings advised in the first half of the financial year that had implications for the approved lending list. The long-term rating of Santander UK, the Council's bankers, remains at A; above the Council's minimum level of A-.

**Compliance with Prudential Indicators approved by Council**

12. The Authority measures and manages its exposures to treasury management risks using various indicators which can be found in Appendix B. The Authority has complied with the Prudential Indicators for 2018/19, set in March 2018 as part of the Treasury Management Strategy. Details of treasury-related Prudential Indicators can be found in Appendix B.

**Risks**

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Investment counterparty not repaying investments	High but depending on investment value	Low	The Council only invests with Institutions with very high credit scores. It employs advisors to monitor money market movements and changes to credit scores and acts immediately should things change adversely. The lower levels of funds available for investment will also alleviate the risk.	Members, Head of Finance, Treasury staff, based on advice from treasury advisors
Interest Rates moving adversely against expectations	Low	Low	Future expectations for higher short term rates are subdued. The Treasury strategy approved allows for the use of short term borrowing once investment funds are exhausted to take advantage of these low rates.	Head of Finance, Treasury staff, treasury advisors

\* Taking account of proposed mitigation measures

**Links to Council Policies and Priorities**

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

**Options Available and considered**

The Prudential Code and statute requires that, during and at the end of each financial year, reports on these matters are presented to Council for approval. Thus the only option available is consider the report and provide comments to the Council.

**Preferred Option and Why**

Note the contents of the report in relation to Treasury activities and all Treasury Indicators met.

Provide any comments necessary to Council on the contents of the report.

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

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

### **Comments of Monitoring Officer**

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

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

There are no direct HR implications associated with the report.

The Council is required to approve a treasury management annual report at the end of each financial year. The Well-being of Future Generations Act requires public bodies to balance short-term needs with the needs to safeguard the ability to meet long-term needs. As stated in this report, the Council continues to be both a short-term investor of cash and borrower to manage day-to-day cash flows but current forecasts indicate that in future temporary borrowing will continue to be required and longer-term borrowing will increase to fund the capital programme. This annual report fits in with the well-being goal of a Prosperous Wales.

### **Comments of Cabinet Member**

The Leader of the Council, as lead member for strategic finance confirms she has been consulted on the report.

### **Local issues**

N/A

### **Scrutiny Committees**

N/A

### **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**

N/A

## **Wellbeing of Future Generations (Wales) Act 2015**

This report is a backwards looking report of the treasury management activities of the Council. It shows that we followed the treasury management strategy and the compliance with prudential code and treasury management indicators. This links into the long-term objectives of the authorities and ensures that the councils activities are carried out in an affordable, prudent and sustainable manner.

## **Crime and Disorder Act 1998**

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

## **Consultation**

N/A

## **Background Papers**

Set out a list of any relevant background papers and whether they are available to the public.

Dated:

## APPENDIX A

### External Context

Economic background: After spiking at over \$85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over \$50 in late December before steadily climbing toward \$70 in April 2019. UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.

After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy have been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in December. However, a recent softening in US data caused the Fed to signal a pause in hiking interest rates at the last Federal Open Market Committee (FOMC) meeting in March.

With the 29<sup>th</sup> March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including shooting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12<sup>th</sup> April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs have yet to yield any positive results. The EU must grant any extension and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.

While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

**Financial markets:** December was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned -8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. However, since the beginning of 2019 markets have rallied, and the FTSE 100 and FTSE All share indices were both around 10% higher than at the end of 2018.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling

by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.

**Credit background:** Credit Default Swap (CDS) spreads drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms. After hitting around 129 basis points in December 2018, the spread on non-ringfenced bank NatWest Markets plc fell back to around 96bps at the end of March, while for the ringfenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 33 and 79bps at the end of the period.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.

In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.

There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

## Appendix B

### Local Context

On 31<sup>st</sup> March 2019, the Authority had net borrowing of £192.8m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.19 Actual £m
General Fund CFR	280
Less: *Other debt liabilities	43
<b>Borrowing CFR</b>	<b>237</b>
Less: Usable reserves	(103)
Less: Working capital inc. investments	2.6
<b>Net borrowing</b>	<b>136.6</b>

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

With exception to the very short-term borrowing and investment for the refinancing of the stock issue, the Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31<sup>st</sup> March 2019 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.18 Balance £m	Movement £m	31.3.19 Balance £m	31.3.19 Rate %
Long-term borrowing	147.3	2.0	149.3	3.7
Short-term borrowing	5.4	38.1	43.5	8.9
<b>Total borrowing</b>	<b>152.7</b>	<b>40.1</b>	<b>192.8</b>	<b>4.77</b>
Short-term investments	20.4	(10.1)	10.3	0.9
Cash and cash equivalents	0.8	45.1	45.9	
<b>Total investments</b>	<b>21.2</b>	<b>35</b>	<b>56.2</b>	<b>0.77</b>
<b>Net borrowing</b>	<b>131.5</b>	<b>5.1</b>	<b>136.6</b>	<b>N/A</b>

The table above shows significant movement in both the borrowing and investment levels of the Council, however overall the NET borrowing position for the Council has only increased by £5.1m. Borrowing increased by £40.1m in the year, this is mainly due to undertaking borrowing early in relation to the re-financing of the stock issue, which was maturing on the 10<sup>th</sup> April 2019.

This borrowing was placed in very short-term investments, therefore is classed as cash and cash equivalents in the above table. Following the re-financing on 10<sup>th</sup> April, the investments would have reduced by £40m and the borrowing also reduced by £40m.

Excluding the £40m, short-term investments have fallen by £5.0m and borrowing has increased by £0.1m giving an overall increase in net borrowing of £5.1m.

### Borrowing Strategy during the year

At 31<sup>st</sup> March 2019 the Authority held £192.8m of loans, an increase of £40.1m to 31<sup>st</sup> March 2018, as part of its strategy for funding previous years' capital programmes and undertaking borrowing early for the refinancing of loan due on 10<sup>th</sup> April 2019. Outstanding loans on 31<sup>st</sup> March are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.18 Balance £m	Net Movement £m	31.3.19 Balance £m	31.3.19 Weighted Average Rate %	31.3.19 Weighted Average Maturity (years)
Public Works Loan Board	69.0	38.9	107.9	3.6	20.6
Banks (LOBO)	30.6	-	30.6	4.4	35.2
Stock Issue	40.0	-	40.0	8.9	0.0
Banks (fixed-term)	5.0	-	5.0	3.8	58.9
Local Authority (short-term)	2.0	(2.0)	-	-	-
Other inc. WG loans	2.8	3.2	6.0	-	11.6
Accrued interest	3.3	-	3.3	N/A	N/A
<b>Total borrowing</b>	<b>152.7</b>	<b>40.1</b>	<b>192.8</b>	<b>4.77</b>	<b>19.4</b>

The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In line with advice from the Authority's treasury advisors, a decision was made to undertake early borrowing for the re-finance of £40m debt maturing on 10<sup>th</sup> April 2019. Borrowing of £40m was undertaken on 14<sup>th</sup> March on terms spanning from 20 years to 48 years to spread the maturity profile and risk. The interest rate of the new borrowing was fixed at 2.05-2.55%, compared to the maturing borrowing at 8.875%. A decision was made to undertake the borrowing early due to the growing uncertainty surrounding Brexit and the imminent deadline that was approaching, which could have led to Britain leaving the EU without a deal.

The Authority has an increasing CFR due to the capital programme and an estimated borrowing requirement as determined by the Liability Benchmark which also takes into account usable reserves and working capital. Having considered the appropriate duration and structure of the Authority's borrowing need based on realistic projections, the Authority borrowed £40m medium/longer-term fixed rate loans, details of which are below. These loans provide some longer-term certainty and stability to the debt portfolio.

Long-dated Loans borrowed	Amount £m	Rate %	Period (Years)
PWLB EIP Loan 1	16.0	2.05	20
PWLB EIP Loan 2	4.0	2.16	23
PWLB EIP Loan 3	4.0	2.3	28
PWLB EIP Loan 4	4.0	2.41	33
PWLB EIP Loan 5	4.0	2.48	38
PWLB EIP Loan 6	4.0	2.53	43
PWLB EIP Loan 7	4.0	2.55	48
<b>Total borrowing</b>	<b>40.0</b>		



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

### Other Debt Activity

Although not classed as borrowing, the Authority also has Private Finance Initiative and finance lease liabilities, total debt other than borrowing stood at £42.8m on 31<sup>st</sup> March 2019, taking total debt to £235.6m.

### Treasury Investment Activity

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held and money borrowed in advance of need. During the year, the Authority’s investment balances ranged between £20m and £60m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.18 Balance £m	Net Movement £m	31.3.19 Balance £m	31.3.19 Income Return %	31.3.19 Weighted Average Maturity days
Banks & building societies (unsecured)	1.2	6.5	7.7	0.54	0
Government (incl. local authorities)	20.0	28.5	48.5	0.82	0
<b>Total investments</b>	<b>21.2</b>	<b>35</b>	<b>56.2</b>	<b>0.77</b>	<b>0</b>

*\*Weighted average maturity will apply to the first five categories above and to cash plus and bond funds.*

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Readiness for Brexit: With little by way of political clarity as to the exact date on whether there would be an agreed deal prior to leaving the EU and to be prepared for the outside chance of a particularly disruptive Brexit (such as last-minute no-deal) on 29<sup>th</sup> March, the Authority ensured there were enough accounts open at UK-domiciled banks and Money Market Funds to hold sufficient liquidity over the year end and that its account with the Debt Management Account Deposit Facility (DMADF) remained available for use in an emergency.

### Compliance

The Head of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority’s approved Treasury Management Strategy. Compliance with specific investment limits is demonstrated in table 6 below.

Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 6 below.

**Table 6: Debt Limits**

	2018/19 Maximum	31.3.19 Actual	2018/19 Operational Boundary	2018/19 Authorised Limit	Complied?
Borrowing	192.8	192.8	197	217	Yes
PFI and Finance Leases	45	43	46	46	Yes
<b>Total debt</b>	<b>237.8</b>	<b>235.8</b>	<b>243</b>	<b>263</b>	<b>Yes</b>

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

**Table 8: Investment Limits**

	31.3.2019 Actual max (£m)	2018/19 Limit (£m)	Complied
Any single organisation, except UK Central Government	5	£10m	✓
UK Government inc. Local Authorities	48.5	Unlimited	✓
Any group of organisations under the same ownership	0	£10m per group	✓
Registered Providers	0	£5m	✓
Loans to unrated corporates	0	£5m	
Unsecured investments with Building Societies	0	£5m	✓

### **Treasury Management Indicators**

**Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net interest payable was:

	31.3.19 Actual	2018/19 Limit	Complied?
Upper limit on fixed interest rate exposure	100%	100%	Yes
Upper limit on variable interest rate exposure	0	50%	Yes

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

**Maturity Structure of Borrowing:** This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	31.3.19 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	35%	70%	0%	✓
12 months and within 24 months	0%	60%	0%	✓
24 months and within 5 years	8%	60%	0%	✓
5 years and within 10 years	16%	50%	0%	✓

10 years and within 20 years	16%	30%	0%	✓
20 years and within 30 years	4%	20%	0%	✓
30 years and within 40 years	12%	20%	0%	✓
40 years and within 50 years	6%	20%	0%	✓
50 years and above	3%	20%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal Sums Invested for Periods Longer than 365 days:** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2018/19	2019/20	2019/21
Actual principal invested beyond year end	0	0	0
Limit on principal invested beyond year end	40	10	10
Complied?	✓	✓	✓

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# Report

## Cabinet

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### Part 1

Date: 19 June 2019

Item No: 5

### **Subject** Quarter 4 Corporate Risk Register Update

**Purpose** To present an update of the Corporate Risk Register for the end of quarter 4 (31<sup>st</sup> March 2019).

**Author** Head of People and Business Change

**Ward** All

**Summary** The Council's Risk Management Strategy and Risk Register enables the Council to effectively identify, manage and monitor those risks to ensure that the Council realises its Corporate Plan and ensure service delivery is provided to its communities and citizens.

At the end of quarter 4 there were 14 risks recorded in the Council's Corporate Risk Register made up of 5 high risks, 8 medium risks and 1 low risk. In quarter 4, the risk rating for the Council's Brexit risk decreased in the last quarter from 16 to 12. This reflected the postponement of Brexit from March to October 2019 and the imminent threat of a 'No Deal' Brexit from the EU. The Brexit risk will continue to be closely monitored and the Council has arrangements in place should the national position change. The 'Legislation' risk decreased from 12 to 6 in the last quarter which is in reflection of the work undertaken with the Well-being for Future Generations Act. The In-year Financial Management risk decreased to a risk score of 4 following the underspend incurred across the Council at the end of the financial year. All remaining risk scores remained the same in the last quarter. Newport Council is undertaking a Council wide review of all of its risks that will develop into a new Corporate Risk Register for 2019/20.

**Proposal** Cabinet is asked to consider the contents of the Corporate Risk Register for the Quarter 4 update.

**Action by** Senior Leadership Team and Heads of Service

**Timetable** Immediate

This report was prepared after consultation with:

- Corporate Management Team
- Audit Committee

**Signed**

## Background

As part of the Wellbeing for Future Generations (Wales) Act 2015, it is a requirement for all public sector bodies to set Wellbeing objectives in their Corporate Plans. This enables the Council to set its future vision and how it will improve lives of the current and future generations. With any Corporate Plan there will be risks that may prevent the Council from achieving its objectives. The Council's Risk Management Strategy and Risk Register enables the Council to effectively identify, manage and monitor those risks to ensure that the Council realises its Plan and ensure service delivery is provided to its communities and citizens.

### 1. Risk Management Strategy

The Risk Management Strategy outlines how the Council manages its risk management process in identifying, managing and monitoring corporate risks in the Council's risk register using the Management Information Hub system. All risks identified in the risk register are owned by a member(s) of the Senior Leadership Team and a Cabinet Member. Mitigating actions to minimise the risk from occurring are managed by members of the Corporate Management Team with updates on progress of delivery provided every quarter.

Below the Council's Corporate Risk Register sits other risk management activities, which are managed through their own governance processes and control frameworks. Escalation processes are in place to for potential corporate wide risks to be escalated into the Corporate Risk Register. These activities include:

- **Programme / Project Risk Management** – managed through the programme / project boards;
- **Civil Contingencies (emergency planning and business continuity)** – managed through People & Business Change service area and the multi-agency Gwent Local Resilience Forum;
- **Newport Well-being Plan / Partnership risks** – managed through the One Newport Public Services Board and supporting delivery boards;
- **Newport Council Service Area risks** – Managed through their Senior Management Boards;
- **Information Governance Risk** – managed through the Council's Information Governance Board;
- **Health & Safety** – managed by the Council's Health & Safety team and service areas.

As part of the Council's ongoing review of risk management the Corporate Risk is being reviewed to identify any new / emerging risks that could impact on the delivery of services in 2019/20 and beyond. The outcomes of this review will be reported to the Audit Committee in as part of the Quarter 1 review.

### 2. Summary of risks in this report

At the end of quarter four (31<sup>st</sup> March 2019) there were 14 corporate risks consisting of 5 high risks, 8 medium risks and 1 low risk. The risk mitigation actions identified for each risk is imperative for outlining how these risks are managed and enable the Council achieve its objectives. Appendix 1 of this report provides a summary of the risk register and movement of risks in the last 4 quarters. In quarter 4 there were three risks where there was a change in the risk score:

- **Risk 1 (Legislative Requirements)** – This risk was focused on the legislative changes with the Welsh Language Act, Well-being for Future Generations Act, Data Protection Act and Waste Management legislation. The risk score decreased from 12 to 6 in the last quarter to reflect the work that has been undertaken in relation to the Well-being for Future Generations Act. As part of a wider review of the Corporate risk register, this risk will be re-assessed to identify new and emerging risks relating to legislation changes that will impact the delivery of Council services.
- **Risk 4 (Brexit)** – In the last quarter the Council had made sufficient preparations for the initial Brexit deadline of 29<sup>th</sup> March 2019 and was routinely in communication with Welsh Government, Gwent Local Resilience Forum, other public sector bodies, and the third sector. With the National Government postponing Brexit to 31<sup>st</sup> October 2019 and the work undertaken by the Council the imminent threat of a 'No Deal' scenario has lessened for the time being resulting in the score decreasing from 16 to 12. The Council will be continuing to monitor the situation closely and will be prepared to increase its Brexit preparations should the situation change again.

- **Risk 5 (In Year Financial Management)** – This risk decreased from 8 to 4 in the last quarter following the Council’s end of year financial review that reported an overall underspend in the Council’s budget. However, in light of the ongoing demand pressures on the Council services for 2019/20, this risk will be re-evaluated to reflect the Council’s budget position at the end of quarter 1.

Appendix 2 of this report is the Council’s Corporate Risk Register which contains the detailed and planned mitigating actions for each risk taken from the Council’s Management Information Hub.

### Financial Summary

There are no direct costs associated with this report.

### Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
The Council does not achieve its objectives as corporate level risks are not adequately managed and monitored.	M	L	Risk Management Strategy has been adopted and mechanisms are in place to identify, manage and escalate emerging and new risks / mitigation strategies.  Audit Committee oversight of risk management process.	Directors, Heads of Service and Performance Team

\* Taking account of proposed mitigation measures

### Links to Council Policies and Priorities

Robust risk management practices increase the chances that all of the council’s priorities and plans will be implemented successfully

### Options Available and considered

1. To consider the contents of the Corporate Risk Register and request an update on the progress of actions taken to address the recommendations raised by the Audit Committee and Cabinet, in the quarter three report.
2. To request further information or reject the contents of the risk register

### Preferred Option and Why

1. To consider the contents of the Corporate Risk Register and request an update on recommendations raised in the quarter three report. This will give the Cabinet sufficient assurance and oversight of the main overarching risks that the council faces in delivering the objectives of the Corporate Plan.

### Comments of Chief Financial Officer

There are no direct financial implications arising from this report. The corporate risk register forms an important part of the governance and budget setting arrangements for the council and the risk register is used to guide the internal audit plan.

## **Comments of Monitoring Officer**

There are no specific legal issues arising from the report. As part of the Council's risk management strategy, the corporate risk register identifies those high-level risks that could impact upon the Council's ability to deliver its corporate plan objectives and essential public services. Although Audit Committee are responsible for reviewing and assessing the Council's risk management, internal control and corporate governance arrangements, the identification of corporate risks within the risk register and monitoring the effectiveness of the mitigation measures are matters for Cabinet.

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

Risk Management in the Council is a key area to implementing Wellbeing of Future Generations Act (Wales) 2015. The Corporate Risk Register enables the Council to capture, manage and monitor those risks, which could prevent the achievement of the objectives in the Corporate Plan and the Wellbeing plan. The risks and the mitigating actions identified in the Corporate Risk Register are subject to ongoing assessment, which also enables the Council to identify any new and emerging risks.

## **Comments of Cabinet Member**

The Chair of Cabinet has been consulted and has agreed that this report goes forward to Cabinet for consideration, including the Audit Committee comments.

## **Local issues**

None

## **Scrutiny Committees**

Audit Committee have a role in reviewing and assessing the risk management arrangements of the Authority. Meetings with the committee have resulted in some changes to the processes used to compile and update the risk register, leading to clarity of detail within the report. The Audit Committee was presented with a copy of the Quarter 4 Risk Register on 6<sup>th</sup> June 2019. The Committee noted the contents of the report for the last period and agreed for discussion at the next meeting on the development of the Council's Risk Appetite statement for comment.

## **Equalities Impact Assessment**

Not applicable.

## **Children and Families (Wales) Measure**

Not applicable.

## **Wellbeing of Future Generations (Wales) Act 2015**

Risk management is a key area to implementing the Wellbeing of Future Generations Act (Wales) 2015. The council must ensure that it considers risks in the short, medium and longer term and that it manages risks in a manner that protects current service delivery and communities as well as considering the longer term impact. It supports the delivery of the wellbeing objectives that are identified in the council's Corporate Plan by considering the risks to delivering these objectives and by defining and monitoring actions to mitigate those risks.

The Corporate Risk Register helps the council to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs by considering the sustainable development principle set out in the Wellbeing of Future Generations (Wales) Act 2015.

## **Crime and Disorder Act 1998**

Not applicable.

## **Consultation**

As above, the Risk Register is also considered by Audit Committee



## **Background Papers**

Corporate Risk Register, Cabinet 13<sup>th</sup> March 2019

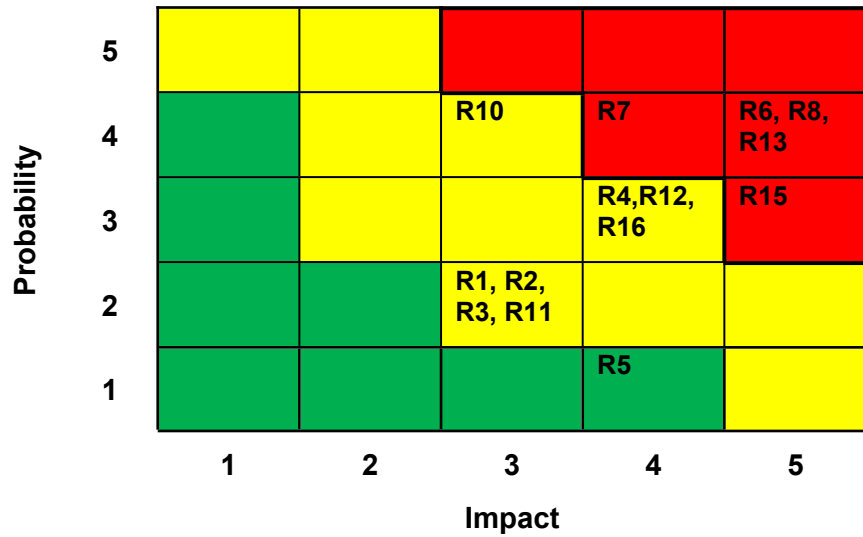
Corporate Risk Register, Audit Committee 28<sup>th</sup> March 2019

Corporate Risk Strategy, June 2018

Report to Audit Committee, June 2019

Dated: June 2019

Appendix 1 - Quarter 4 Corporate Risk Heat Map



Corporate Risk Heat Map Key	
R1 – Legislative Requirements	R8 – Risk of Stability of External Suppliers
R2 – Capacity and Capability to meet the Council’s Objectives	R10 – Climate Change
R3 – Safeguarding	R11 – IT Services & Modernisation Agenda
R4 – Decision to leave the European Union (Brexit)	R12 – Cyber Attack
R5 – In Year Financial Management	R13 – Maintaining the Highways Network
R6 – Balancing the Council’s Medium Term Budget	R15 – City Centre Security & Safety
R7 – Increased Pressure on Demand Led Services	R16 – Council Buildings and Assets

**Risk Score Profile between Quarter 1 and Quarter 4 2018/19**

Risk Position	Risk No. - Description	Risk Score Quarter 1 2018/19	Risk Score Quarter 2 2018/19	Risk Score Quarter 3 2018/19	(Current) Risk Score Quarter 4 2018/19
1	R06 – Balancing the Council’s Medium Term budget.	16	20	20	20
2	R08 – Risk of Stability of External Suppliers	16	16	20	20
3	R13 – Maintaining the Highways Network	25	25	20	20
4	R7 – Increased pressure on demand led services	16	16	16	16
5	R15 – City Centre Security and Safety	-	-	15	15
6	R4 – Decision to leave the European Union (Brexit)	9	9	16	12
7	R10 – Climate Change	12	12	12	12
8	R12 – Increasing Risk of Cyber Attack	12	12	12	12
9	R16 – Maintenance and improvement of council buildings and assets	-	-	12	12
10	R1 – Legislative Requirements	12	12	12	6
12	R2 – Capacity and capability to meet the Council’s objectives	9	9	6	6
12	R3 – Safeguarding	8	8	6	6
13	R11 – Increasing demands on IT Services and the Modernised agenda	6	6	6	6
14	R5 – In year finance management	8	8	8	4

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## How the Council Assesses Risk

An assessment of the likelihood and impact of risk is important to measure, compare and monitor risks to ensure efficient use of resources and effective decision making. This assessment is carried out using the risk matrix as described below.

## Risk Assessment Matrix

A Corporate Risk Register will contain the high level risks for the whole authority. In order to differentiate between these high level risks a 5x5 risk assessment matrix will be applied. The matrix is shown below and further detail is included in appendix 3.

Risks are scored using the scoring system for probability and impact and assigned a rating based on the tolerances set out in the matrix below

## Risk Scoring

Probability description	Score
Very Low probability	1
Low probability	2
Medium probability	3
High probability	4
Very high probability	5
Impact description	Score
Negligible	1
Low	2
Medium	3
High	4
Very High	5

## Risk Matrix

Probability	5	5	10	15	20	25
	4	4	8	12	16	20
	3	3	6	9	12	15
	2	2	4	6	8	10
	1	1	2	3	4	5
		1	2	3	4	5
		Impact				

## Impact Matrix

Rating	Severity of impact	General description	Impact factors (and examples of what they might look like)								
			Strategic	Operational	Financial	Resources	Governance	Health & Safety	Reputational		
Tudalen 29	<b>1</b>	<b>Negligible</b>	Low impact. Localised effect		Minor disturbance of non-key area of operations	Unplanned budgetary disturbance <£100k	Loss of asset/money with value >£2k			Reportable (non-serious) accident affecting one employee/member of public/service user	Isolated complaint(s)
	<b>2</b>	<b>Low</b>	Low impact for organisation as a whole. Medium localised impact		Minor disruption of a key area of operations or more significant disruption to a non-key area of operations	Unplanned budgetary disturbance £100-£500k	Loss of asset/money with value £2-10k	Mild WAO criticism in report. Mild criticism from a legal/regulatory authority. Isolated fraud	Reportable (non-serious) accident affecting small number of employees/members of public/service users	Formal complaints from a section of stakeholders or an institution	
	<b>3</b>	<b>Medium</b>	Medium impact for organisation as a whole	Noticeable constraint on achievement of a key strategic objective	Major disruption of a service area for a short period or more minor disruption of a service area for a prolonged period	Unplanned budgetary disturbance £500k-£2M	Loss of asset/money with value £10-50k	Adverse WAO report. Significant criticism from a legal/regulatory authority requiring a change of policy/procedures. Small-scale fraud relating to a number of people or more significant fraud relating to one person	Reportable (non-serious) accident(s) affecting a significant number of employees/members of public/service users or a serious injury to a single employee/member of public/service user	Formal complaints from a wide range of stakeholders (e.g. several institutions), adverse local press, complaint/s upheld by Ombudsman	

Rating	Severity of impact	General description	Impact factors (and examples of what they might look like)						
			Strategic	Operational	Financial	Resources	Governance	Health & Safety	Reputational
4	High	High impact for organisation as a whole	Severe constraint on achievement of a key strategic objective	Major disruption of a service area for a prolonged period or major disruption of several service areas for a shorter period	Unplanned budgetary disturbance £2-5M	Loss of asset/money with value £50-100k	Qualified account. Severe criticism from WAO/legal/regulatory authority requiring major overhaul of policy/procedures, Significant fraud relating to several employees	Serious injury of several employees/members of public/service users	Significant loss of confidence amongst a key stakeholder group. Adverse national press
	Very High	Catastrophic	Failure of a key strategic objective	Major disruption of several key areas of operations for a prolonged period	Unplanned budgetary disturbance >£5M	Loss of asset/money with value >£100k	Severe service failure resulting in WAG intervention/special measures Widespread significant fraud	Death of employee(s)	Severe loss of confidence amongst several key stakeholder groups. Damning national press

## Probability

Score	General Description	Definition
1	Very Low probability	2% chance of occurrence
2	Low probability	5% chance of occurrence
3	Medium probability	10% chance of occurrence
4	High probability	20% chance of occurrence
5	Very high probability	50% chance of occurrence

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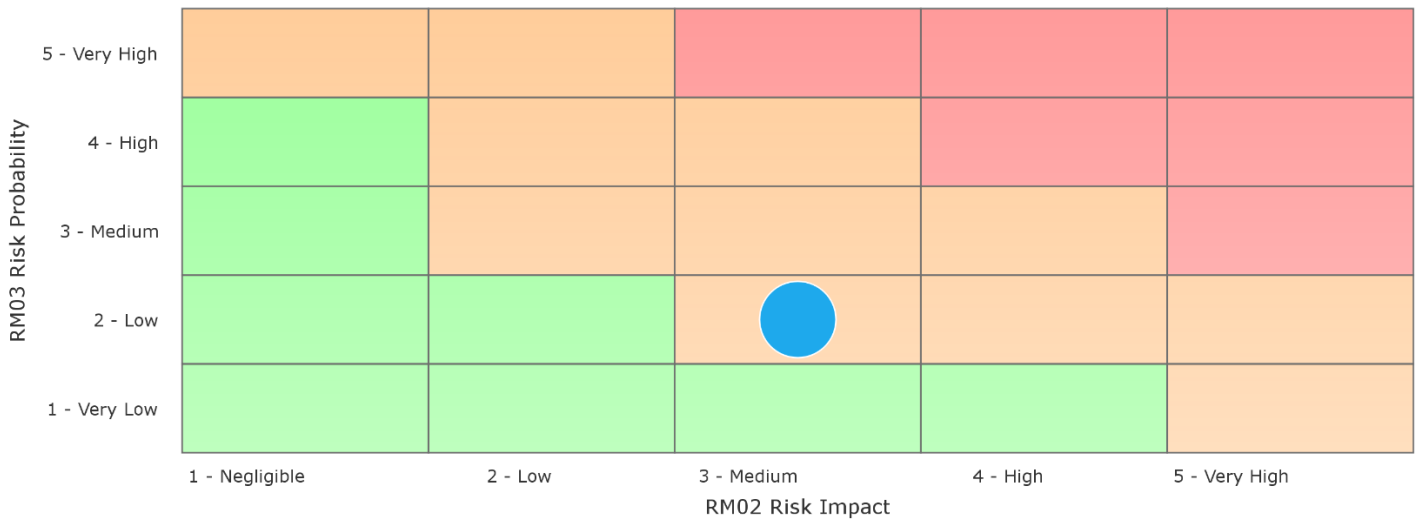


# NCC Corporate Risk Register

2018/19 Quarter 4 Update

# Legislative Requirements

Responsible Officer	Chief Executive
Lead Cabinet Member	Leader of the Council The Deputy Leader and Cabinet Member for Assets and Member Development



Mar 2019		<b>Risk 01 - Assessment Date &amp; Score</b>					
<b>Risk - Direction of Risk</b>	<b>Direction</b>	Series					
The risk score has decreased in the last quarter mainly as a result of the work being undertaken in relation to the Council's Well-being activities. As part of the Council's review of the risk register we will be re-examining this risk and the actions.	↓ ✓	Risk Score	Risk Rating				
		> RM01 Risk Rating	Risk Score	Jun 2018	Sep 2018	Dec 2018	Mar 2019
			Risk Rating	●	●	●	●

Mar 2019		<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/>	Risk 01.02	Welsh Language Act: Action plans in place and being monitored. This has shown significant progress.	Welsh Language action plans are monitored and used to monitor progress, which will also form part of the annual report. A 'mystery shopper' exercise is taking place and this will test the provision in place and highlight areas for future development.
<input checked="" type="checkbox"/>	Risk 01.03	Welsh Language Act: Progress includes increasing awareness of the Welsh Language Standards across the authority. Leaflets, posters, desk prompts and video available.	The authority has continued to promote awareness of Welsh Language Standards including guidance on the intranet and staff notice boards. Over the coming year, we will be looking to refresh this material to ensure we keep momentum in regards to Welsh Language Standards moving forward, the annual report will also reflect on this.
<input checked="" type="checkbox"/>	Risk 01.04	Welsh Language Act: Partnership arrangements with another Council now in place and budget allocated, additional resources now available to support service areas and work such as website development now underway.	The annual budget for welsh language and equalities funds posts within the corporate team to support the development of welsh language provision, including meeting welsh language standards as part of our overall equalities provision. There is a service level agreement in place with Cardiff Council and this can be used by officers across the Authority to provide translation services on request. This will mean more cost effective provision. Advice and guidance continues to be provided to services, and where complaints or issues are raised these are investigated for lessons learned.
<input checked="" type="checkbox"/>	Risk 01.05	Welsh Language Act: 5 year strategy developed through consultation.	The 5 Year Welsh Language Strategy is published and the Authority has demonstrated good progress in delivering on many of the actions established within. This has included work with education and the update of promotional materials through the 'Benefits of Bilingualism' campaign.  Progress will be further reported in the annual Welsh Language Report which is being compiled currently,
<input checked="" type="checkbox"/>	Risk 01.06	Future Generations Act: Cabinet reports updating members on progress and approach. Awareness raising sessions with officers and members completed and work with consultants to develop organisational readiness for the Act underway.	Work on the mid year service plan reviews has reinforced the five ways of working, as have reviews by Wales Audit Office particularly around corporate plan progress. The most recent of these is being reported to Cabinet May 2019. The next WAO review is now being scoped. Annual reports will also provide an opportunity to take stock of progress in the next quarter.
<input checked="" type="checkbox"/>	Risk 01.07	Future Generations Act: Formal report, service plan and business case templates updated to ensure the principles of the Act are reflected in all decision making.	All report templates, service plans and business case templates now reflect the principles of the Act. The service planning process has reinforced this, although this work needs to continue to evolve. WAO feedback on the use of the five ways of working will support this and can be used to develop work further. Head of People and Business Change comments on formal reports also provide assurance that the five ways of working of the WFG Act are considered in decisions. Work ongoing and may mean this risk is closed at year end.

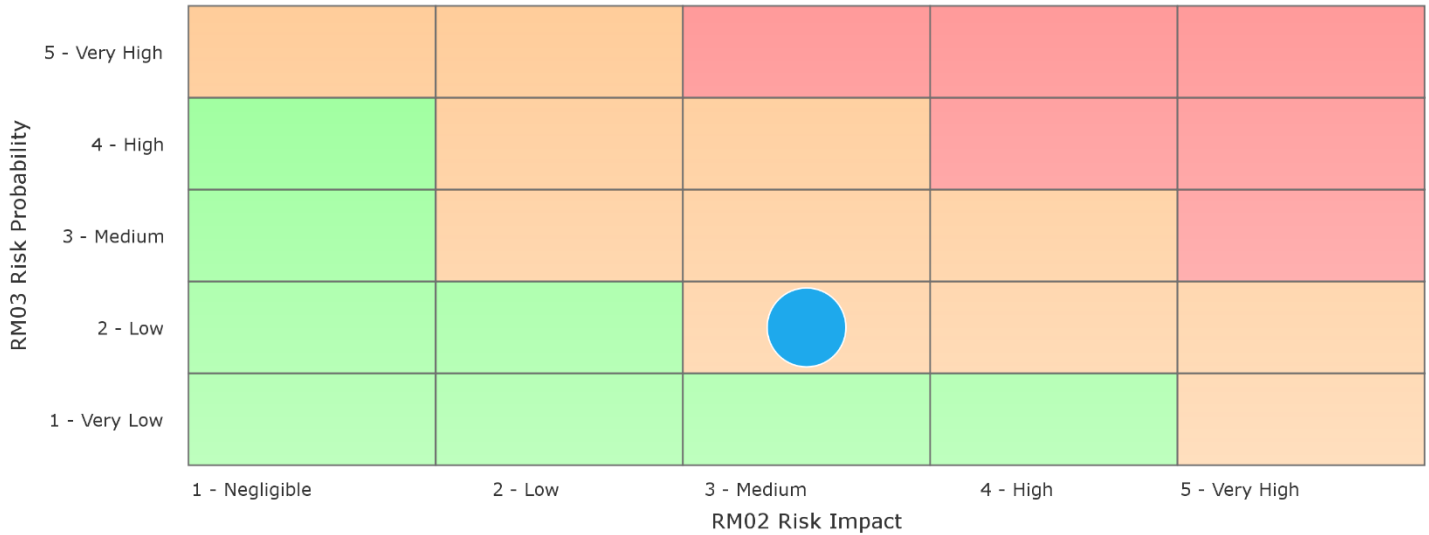
## Legislative Requirements

Responsible Officer	Chief Executive
Lead Cabinet Member	Leader of the Council The Deputy Leader and Cabinet Member for Assets and Member Development

<input checked="" type="checkbox"/> Risk 01.08	Future Generations Act: Public Services Board established with agreed Terms of Reference, formal meetings are held at least quarterly.	Formal PSB meetings take place on a quarterly basis, focus currently on delivery of the Well-being Plan. First year progress will be published in the next quarter demonstrating progress, also reported to Scrutiny. Representatives from all sectors are involved in delivery of the plan although formal performance reporting has not yet commenced for some interventions. Newport's PSB is wider than the statutory participants and is providing an effective partnership forum for issues that impact across the city. Processes in place which may mean that this risk is closed at year end,
<input checked="" type="checkbox"/> Risk 01.09	Future Generations Act: Draft Wellbeing Assessment in place in conjunction with the assessment required for the Social Services Act. Work being undertaken on a Gwent basis to inform the Wellbeing Assessment and Plan - funding secured from Welsh Government to support this work.	Wellbeing assessment published and will be reviewed this year, work has commenced on updating the population data. Work programme reported to PSB, behind schedule owing to resource commitments. Development work with colleagues across the Gwent local authorities through the Gwent Strategic Well-being Assessment Group (GSWAG) officer group which now reports to the 'G10' leadership group.
<input checked="" type="checkbox"/> Risk 01.10	Future Generations Act: Development of wellbeing objectives finalised, and aligned with performance reporting.	The second annual report is now being drafted for Cabinet. This work will develop with service planning and work by WAO to review this area, as reported above.
<input checked="" type="checkbox"/> Risk 01.11	Waste Management Legislation/targets: We commenced new contract last week with trade waste diverted for sorting to GD Environmental Services. Dates this financial year run from August 9th 2017 through to March 31st 2018 to divert approx. 2500 tonnes this year.	Still awaiting final performance figures for 18/19 but provisional data shows the recycling target has been met - confirming mitigation activities (sorting of waste, increased wood/rubble recycling etc.) have been effective. Also, main activities linked to the new waste strategy were approved by CM report on 28/12/18, including the implementation of household residual waste restrictions during 19/20 to increase recycling. Following this, during Q3 18/19 plans have been put in place so the roll out of smaller bins could start from 01/04/19. This has ensured NCC is well placed to meet the recycling targets in 19/20.
<input checked="" type="checkbox"/> Risk 01.12	General Data Protection Requirement (GDPR): The Council is ensuring compliance through the Information Governance Group and a cross-organisation Task and Finish Group, making recommendations and changes as required.	The council's Information Governance Group provides the strategic management around data protection and the council's progress with General Data Protection Regulation (GDPR) supported by the important role of the council's Data Protection Group. Good progress has been made with a more formal and structured action plan around GDPR, especially around the processing of Subject Access Requests that are requests for personal data.
<input checked="" type="checkbox"/> Strategic Equalities Group - Welsh Language Act	Welsh Language Act: Strategic Equalities Group monitors implementation supported by Welsh Language Group.	To reflect the significance of the Equalities Agenda the Strategic Equalities Group (SEG) now meets every other month, engaging with different Equalities Objective in each meeting. The group continues to be chaired by Deputy Leader who has responsibility for the equalities agenda. The group has ongoing representation from Trade Unions, Senior Management, and members.  The Welsh Language Implementation Group continues as the internal working group charged with the responsibility of delivering and implementing the Welsh Language Standards across the authority. The group is facilitated by the authority's Welsh Language Officer with support from senior management.

## RISK 02 - Capacity and Capability to Meet the Council's Objectives

Responsible Officer	Chief Executive
Lead Cabinet Member	Cabinet Member for Community and Resources



### Risk 02 - Assessment Date & Score

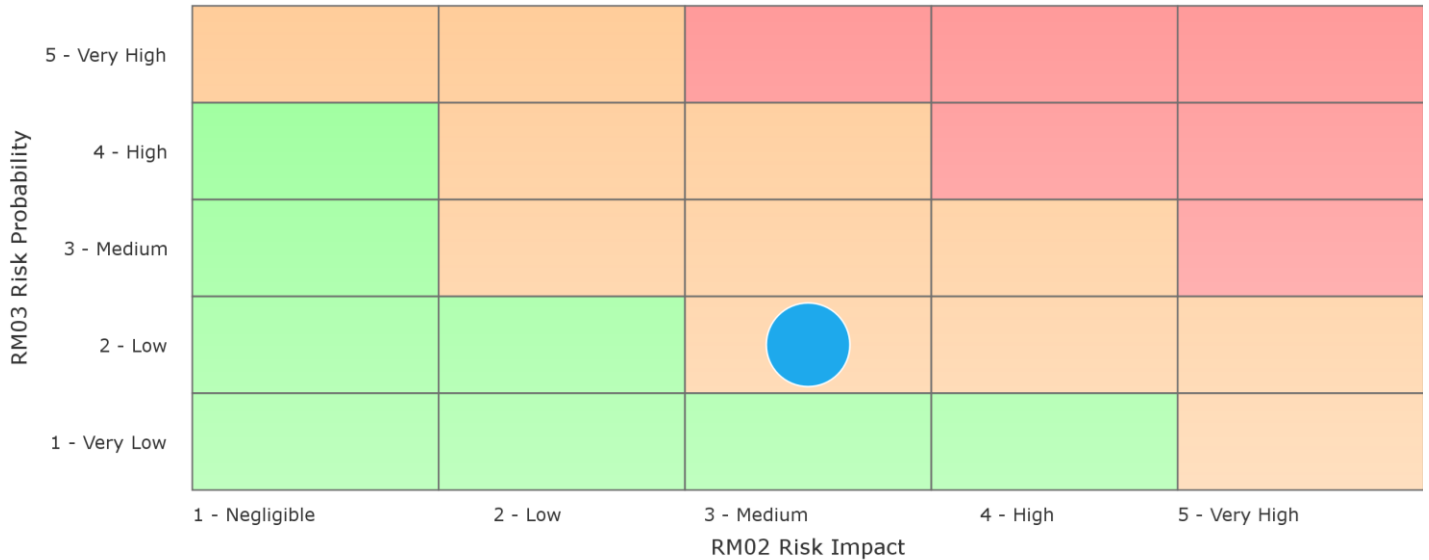
Series

Mar 2019		Risk Score	Risk Rating				
<b>Risk - Direction of Risk</b>	<b>Direction</b>			<b>Jun 2018</b>	<b>Sep 2018</b>	<b>Dec 2018</b>	<b>Mar 2019</b>
No Change for this period.	➔	> RM01 Risk Rating	Risk Score	9	9	6	6
			Risk Rating	●	●	●	●

Mar 2019		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 02.01	People and Business Change will pilot career pathway planning in Autumn 2017 to role model to other service areas.	Still in progress.
<input checked="" type="checkbox"/> Risk 02.02	Pilot taking place in Education Services for the roll out of greater NVQ/ILM opportunities for those in the workplace wanting to enhance current skill level. Intention to offer to wider workforce in 2017 linked to workforce planning for each service area.	Education pilot completed. Continue to offer variety of NVQ/ILM opportunities across the Council and this has become more embedded as an option for the workforce to take advantage of for their personal development.
<input checked="" type="checkbox"/> Risk 02.03	Mandatory training will be identified for each post and linked to job descriptions to set out the expectation of ability, skill and experience at the point of recruitment and to form a development path throughout induction, probation and longer term.	Still in progress.
<input checked="" type="checkbox"/> Risk 02.04	Additional Investment in Project Management and business change resources.	Senior Leadership Team considering approaches to additional resource requirements as part of the corporate plan delivery. Programme Managers currently finalising a new 'offer' for innovation and change.
<input checked="" type="checkbox"/> Risk 02.05	Coaching, shadowing and mentoring opportunities delivered as part of the change programme.	Two cohorts of ILM Level 5 coaches and mentors will be concluding by Summer 2019. The coaching and mentoring network has been launched and is now available for employees to self identify a coaching need, or managers to identify employees who could benefit from coaching or mentoring.
<input checked="" type="checkbox"/> Risk 02.06	Specific business support and training provided for business change, project and program management, continuous change and specific tools including business case development and project management.	Still in progress as aprt of wider innovation and change agenda
<input checked="" type="checkbox"/> Risk 02.07	People service plan to heavily focus on workforce planning and OD for next 12 months.	Workforce planning training took place in February 2019. HR Business Partners now collaborating on template setting and self assessment of individual service areas.

# RISK 03 - Safeguarding

Responsible Officer: Strategic Director - People  
 Lead Cabinet Member: Cabinet Member for Social Services

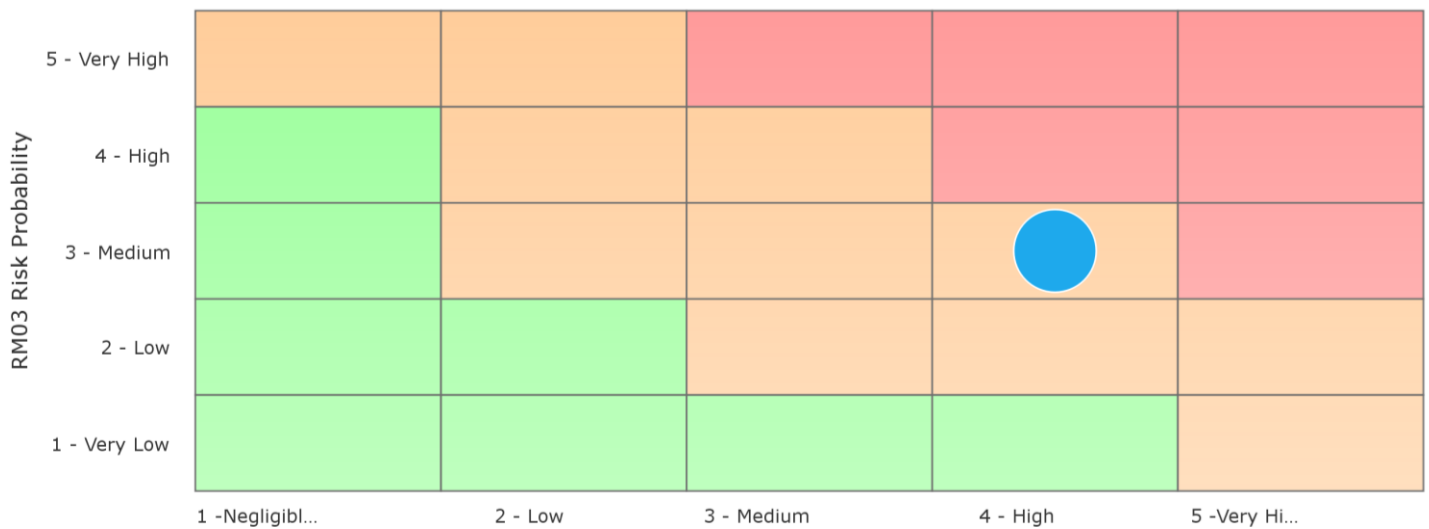


Mar 2019		Risk 03 - Assessment Date & Score					
<b>Risk - Direction of Risk</b>	<b>Direction</b>	Series					
In the last quarter there has not been any significant changes to the actions being taken and therefore the risk score for Quarter 4 remains at 6.	→	Risk Score	Risk Rating				
				Jun 2018	Sep 2018	Dec 2018	Mar 2019
		> RM01 Risk Rating	Risk Score	8	8	6	6
		Risk Rating		●	●	●	●

Mar 2019		Risk - Action Status/Control Strategy	
<input checked="" type="checkbox"/> Risk 03.03	Raising awareness of policies and procedures with staff.	Safeguarding Champions launched across the Council, second meeting planned in July 2019. Direction for all council staff to be aware of the safeguarding pages on the intranet and wider safeguarding information available through Gwent safeguarding website. Relaunch of safeguarding is everybodys business over the summer of 2019 will embed across service areas.	
<input checked="" type="checkbox"/> Risk 03.04	Partnership working.	The safeguarding HUB operational for the last 12 months in the Civic centre, continues to build strong links with partners and evolve as a HUB to include additional partners from early intervention and prevention services closer together, in order that all referral's for children have clear outcomes and picked up early to prevent safeguarding issues in the future.	
<input checked="" type="checkbox"/> Risk 03.05	Establishment of Safeguarding Champions across the service areas.	Safeguarding Champions launched sucessfully in 2019, next meeting in July 2019. List of key personnel to be available within each service area and on the intranet for staff communication. This will be reviewed at each safeguarding champion meeting to ensure accuracey.	
<input checked="" type="checkbox"/> Risk 03.06	Review Schools DBS procedure.	Work with HR completed and a scoping paper to be presented to Education with advise for a way forward to ensure education can be safeguarded within the legislation available.	
<input checked="" type="checkbox"/> Risk 03.07	Safeguarding Training to be provided to Council Members and staff	List of safeguarding titles with the Leaders office for ratification and approval for timetabling for Members. Members all invited to the safeguarding Network practitioner events twice a year.	

# RISK 04 - Decision to leave the European Union (Brexit)

Responsible Officer: Chief Executive  
Lead Cabinet Member: Leader of the Council



Mar 2019	
<b>Risk - Direction of Risk</b>	<b>Direction</b>
The likelihood of the risk has been reduced and the overall risk score is now 12 as a result of the decision for the the UK to leave the EU was postponed until October 2019 and the impact of a No Deal Brexit at the end of March 2019 has been alivated for the time being. The Council will continue to closely monitor the situation and react accordingly.	↓

Risk 04 - Assessment Date & Score					
Series					
Actual	Risk Rating				
		Jun 2018	Sep 2018	Dec 2018	Mar 2019
> RM01 Risk Rating	Actual	9	9	16	12
	Risk Rating				

	Mar 2019	
	<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 04.01	<p>Finance / Supplies &amp; Services – The Council will closely monitor its financial position as part of its annual budget setting process and Medium Term Financial Planning. For Council activities and services which are EU funded there is ongoing discussions with the Welsh Government to put in arrangements after 2021.</p> <p>The Council will be liaising with its strategic partners (Newport Norse / SRS / Newport Live) to assess the impact on its supplies and services. Also across the Council, service areas are being asked to identify their high risk / key contracts and to obtain the necessary assurances of any Brexit impact which could affect the availability and cost of supplies or services.</p>	<p>The Brexit Task and Finish Group has been monitoring closely the financial position of the Council with representatives from Finance and Procurement also in attendance at the meetings. In the short term, there are not any significant issues or pressures in relation to the Council's financial position and supplies and services. Whilst the national picture remains uncertain about the direction which the country will take in relation to Brexit, the overall longer term picture still remains uncertain at this stage and the Council's finance team will continue to monitor the situation as are the Council's social and education services.</p>
<input checked="" type="checkbox"/> Risk 04.02	<p>Regulation / Legislation – The Council's Regulatory Services (Trading Standards and Licensing) will receive advice and guidance from the Home Office and work closely with Association of British Ports (ABP) to manage any impact on the service.</p>	<p>As the Brexit deadline date has been pushed back to October 2019 and the central government, for the time being, are not likely to have a No Deal Brexit the overall risk has reducaed. In the last quarter, the Council's Regulatory Services team have made arrangements and provided the necessary training to staff whilst the Council's Civil Contingencies team have been working with partners as part of the Gwent Local Resilience Forum to monitor the situation.</p>
<input checked="" type="checkbox"/> Risk 04.03	<p>Governance – The Strategic Director/Place is part of a Brexit group led by the WLGA working with other local authorities and other public sector bodies. Brexit is included as a standard agenda item at the Corporate Management Team (CMT) meeting. A Task &amp; Finish Group has been establish with service area experts to monitor and implement necessary actions in preparation of Brexit. Regular updates will be provided to the Senior Leadership Team (SLT) and Cabinet on the Council's Brexit preparations.</p>	<p>In the last quarter the Council has been monitoring the Brexit situation through the Task and Finish Group, Corporate Management Team (CMT) and through the Local Resilience Forum. In March 2019 we delivered an update to Members on the actions that the Council and the wider Welsh Local Government Association has taken. Since the deadline has been pushed back to October 2019 the Council has scaled back its arrangements but are continuing to hold Task &amp; Finish Groups and monitor the situation with through CMT</p>

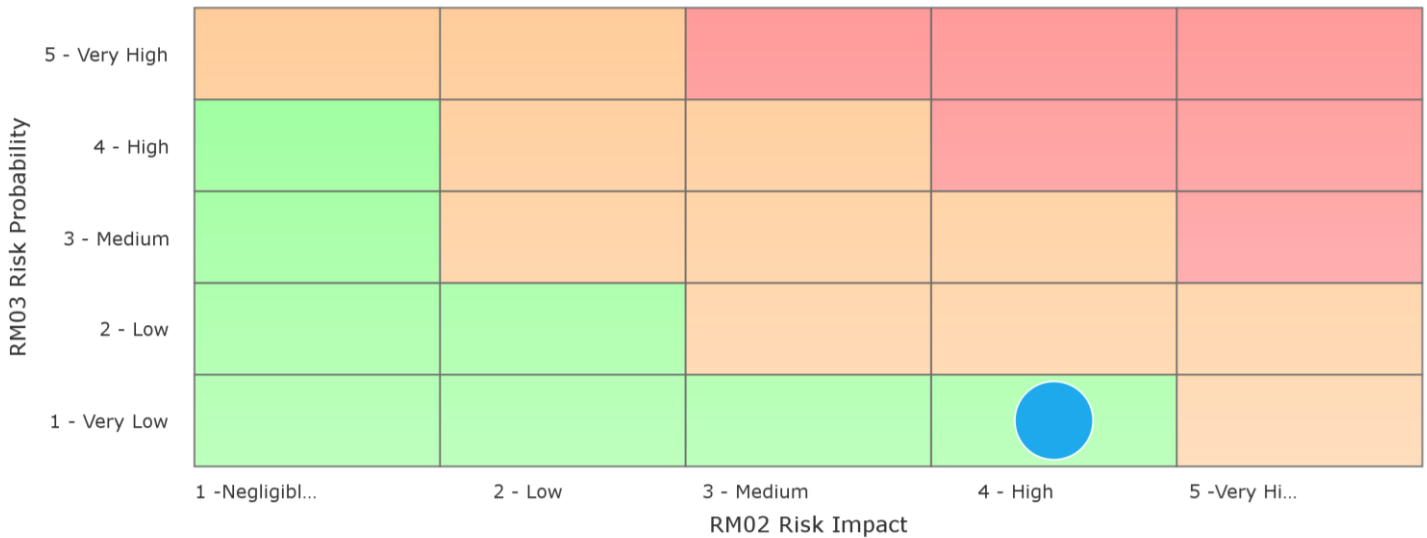
## RISK 04 - Decision to leave the European Union (Brexit)

Responsible Officer	Chief Executive
Lead Cabinet Member	Leader of the Council

<input checked="" type="checkbox"/> Risk 4.04	<p>Human Resources - The Council will need to capture information on the number of existing staff members which are from the EU and ensure necessary arrangements are in place for new starters in the Council. Long term, the Council will monitor and liaise with service areas and partners on the impact of Brexit on resources and skill issues / opportunities as a result of leaving the EU.</p> <p>Guidance and advice will also need to be available to EU staff members on completing any residency applications.</p>	<p>In the last quarter the Council released internal and external communications to staff through the Intranet, Staff Newsletter and the Council website. Staff and members of the public have been provided guidance via the Home Office on how they can apply for settled status and contact Government agencies for advice and guidance.</p>
<input checked="" type="checkbox"/> Risk 4.05	<p>Civil Contingencies - For regular updates to be provided to the Council and Brexit Task &amp; Finish Group on Regional and National wide Brexit preparations. Regular updates from the Gwent Local Resilience Forum which includes local authorities, Police, Fire, Health as well as Welsh Government, WLGA and other strategic group updates will be included as part of this process.</p>	<p>Civil Contingencies and its partners within the Gwent LRF have made Brexit preparations to enable communications on local and national levels. Civil Contingencies are still providing updates to the Task and Finish Group and there will be continuous monitoring up to the next deadline of October 2019.</p>

# Risk 05 - In Year Financial Management

Responsible Officer	Chief Executive Directors Heads of Service
Lead Cabinet Member	Leader of the Council



Mar 2019		<b>Risk 05 - Assessment Date &amp; Score</b>					
<b>Risk - Direction of Risk</b>	<b>Direction</b>	Series					
As year end is now complete, there is an overall underspend across the Council therefore as at the 31st March 2019 the overall risk of in-year overspend is low. However this will need to be reflected in the next update where the risk may increase as a new financial year begins.	↓	Actual	Risk Rating				
				Jun 2018	Sep 2018	Dec 2018	Mar 2019
		> RM01 Risk Rating	Actual	8	8	8	4
			Risk Rating	●	●	●	★

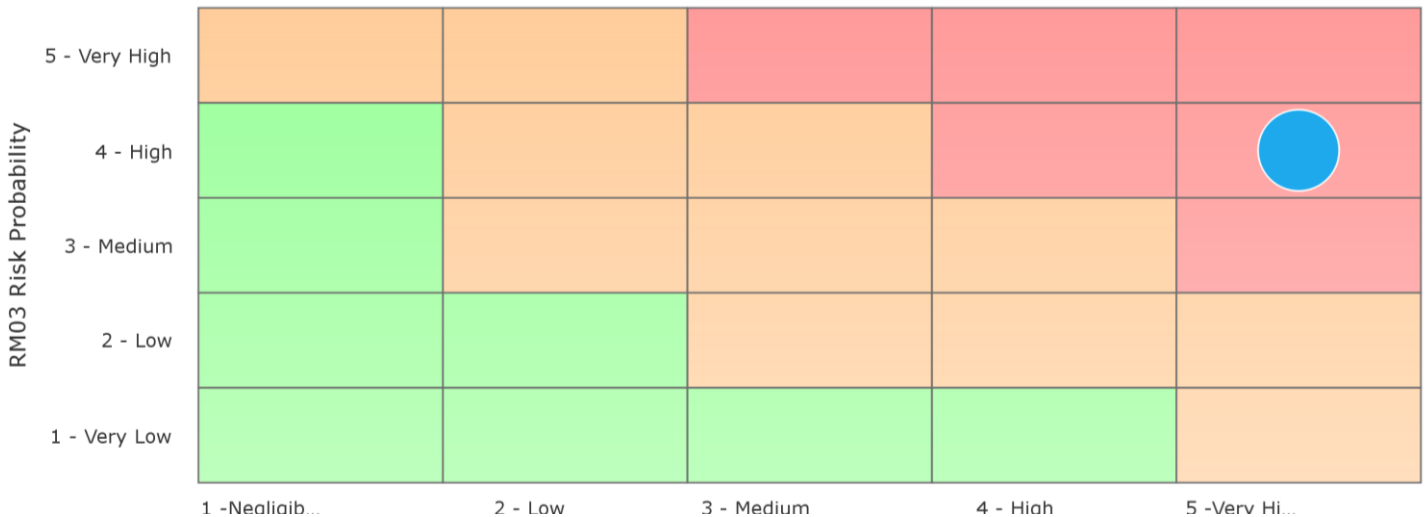
Mar 2019		
	<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 05.04	Heads of Service with their service managers, supported by corporate business partners will plan actions to mitigate and bring down overspends in the future.	Completed
<input checked="" type="checkbox"/> Risk 05.05	Focus on forward planning to ensure early identification of potential overspending to enable early resolution and incorporate into medium term financial projections, where unavoidable, as appropriate.	In Year demand pressures have been identified for 2019/20 and cash limits have been set accordingly. Business Partners will be working with all service areas to closely monitor and risk manage the high demand areas to prepare for 2019/20.
<input checked="" type="checkbox"/> Risk 05.06	Ensure medium term planning based on robust information on key cost drivers and risk areas.	As 5.05 we have identified the demand pressures for the Council and will be working closely through risk based support with service areas to plan / forecast models and inform key decisions made in 2019/20.



## Risk 06 - Balancing the Council's Medium Term Budget

Responsible Officer

Chief Executive  
Directors  
Heads of Service



### Risk 06 - Assessment Date & Score

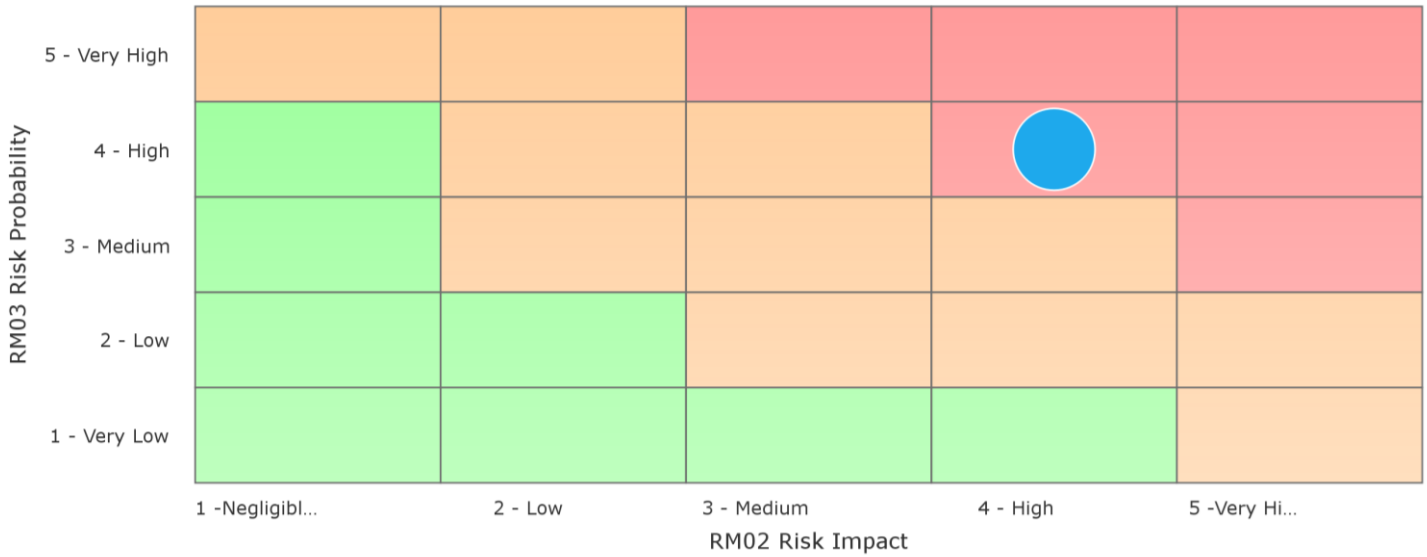
Mar 2019	
<b>Risk - Direction of Risk</b>	<b>Direction</b>
The risk remains high as, despite setting an overall balanced budget for the financial year 2019/20, there remains a significant budget gap over the medium term. Work is ongoing to identify way in which to reduce this budget gap	→

Series		Actual	Risk Rating				
				Jun 2018	Sep 2018	Dec 2018	Mar 2019
>	RM01 Risk Rating	Actual		16	20	20	20
		Risk Rating		▲	▲	▲	▲

	Mar 2019	
	<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 06.01	On-going review and challenge to budget pressures within the MTFP	Going into the next MTFP the model needs to be updated with revised/newly identified pressures. Heads of service will need to work alongside finance colleagues to identify these and ensure robust forecasting and plan mitigation for these pressures.
<input checked="" type="checkbox"/> Risk 06.02	Discussions with SLT to review cash-limits for each service areas with view to identify savings and mitigation of pressures	An updated framework for the delivery of savings to reduce the budget gap on the MTFP is being formulated by SLT. This will be updated in future risk updates.
<input checked="" type="checkbox"/> Risk 06.03	Project initiated to draw up a medium term change programme by June 2018 latest.	SLT are discussing framework to deliver savings to meet the budget gap, this will be updated on future risk updates.
<input checked="" type="checkbox"/> Risk 06.04	4 boards to discuss and draw up strategic projects that will deliver savings over the medium term to mitigate the budget gap.	Boards continue to discuss ways in which savings can be delivered to meet budget gap. These will need to be linked with any framework agreed by SLT.

# Risk 07 - Increased Pressure on Demand Led Services

Responsible Officer	Strategic Director - People Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Education and Skills Cabinet Member for Regeneration and Housing Cabinet Member for Social Services



### Risk 07 - Assessment Date & Score

Mar 2019	Series						
<b>Risk - Direction of Risk</b>	<b>Direction</b>	Actual	Risk Rating				
In quarter 4 the risk score remains at 16 as the Council continues to manage the demand on its services within Social Service, Education, Housing and City Services.	→			Jun 2018	Sep 2018	Dec 2018	Mar 2019
		> RM01 Risk Rating	Actual	16	16	16	16
			Risk Rating	▲	▲	▲	▲

### Planned mitigation

All 32 selected

	Mar 2019 <b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 07.01	Education Increasing population putting extra pressure on school places across Newport. One new school (due to open September 2017) and second new school (due to open September 2018). Both established largely through 106 funding. Additional school places have been established across the city through a capacity exercise. Where schools are being re-developed, (e.g. Bryn Derw, Caerleon Lodge Hill) additional places have been included.	POSP continues to operate to consider future provision. Glan Lyn Primary will open September 2018 as planned.
<input checked="" type="checkbox"/> Risk 07.02	Education Increasing population putting extra pressure on school places across Newport. Three further new build schools are planned through 106 monies funding from 2019 – 2024 (NB: shortfall in funding that will need to be made up by Authority). Forecasts show that there is also a need for expansion on existing school sites, in specific areas of the city, with significant population growth. A Welsh Government 21st Century Band B' schools bid has been made which focusses on Newport's urgent need for additional school places as our key priority.	Collobrative funding from Section 106, NCC and WG will provide a proposed new 3 form English Medium Primary at the Whiteheads site which is due to open in January 2022. This also comes with a proposed new, 2 form Welsh Medium School situated on the current Pillgwenly site. This will support the pupil place challenge within the city.
<input checked="" type="checkbox"/> Risk 07.03	As children with complex needs live longer, the number of children requiring care will increase and the length of care that they require will increase. The number of educational places within the city need to grow in order to provide provision for pupils with complex needs.	The expansion of Maes Ebbw is near completion.

## Risk 07 - Increased Pressure on Demand Led Services

Responsible Officer	Strategic Director - People Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Education and Skills Cabinet Member for Regeneration and Housing Cabinet Member for Social Services

<input checked="" type="checkbox"/> Risk 07.04	Growing population of highly vulnerable children: The number of Learning Resources Bases across the city will expand to support increased demand of pupils with Special Educational Needs, allowing them to maintain mainstream school places.	The new 10 place LRB at Lodge Primary has opened. A further 20 place LRB is due to open in Glan Lyn Primary in September 2019.
<input checked="" type="checkbox"/> Risk 07.05	The total cost of Out of County placements continues to grow. Education Services will develop an analysis and forecast of Out of County Placements in order to facilitate a strategic plan of supporting these needs in the most affordable way over the next five years.	Out of County placements have reduced slightly. Local alternative provision is having a positive impact on supporting pupils. A further study is being completed on the most purposeful specialist provision for Newport (which will prevent and reduce Out of County expenditure).
<input checked="" type="checkbox"/> Risk 07.06	MANAGING DEMAND – PREVENTION EARLY INTERVENTION Older Person's Pathway - joint initiative with Health, people identified from GP surgeries and offered a Stay Well Plan that is individualised and focused on maintaining well-being and health.	The Older Persons Pathway continues to operate out of GP's surgeries, identifying those at risk and offering a stay well plan to maintain health and well-being. The project has evidenced positive impacts on diverting the need for additional services and is part of a workstream led by Annuerin Bevan Unitary Health Board (ABUHB) that is developing well being networks across the city
<input checked="" type="checkbox"/> Risk 07.07	MANAGING DEMAND – PREVENTION EARLY INTERVENTION Reconfiguring a number of service pathways including Frailty & Reablement to reduce duplication, streamline provision, facilitate hospital discharge and provide services focused on maintaining independence.	The integration of reablement is now complete and offers a time limited intervention upon discharge and to those who may need short term assistance upon first referral to Social Services. The service maximises independence and prevents the need for longer term care and support. The implementation of Home First - a regional joint health and social care initiative to prevent hospital admission is now underway and the impact on demand for hospital beds is being monitored.
<input checked="" type="checkbox"/> Risk 07.08	MANAGING DEMAND – PREVENTION EARLY INTERVENTION Investment in preventative services including 2 Third Sector consortiums offering information, advice and assistance for any Newport citizen.	A review of both Third Sector Consortiums will take place during 2019/20. They have been in operation for over 2 years and whilst they have offered significant benefits to citizens needing to access low level support it is now appropriate to re-visit the service model to establish if they continue to be the most effective and efficient way to meet demand. There is a savings target of £250k against this budget in 19/20 that will need to be factored in to any new commissioning arrangements
<input checked="" type="checkbox"/> Risk 07.09	MANAGING DEMAND – PREVENTION EARLY INTERVENTION Utilisation of ICF for Community Connectors offering community based assistance to people who require support to access low level services	The Community Connectors continue to be resourced by the Intermediate Care Fund. Regular monitoring information is submitted to ABUHB in line with the funding requirements. The Connector service plays a vital role in managing demand through the delivery of preventative services
<input checked="" type="checkbox"/> Risk 07.10	MARKET MANAGEMENT Domiciliary care and Residential and Nursing provision commissioned robustly. Working closely with providers to ensure services are fit for purpose in terms of quality and capacity. Relationship management ensures flexibility and responsiveness.	The Commissioning Team work closely with providers to ensure quality and cost effectiveness. Relationships are well developed and communication ongoing. The Contracts Officers visit establishments regularly on a cyclical basis and in response to specific issues.
<input checked="" type="checkbox"/> Risk 07.11	MARKET MANAGEMENT Ensuring in house services are cost effective and targeted at community need.	The Supported Living Service has now been reduced from 4 homes to 1. The tenants have been successfully moved on to new independent living arrangements that is more appropriate to their needs. The remaining home will close when an appropriate outcome can be sourced for the remaining tenant. The Extracare service was transferred to Radis on 1 April 2019 as planned.
<input checked="" type="checkbox"/> Risk 07.12	MARKET MANAGEMENT Cost control –negotiating sustainable fees with providers that offer value for money whilst protecting the social care workforce	Fees have been agreed with providers for 19/20 as a result of early planning and communication with providers
<input checked="" type="checkbox"/> Risk 07.13	MARKET MANAGEMENT Engagement with Regional workstreams to address National issues around the purchase of domiciliary and residential care services	NCC continues to engage with Regional work streams around domiciliary and residential care. Specifically, work around the development of a pooled budget and common contracts are in progress and joint monitoring and intelligence exchange with Health and partner Authorities continue to develop.

## Risk 07 - Increased Pressure on Demand Led Services

Responsible Officer	Strategic Director - People Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Education and Skills Cabinet Member for Regeneration and Housing Cabinet Member for Social Services

<input checked="" type="checkbox"/> Risk 07.14	MARKET MANAGEMENT Early engagement with Health to maximise CHC funding for people with Health needs.	Ongoing - Where CHC triggers are identified there is an established process to ensure referrals are progressed
<input checked="" type="checkbox"/> Risk 07.15	Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs. • Investment in a consortium model of third sector preventative services to offer a single point of contact for all Newport citizens	There is a £250k saving attached to the Third Sector budget in 2019/20. A review will take place to inform a re-design of preventative services in accordance with new developments around well being networks and community hubs
<input checked="" type="checkbox"/> Risk 07.16	Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs. • Investment in a Third Sector mental health consortium in partnership with Health – offering a single point of contact for citizens in Gwent.	The mental Health consortium is a Regional service mostly funded by Health. The service is being re-tendered during 19/20 solely by ABUHB.  The NCC review of preventative services will need to take account of this re-tender and build in any new requirements into the new preventative services specification as part of the workstream.
<input checked="" type="checkbox"/> Risk 07.17	Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs. • Utilisation of ICF to deliver a Community Connector Service – offering community support for people to access services.	There is a £250k savings target linked to the Third Sector budget for 2019/20. A full review will take place during the year to scope a re-commissioning exercise that fits with the wider and evolving preventative services agenda that includes the Community Connector Service
<input checked="" type="checkbox"/> Risk 07.18	Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs. • Utilisation of ICF to employ a Carers Development Officer	The Carers Network is established - an e-training package to assist social care professionals identify carers and address their needs is now available and has been publicised within NCC
<input checked="" type="checkbox"/> Risk 07.19	Growing population of highly vulnerable children Investment in developing preventative services to work with families to build resilience and to prevent children from being accommodated: • Re-tendering for the Strategic Collaborative Partnership that delivers the Family Assessment Support Service (FASS) and Family Support Team (FST).	Completed and new contract in place following review.
<input checked="" type="checkbox"/> Risk 07.20	As children with complex needs live longer, the number of children requiring care will increase and the length of care that they require will increase.  Investment in developing preventative services to work with families to build resilience and to prevent children from being accommodated: • Full review of short break services for families with Children with disabilities. • Full review of providing house respite service for families with Children with disabilities.	Refurbishment of Oaklands is now underway and will enable the Council to provide the necessary support for children in our care.
<input checked="" type="checkbox"/> Risk 07.21	Investment in developing preventative services to work with families to build resilience and to prevent children from being accommodated: • Carers Development Officer supports families with Children with disabilities.	The following has been agreed from the Transformation Fund around the preventative agenda for 2019/20:  1. Additional posts to be based in NCC hub to work with families who are below the threshold for statutory provision 2. An additional Child and Adolescent Mental Health Support (CAMHS) worker 3. Further funding for the Family Intervention Service 4. Funding for a post-natal worker
<input checked="" type="checkbox"/> Risk 07.22	Engagement with Regional work streams to address developing a consistent framework around Continuing Health Care Process.	This action has been completed and we now have a new process in place that is being monitored.
<input checked="" type="checkbox"/> Risk 07.23	Cost control – negotiating sustainable fees with providers that offer value for money whilst protecting the social care workforce.	Fees have now been agreed for 19/20 due to a structured plan of communication with providers who were willing to engage earlier in the year in order to clarify their financial position.
<input checked="" type="checkbox"/> Risk 07.24	Community Regeneration Aligning services and grants into one programme (Neighbourhood Hubs) will support a rationalization process across all the grants, this process will help us to achieve smarter ways of working that could support a long term vision of sustainability. Processes such as;  • Staffing – the alignment of staff can reduce the requirement for current levels in finance and management functions.  • Duplication – aligning programmes will support projects who share outcomes to end specific projects therefore reducing wasted expenditure.  • Commissioning – a single commissioning model will provide the less duplication and savings in regards to management fees to other organisations.  • Assets – The colocation and integration of teams through Neighbourhood Hubs will negate the requirement for different facilities and will provide greater focused usage in specific centres.	The Neighbourhood hub programme has been agreed by council, work has begun to appoint area managers and teams. This work when implemented in September 2019 will ease the pressures on services as it will promote collaborative working methods.  The alignment of grants is being managed through both the NH programme and Flexible Fund. The work the consultant has carried out will provide proposals for, staffing teams, commissioning processes and duplication. Community assets are also being reviewed through this process.

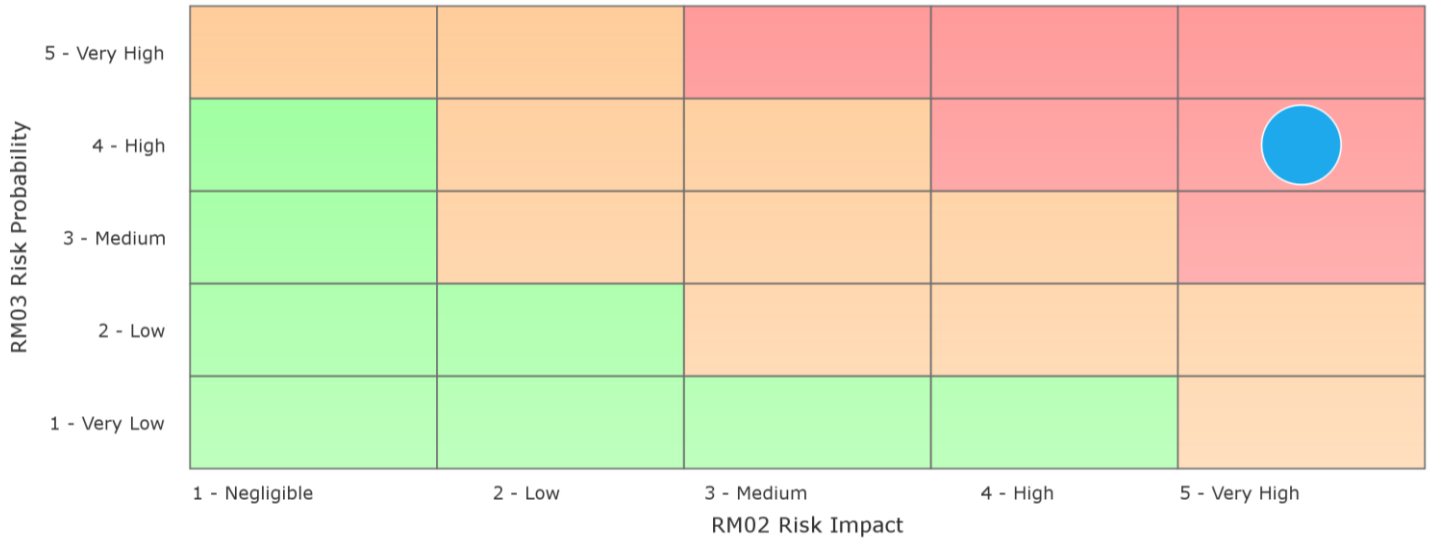
## Risk 07 - Increased Pressure on Demand Led Services

Responsible Officer	Strategic Director - People Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Education and Skills Cabinet Member for Regeneration and Housing Cabinet Member for Social Services

<input checked="" type="checkbox"/> Risk 07.25	Community Regeneration  Work with funders to identify further opportunities to provide additional resource to community delivery.	Work with partners to provide additional resource to communities is ongoing, the NH programme is promoting partnership working and identifying resource from alternative means. Therefore reducing the burden on the council in the future.
<input checked="" type="checkbox"/> Risk 07.26	Housing Services  That an increasing percentage of the population are over 65 putting an increasing strain on demand led services, particularly those that are statutory and raising the risk of unplanned significant budgetary overspends.  The number of older people in Newport is growing. More than 600 owner-occupiers aged over 55 currently have active applications for some form of affordable housing	New affordable housing schemes for older people are being completed at Beechwood, the Gaer and the city centre.
<input checked="" type="checkbox"/> Risk 07.27	Removal of preventative services could impact negatively on statutory services by increasing the demand and complexity of needs.  <ul style="list-style-type: none"> <li>Increased resources provided to assist in homeless prevention and to secure additional staffing to meet need</li> <li>Grant funding available from Welsh Government targeted to key demand areas of the homelessness prevention service across a range of partners</li> <li>Links with third sector agencies in place and being developed to meet demand for services</li> <li>Regional Homelessness Strategy under development in order to explore regional opportunities for service development/initiatives</li> </ul>	Following adoption of the Gwent Homelessness Strategy, a local action plan for Newport is being implemented to increase the joint planning, commissioning and delivery of services, improve the integration of support services into homelessness prevention work and enhance information-sharing between partner agencies, where there is benefit to service users.
<input checked="" type="checkbox"/> Risk 07.28	Increasing population putting extra pressure on demand for affordable housing or specialised housing  Increased pressure to deliver affordable housing, but in a climate when viability issues on sites regularly see the development industry reducing the percentage of affordable housing they are willing to deliver  <ul style="list-style-type: none"> <li>Homeless prevention work to secure alternative affordable accommodation options established and embedded within statutory services</li> <li>Procurement of temporary accommodation for homeless households in place to meet the changing demands and needs for the service</li> </ul>	The independent review of the affordable housing supply has now produced a report setting out a range of recommendations to Welsh Government. The report acknowledges that existing levels of public subsidy cannot address all unmet housing need but proposes changes to make better use of existing resources, to achieve better integration between local needs assessment and planned provision. Welsh Government will now consider the recommendations and changes to the affordable housing system may then follow.
<input checked="" type="checkbox"/> Risk 07.29	Growing population of highly vulnerable children requiring housing solutions within the care system and once leaving the care system.	A scheme providing placements in shared accommodation for vulnerable young people is now operational with further units of dispersed accommodation to follow
<input checked="" type="checkbox"/> Risk 07.30	Increasing shift away from owner occupation towards private renting  A study for the Welsh Government into the fees charged by letting agents showed that Newport has a relatively high proportion, 36% of registered rental properties managed by agents, and was designated a high rent area and the total number of properties registered was 8,252. The study found that, although the work required and the costs incurred by the agents were similar in all areas, the fees charged to applicants varied considerably, according to the size of agency and the local housing market. Fees can make it difficult for low-income tenants to secure private rented housing, especially if they are obliged to move more frequently than owner-occupiers would when assured shorthold tenancies come to an end.	The Renting Homes (Fees etc)(Wales) Bill will introduce restrictions on the fees charged to tenants from September 2019 but it will be some time before the impact of this can be assessed.
<input checked="" type="checkbox"/> Risk 07.31	Increasing concerns about the standard and fitness within the existing housing stock  Much of Newport's housing stock is pre-1920's and, in 2017, the council's Environmental Health team identified nearly 13,000 serious hazards in Newport homes, most of them privately rented.	A new Housing Improvement Loans Policy has been adopted and an accredited partner agency has been appointed to administer owner-occupier loans for the council. .
<input checked="" type="checkbox"/> Risk 07.32	An expanding population of older people along with increasing numbers of people choosing to remain living in their own homes will increase demand for mandatory home adaptation services  Increasing pressure on the adaptations capital budget.	Increased waiting times for OT assessments during 18/19 (Social Services) have led to increased delivery times for DFG funded adaptations. RHH and Social Services are in discussion to consider arrangements to address this.

# Risk 08 - Risk of Stability of External Suppliers

	Mar 2019
Responsible Officer	Strategic Director - People
Lead Cabinet Member	Cabinet Member for Social Services



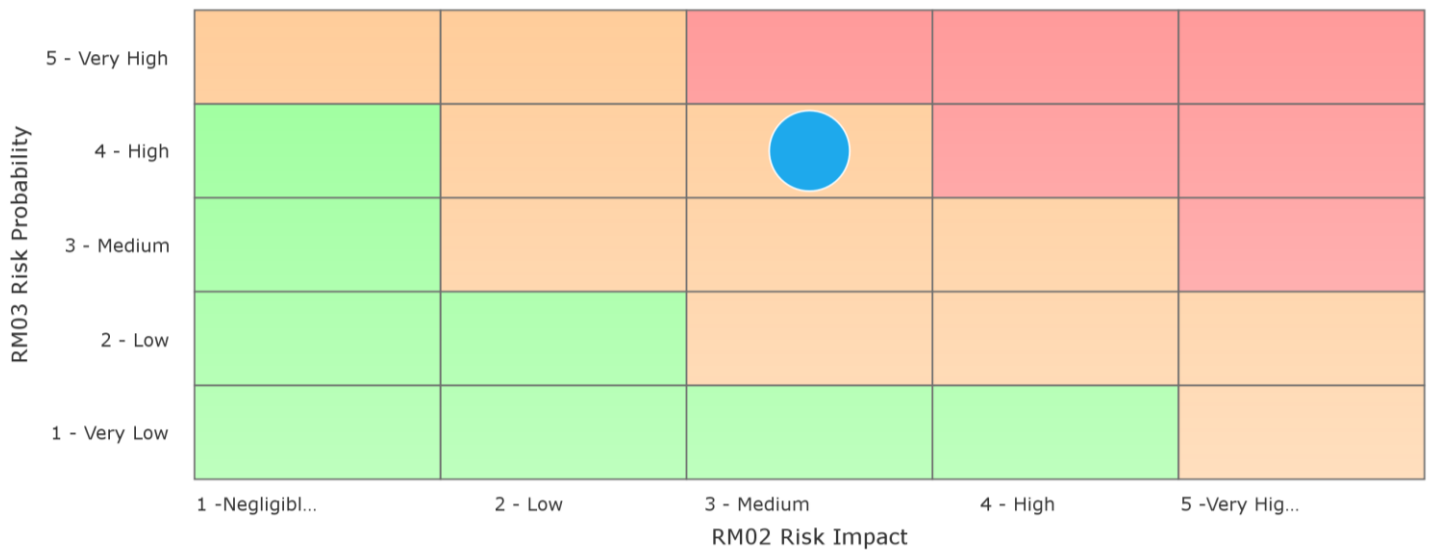
Mar 2019	
<b>Risk - Direction of Risk</b>	<b>Direction</b>
The risk score remains at 20 for quarter 4 as the demand for placements and costs on the service areas are still impacting on the Council's budget.	➔

Risk 08 - Assessment Date & Score						
Series						
	Actual	Risk Rating				
			Jun 2018	Sep 2018	Dec 2018	Mar 2019
> RM01 Risk Rating	Actual		16	16	20	20
	Risk Rating		▲	▲	▲	▲

	Mar 2019	
	<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 08.01	Market Management Consultation and engagement with social care providers	The Commissioning Team have regular dialogue with providers around a range of issues. Regional workstreams also engage domiciliary care and residential providers in discussions around fees and quality. There is still uncertainty in the market place around the impact of Brexit, specifically in relation to recruitment and availability of medicines and equipment.  Although the possibility of a no deal BREXIT is in decline there is still much uncertainty that continues to be monitored.
<input checked="" type="checkbox"/> Risk 08.02	Encouraging New Providers To Enter The Market The offer of block contracts for domiciliary care hours that provides incentive for new providers and creates a diverse market place.	The spot contract method of engaging domiciliary care providers is working well in Newport. The market is relatively stable and all requests are filtered through the Brokerage Team who have up to date market knowledge and close relationships with the domiciliary care agencies personnel.
<input checked="" type="checkbox"/> Risk 08.03	Encouraging New Providers To Enter The Market Open dialogue with providers interested in entering the market to ensure they are fully informed about service demand and future commissioning intentions.	The Commissioning Team take every opportunity to talk to new providers. New services that are subject to tender are advertised and dialogue encouraged through supplier days.
<input checked="" type="checkbox"/> Risk 08.04	Developing New Sustainable Models of Service & Maximising Alternative Funding  Working with partners such as Housing and Health to develop new services that are more financially sustainable and offer better opportunities for people to live independently.	The Independent Living Strategy will inform the future development of new accommodation options for people with learning disabilities. This work is dependent upon strong partnerships with RSL's. The Council's in house supported living scheme is closing and all but one of the tenants has been moved to accommodation that is better suited to their needs.  Plans are in place for 2 more schemes in 2020 - Kings Hotel and Emlyn Street. Both will allow people to live in single units rather than group homes.
<input checked="" type="checkbox"/> Risk 08.05	Working With Commissioning Partners Working Regionally & Nationally to share knowledge, best practice, market intelligence and to develop commissioning strategies in both adults and children's services.	Regional commissioning work is ongoing in both childrens and adults services. The Commissioning links between LA's and Health are strong and communication channels are active. All partners are sighted on the opportunities that collaborative working can offer to ensure consistent and efficient service models.
<input checked="" type="checkbox"/> Risk 08.06	Commissioning Function Strong, well organised Commissioning function and agreed strategies that effectively oversees and controls all purchasing activity and understands the local market. The Commissioning team are fully sighted on market issues, have well developed relationships with providers and work closely with operational teams to source good quality sustainable services.	The Commissioning Team now has a full complement of staff and is managing all of the activities around childrens/education/residential placements as well as the school meals contract.  Efficiencies have already been identified through the application of consistent and professional commissioning and contract management practices.  The team has now been re-structured to build in as much resilience and capacity to deal with the new responsibilities and will continue to be monitored.

# Risk 10 - Climate Change

Responsible Officer	Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Streetscene The Deputy Leader and Cabinet Member for Assets and Member Development



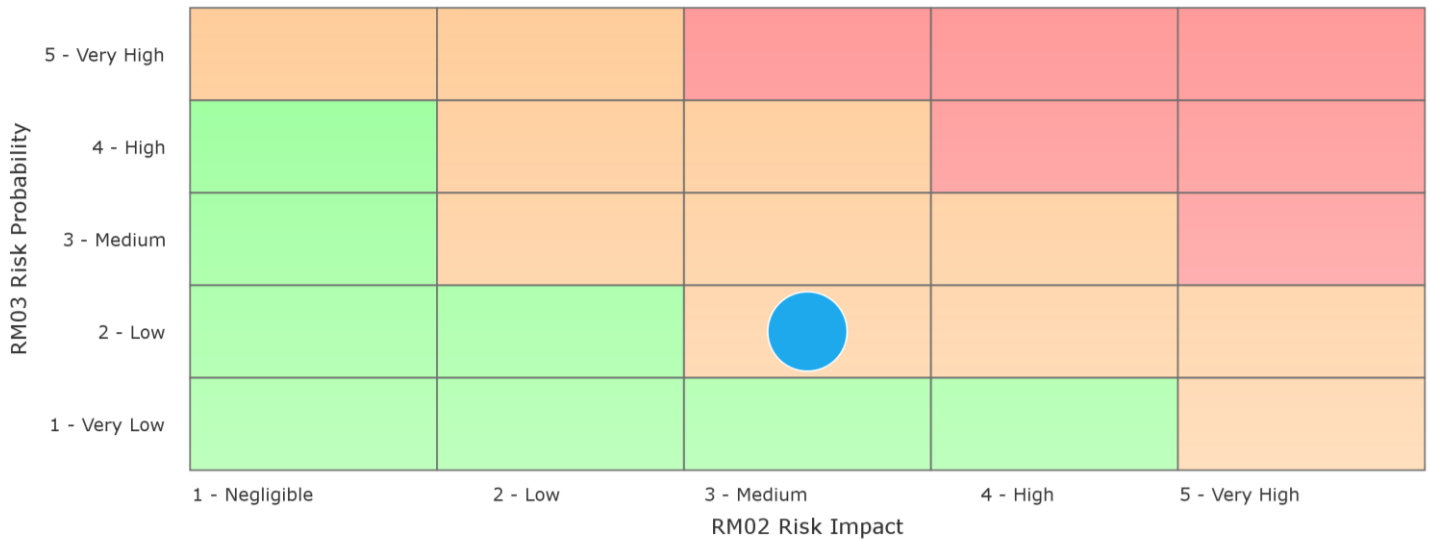
Mar 2019	
Risk - Direction of Risk	Direction
No change in Quarter 4. This risk will be re-assessed in Q1 2019/20.	➔

Risk 10 - Assessment Date & Score					
Series					
	Risk Score	Risk Rating			
> RM01 Risk Rating	Risk Score	Risk Rating	Jun 2018	Sep 2018	Dec 2018
			12	12	12
			●	●	●
			●	●	●

Mar 2019		Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/>	Risk 10.01	Produce and implement a Carbon Management and Implementation plan to set out a strategy, objectives and programme to reduce overall carbon emissions, provide investment opportunities and to mitigate against anticipated increases in energy supply costs.	Due to entering a new year the carbon management plan is being re-assessed, principally in terms of baseline data and targets. Carbon savings are being achieved through the LED street lighting project which is now over 10% complete and due to be finished during 2019.
<input checked="" type="checkbox"/>	Risk 10.02	Aim to get the best value for money from procurement of utilities through the National Procurement Service. Wherever possible purchase electricity backed by Renewable Energy Guarantee of Origin Certificates.	NCC are now locked into purchasing 100% renewable energy (for electricity) through the National Procurement Service until the end of 20/21. Market conditions have meant higher prices for 19/20, a modified purchasing strategy should reduce the market risk for 20/21.
<input checked="" type="checkbox"/>	Risk 10.03	Undertake a full review of the Council's assets and their suitability for the application of renewable energy technologies to deliver Carbon and financial benefits.	Development work is continuing on a potential solar farm site which could deploy 2.4MW of solar PV (vs the 0.1MW we currently have installed within the estate), this is the current renewable energy priority for the Carbon Reduction Team.
<input checked="" type="checkbox"/>	Risk 10.04	Plan and deliver Sustainable Urban Drainage Systems (SuDS) - SuDS such as permeable surfaces, swales, wetlands and ponds can play an important role in managing local flood risk in urban areas since they replicate natural surface water drainage systems.	City Services are in the process of creating the new SuDS enforcement team to ensure the city's statutory duties are delivered.
<input checked="" type="checkbox"/>	Risk 10.05	Comprehensive and robust Adverse Weather Plans.	Service area and Corporate plans remain in place to mitigate this risk
<input checked="" type="checkbox"/>	Risk 10.06	Plan and deliver green infrastructure - green infrastructure (trees, parks, open space etc) is important because it can help to keep cities cool in the summer, provide drainage routes for surface water and provide pathways through the urban environment for biodiversity to migrate as the climate changes.	in partnership with NRW Green and Safe Vision has been created as a statement setting for the Green and Safe Strategy. The strategy will contain the wider Green Infrastructure Assessment and following results from the interactive consultation tool, the strategy will develop the four main themes that are emerging. These themes are: Access and Safety; Greening Opportunities; Value to the Community and Making the most of Green Assets. Delivery plan will follow on from strategy.
<input checked="" type="checkbox"/>	Risk 10.07	Selection of road surfacing materials that have a higher resistance to heat damage and /or heat reflectivity. Increased preventative maintenance to seal surfaces to water ingress and arrest disintegration.	Current carriageway programmes focus on preventative treatments to maximise the residual life of the asset. These treatments restore texture depth and seal the surface from water ingress and deterioration due to the effects of weather
<input checked="" type="checkbox"/>	Risk 10.08	Maximise on available Welsh Government funding to improve the defence of the city against fluvial and coastal flooding.	City Services continue to work with WG to deliver/improve fluvial and coastal defence from flooding

## Risk 11 - Increasing Demands on IT Services and the Modernised Agenda

Responsible Officer	Chief Executive
Lead Cabinet Member	Cabinet Member for Community and Resources



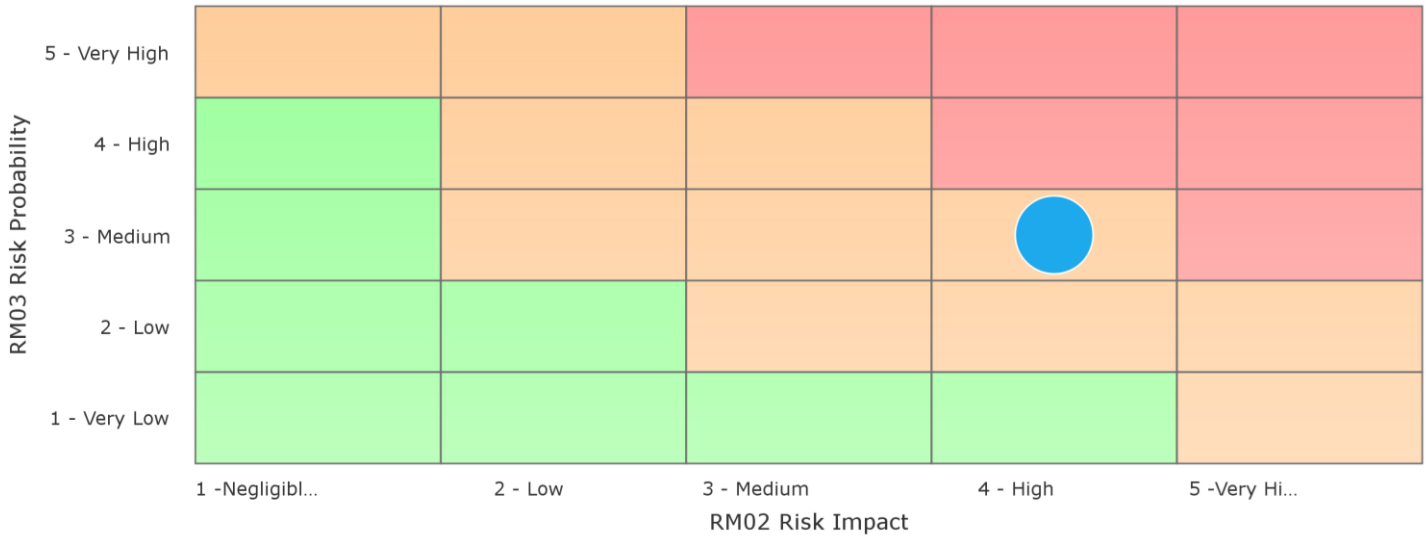
Mar 2019		<b>Risk 11 - Assessment Date &amp; Score</b>					
<b>Risk - Direction of Risk</b>	<b>Direction</b>	Series					
The risk remains at a similar level to previously. The council's governance arrangements combined with the Shared Resource Service's governance are designed to manage the challenges and opportunities.	→	Risk Score	Risk Rating				
				Jun 2018	Sep 2018	Dec 2018	Mar 2019
		> RM01 Risk Rating	Risk Score	6	6	6	6
			Risk Rating	●	●	●	●

Mar 2019		<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/>	Risk 11.01	The Digital Service was established with a new structure to support its client management role. The monthly Delivery Group meetings with the SRS has been established to review performance (financial and non-financial) and project updates. This also includes project and core planned work to be prioritised. Regular briefings also take place with the Cabinet Member responsible and to the Chief Executive via the Head of Service. The Council is represented on all the SRS Boards by relevant staff.	Work with an external consultant was carried out to review the original investment objectives of the partnership and its organisation/governance. Improvements have been identified and these will be progressed over coming months. Representatives from the council play an active role in the boards of the Shared Resource Service (SRS) and regular updates are provided to the Cabinet Member and Senior Leadership Team (SLT).
<input checked="" type="checkbox"/>	Risk 11.02	The Council's Programme Boards (Modernised Council, Thriving Cities, Resilient Communities, and Aspirational People) will provide the necessary oversight and scrutiny on the delivery of key Council projects involving IT services and infrastructure. The NCC Digital City Board was established to monitor the delivery of IT projects across the council with representation from SRS, Digital Service and council services. The Council will ensure that the necessary funding and financial monitoring and reporting controls are in place to ensure that the Council and SRS to deliver key projects and service delivery	Regular reporting and monitoring of IT projects takes place to the Modernised Council and Thriving City boards as well as to the Digital City Board. Recent successful major projects include the migration to Microsoft Office 365 cloud based e-mail/Skype for Business and the implementation of a new CRM system for customer services and the council's web site.



# Risk 12 - Increasing Risk of Cyber Attack

Responsible Officer	Chief Executive
Lead Cabinet Member	Cabinet Member for Community and Resources

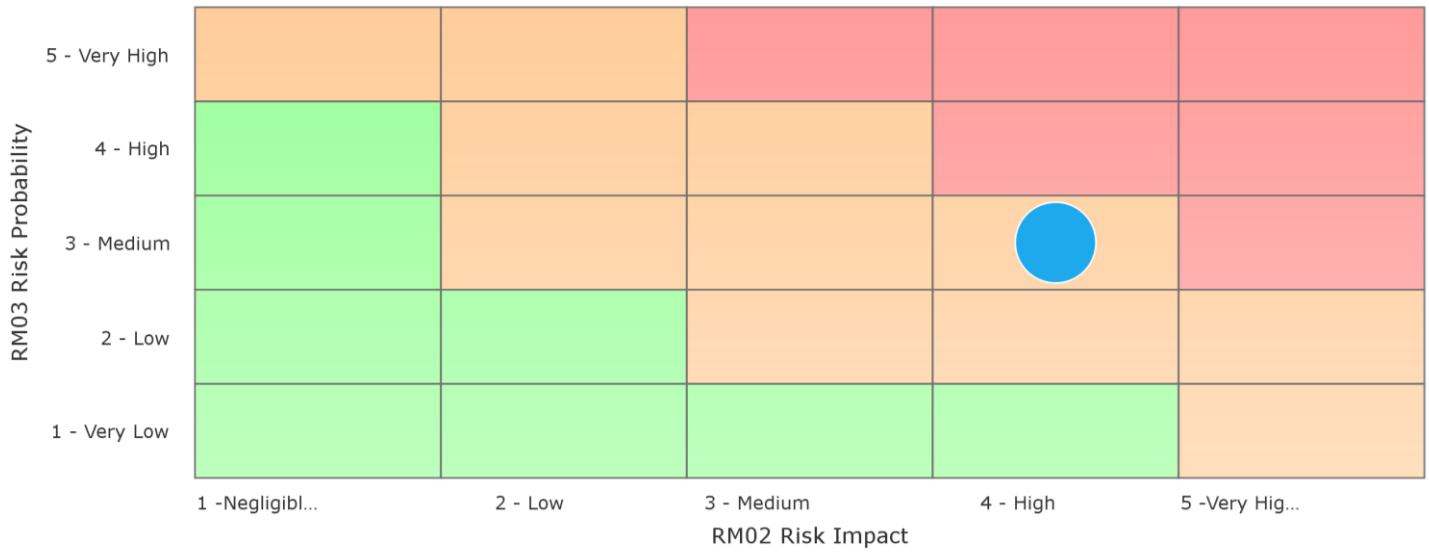


Mar 2019		<b>Risk 12 - Assessment Date &amp; Score</b>				
<b>Risk - Direction of Risk</b>	<b>Direction</b>	Series				
The risk remains similar to previous quarters. It is mitigated by a number of processes but the environmental threat level remains relatively high.	→	Risk Score	Risk Rating			
				Jun 2018	Sep 2018	
				Dec 2018	Mar 2019	
		> RM01 Risk Rating	Risk Score	12	12	
			Risk Rating	●	●	

Mar 2019		
	<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 12.02	<p>The Council is working Regular PSN accreditation and other IT security reviews such as the 'Minimum Cyber Security Standard' to be completed with findings / recommendations reported and monitored through the Information Governance Group.</p> <p>SRS will also undertake the necessary IT security updates on all new and existing IT infrastructure to minimise the risk of external and internal cyber threats. The Council's IT team to receive regular risk updates and notifications.</p>	The council gained formal Public Services Network (PSN) accreditation in Q3 of this year. System updates/patches continue to take place and the next annual IT Health Check to support PSN accreditation is planned for May 2019. Work has also taken place to prepare for Cyber Essentials Plus.
<input checked="" type="checkbox"/> Risk 12.03	<p>Policies, procedures and guidance relating to IT Security will be updated to align with the new GDPR legislation and also current arrangements in relation to the management and monitoring of cyber risks.</p> <p>Training and guidance is provided to all Newport City Council staff, agency workers and consultants which access the IT Network. The Council's Data Protection online training will also be updated to reflect recent GDPR changes and staff will continue to be encouraged to attend the Council's information Security training. SRS will also continue to notify and provide guidance to staff where potential cyber threats are received.</p>	All information management policies have been updated to reflect any changes required as a result of General Data Protection Regulation (GDPR) and re-published. An on-going training programme continues with two monthly courses. Revised e-learning has been developed to incorporate the principles of GDPR and highlight key messages.
<input checked="" type="checkbox"/> Risk 12.04	<p>Disaster Recovery and business continuity processes between the Council and SRS will be reviewed and updated. These processes will be subject to regular testing with findings and recommendations fed back to the Council's Information Governance Group to ensure the necessary action(s) are completed.</p>	Phase 1 of the improved disaster recovery arrangements is now complete. Phase 2 is designed to provide key systems availability via reduced processing facilities when the primary system is unavailable. This is being progressed by the Shared Resource Service (SRS) in conjunction with the council and is being reviewed in line of new systems such as Office 365 and CRM.

# Risk 13 - Maintaining the Highways Network

Responsible Officer	Mar 2019 Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Streetscene The Deputy Leader and Cabinet Member for Assets and Member Development



### Risk 13 - Assessment Date & Score

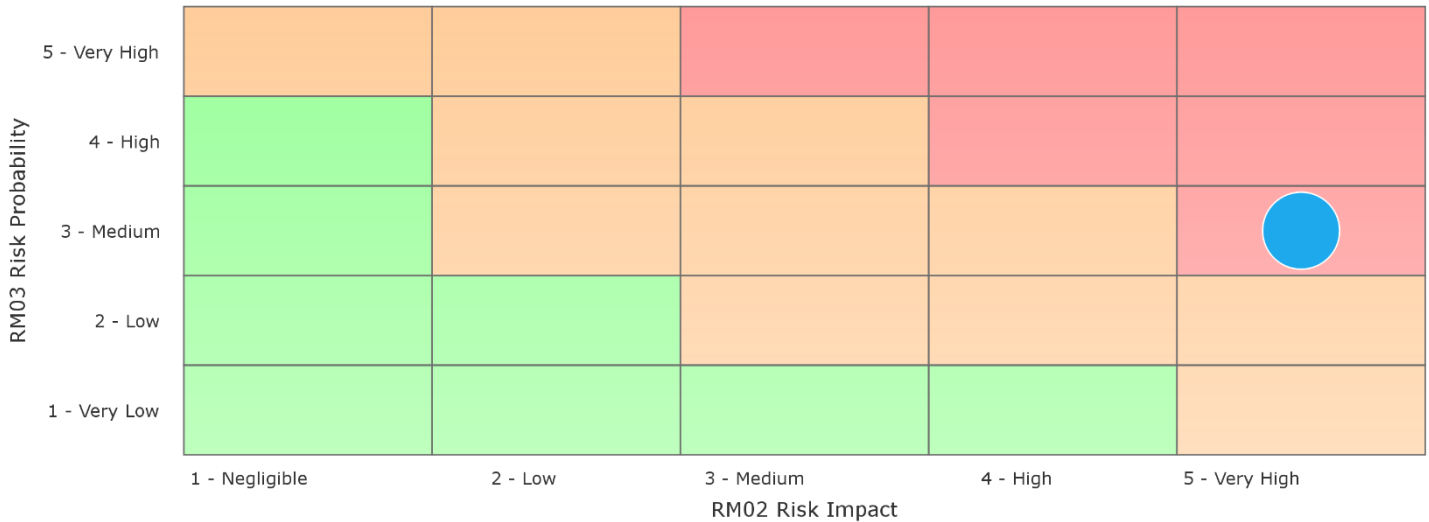
Mar 2019	
<b>Risk - Direction of Risk</b>	<b>Direction</b>
The risk remains at 20 for this period as the funding element for this risk remains a challenge for the Council in light of the backlog of work required to maintain and improve the highways network.	➔

Series		Jun 2018	Sep 2018	Dec 2018	Mar 2019
Risk Score	Risk Rating	25	25	20	20
> RM01 Risk Rating	Risk Score	▲	▲	▲	▲
	Risk Rating				

	Mar 2019	
	<b>Planned Mitigation</b>	<b>Risk - Action Status/Control Strategy</b>
<input checked="" type="checkbox"/> Risk 13.01	<p>The limited capital investment available is implemented to maximise sustainability of the highway asset through good asset management planning. However, asset condition continues to decline. The authority continues to lobby through WLGA and CSS(W) for recognition of asset decline and commensurate funding to address the backlog.</p> <p>The Highways Asset Management Plan (HAMP) will support this approach by:</p> <ul style="list-style-type: none"> <li>• Development of co-ordinated forward work packages for highway maintenance, operation and improvement</li> <li>• Maintenance strategies for the long term, based whole life costing</li> <li>• Calculating future funding requirements to maintain agreed levels of service</li> <li>• Managing risk of failure or loss of asset serviceability</li> </ul>	<p>The current gross replacement cost of the highway asset is calculated at £1.1b, depreciated replacement cost of £938m (cost to return assets to whole life from the existing condition) and an annual depreciation cost of £11.5m.</p> <p>Current maintenance backlog is calculated at £90m for Newport. This level of underinvestment is generally the picture for all local authorities in Wales</p>
<input checked="" type="checkbox"/> Risk 13.02	<p>Robust inspection and repair regimes ensure that the safety and serviceability of assets are maintained and mitigate the risk of 3rd party claims against the authority as a result of failure of duty to maintain the highway under section 41 Highways act.</p>	<p>Inspection and repair regimes continue to ensure safety and serviceability of our highway assets</p>

# Risk 15 - City Centre Security & Safety

Responsible Officer: Strategic Director - Place  
 Lead Cabinet Member: Cabinet Member for Streetscene



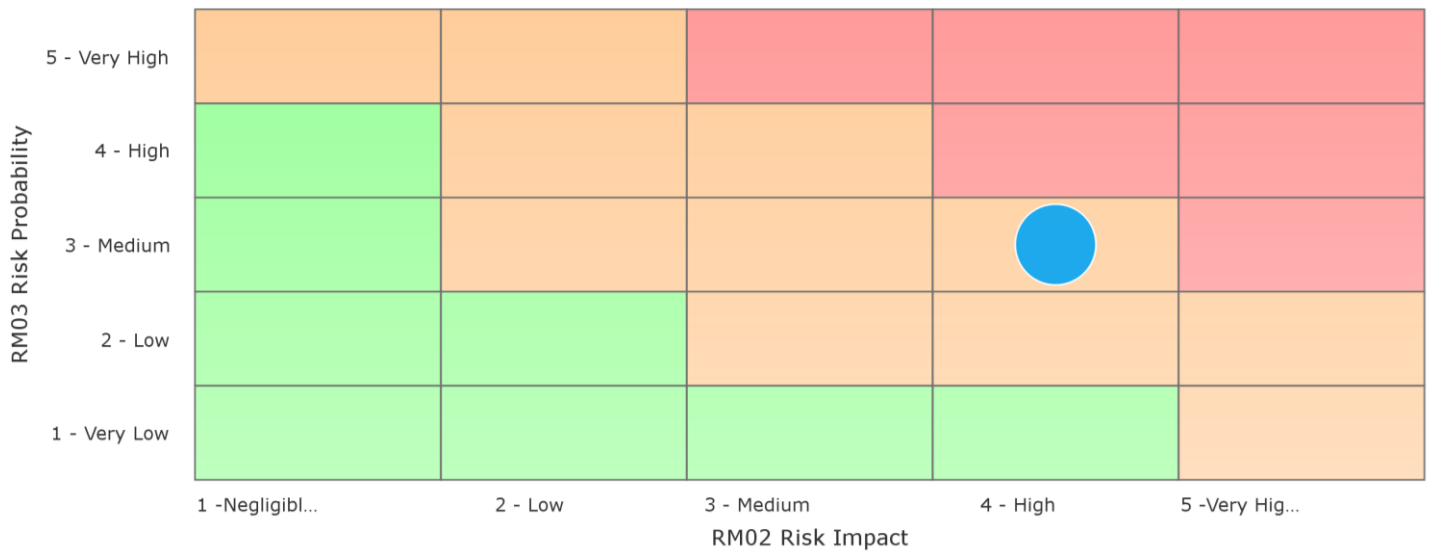
### Risk 15 - Assessment Date & Score

Mar 2019	Series		Risk Score	Risk Rating				
<b>Risk - Direction of Risk</b>	<b>Direction</b>							
No change in Quarter 4. This risk will be re-assessed in Q1 2019/20.	→				Jun 2018	Sep 2018	Dec 2018	Mar 2019
		> RM01 Risk Rating	Risk Score		~	~	15	15
			Risk Rating		»	»	▲	▲

Mar 2019		
	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/> Risk 15.01	Secure vehicle access and pedestrian separation. – City Services are currently working on a plan to identify what mitigation measures can be put in place around the city centre to protect densely populated areas.	Preparatory works have been undertaken and full topographical and underground surveys have been completed. A basic bollard/ location design is currently undergoing the required vehicle dynamic assessment
<input checked="" type="checkbox"/> Risk 15.02	Training for those businesses operating within the city centre that may be affected by significant incidents – Gwent Police will lead on the training with the use of NCC channels to promote and raise initial awareness of the scheme.	Arrangements with Gwent Police have been confirmed and prior to delivery of the new ACT Strategic event key agreed lines of communication are being developed to ensure a consistent and accurate approach to any issues that will arise. Anticipated event delivery June / July 2019. All attendees will be advised of additional on line tools to assist in developing their individual supporting emergency arrangements.
<input checked="" type="checkbox"/> Risk 15.03	Co-ordinated evacuation arrangements for the city centre – NCC will be working with all partner organisations such as the emergency services and private business within the city centre to construct a co-ordinated evacuation system.	Preparatory work has been undertaken to evaluate potential delivery models and in consultation with Gwent Police a model similar to Cardiff EVAC has been identified as the preferred way forward. The joint training event with Gwent Police will also be utilised to introduce to city centre partners the concept of co-ordinated evacuation arrangements after which the key development of localised arrangements will commence.

# Risk 16 - Maintenance and improvement of Council buildings and assets.

	Mar 2019
Responsible Officer	Strategic Director - Place
Lead Cabinet Member	Cabinet Member for Streetscene



### Risk 16 - Assessment Date & Score

Series

Mar 2019	
<b>Risk - Direction of Risk</b>	<b>Direction</b>
No change in this quarter.	➔

	Risk Score	Risk Rating	Jun 2018	Sep 2018	Dec 2018	Mar 2019
> RM01 Risk Rating	Risk Score		~	~	12	12
	Risk Rating		»	»	●	●

	Mar 2019	Planned Mitigation	Risk - Action Status/Control Strategy
<input checked="" type="checkbox"/>	Risk 16.01	The Council through its Strategic Property Partners Newport Norse are undertaking condition surveys which have been enhanced from 2018/19 to better understand the entire estate with a reduced commitment for each year thereafter for cyclical condition surveys and specialist surveys to accompany.	Condition surveys have commenced and reports have recently been received by Newport Norse. A validation exercise is being undertaken and analysis to understand how the data compares to estimates previously used across the NCC estate.
<input checked="" type="checkbox"/>	Risk 16.02	The Council's Building and Assets Evaluation matrix is regularly monitored and reported to the Capital Strategy and Asset Management Group.	This process of monitoring is undertaken every other month utilising members of the Capital Strategy and Asset Management Group (CSAMG).

# Report

## Cabinet

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### Part 1

Date: 19 June 2019

Item No: 6

**Subject** **Expectation of reduction in the number of children who are looked after**

**Purpose** To ensure Cabinet Members are fully sighted on the expectations from Welsh Government for Children's Services and the challenges this poses.

**Author** Sally Jenkins

**Ward** City wide

**Summary** The First Minister has prioritised a reduction in the numbers of children who are looked after across Wales. This report focusses on the required plan submitted to Welsh Government and the proposed actions to meet the expectation of a reduction. In addition the report highlights the potential challenges this presents more widely across the Council.

**Proposal** **To share the Welsh Government expectation of a reduction children looked after numbers across the Council and with partner agencies including the Public Services Board**

**Action by** Sally Jenkins

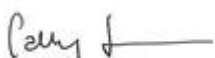
**Timetable** Immediate

This report was prepared after consultation with:

- Children's Services staff
- Strategic Director for People
- Cabinet Member for Social Services

Please list here those officers and members you have consulted on this report.

### Signed



## Background

The First Minister proposed in his manifesto a reduction in the numbers of children who are looked after across Wales as a priority for his government. The First Minister has carried this manifesto proposal into government and all Local Authorities are required to submit a template to Welsh Government outlining how they propose to reduce their numbers of children who are looked after. The completion of the template follows on from a number of meetings and discussions across the sector with Welsh Government officials. All Local Authorities have been visited by Welsh Government and have presented the local challenges with the support of the Statutory Director, the Chief Executive and the Cabinet Member.

The First Minister is concerned that the numbers of children who are looked after in Wales are per ten thousand significantly higher than in England. The implications for the children of Wales are that they are more likely to be removed from their family care and brought up within public care. The outcomes for children in care are well documented and while it is recognised that poorer outcomes are in very large part a result of early childhood experiences prior to becoming looked after the challenges of good public care and the need to support families to care well are evident throughout social care research. While short term risk can quickly be managed by removing children from the family home the long term implications of managing the risk in this way are additional costs and a failure to provide sustainable solutions.

This report focusses on the required plan submitted to Welsh Government and the proposed actions to meet the expectation of a reduction. The template submitted to Welsh Government is attached to this report in order for Members to have the opportunity to be aware of the proposed direction of travel. While the template highlights areas of good practice there are no budget or staffing implications within the proposals for reduction submitted to Welsh Government. There is however a shift in culture required to manage increased levels of risk and this does potentially present challenges across the Council.

The additional factor is the cost of children who are looked after is leading to a position where the budgets for children's services across Wales and England are continuing to grow.

- A single child coming into the care of Newport City Council through the courts will result in a minimum spend of £20,000 in social work and legal costs. This is for the very simplest of cases and where a child does not remain in the care of the Local Authority.
- The costs of somewhere to live in Newport for children in care vary from £11,400 per annum for a child under the age of 4 with no additional needs to £306,800 per annum for a child aged over 11 in residential care.

Children's Services are the lead part of the Council in working to support the most vulnerable families and manage risk for children and young people across Newport. Every week the Local Authority receives at least 120 referrals which progress to some form of intervention. Of those 120 at least 25 will require a formal investigation with Social Services staff alongside colleagues in health and police. There are clear themes for the most vulnerable families including domestic abuse, substance misuse, poor parental mental health and the challenges of poverty. For Children's Services the task is to manage the presenting risk and then to support families wherever possible for children to remain at home. When that is no longer safely possible then Children's Services will intervene to provide the best possible care away from the family.

Working towards reducing the numbers of children who are looked after is challenging for all agencies but the current trajectory of ever rising numbers is untenable both in terms of the outcomes for children and the costs across the public sector. Early intervention and prevention to avert the need for children becoming looked after is preferable in terms of both cost avoidance and potentially better outcomes. Working collaboratively across the Council and with partner agencies is more likely to achieve successful prevention and divert children from becoming looked after.

There are no decisions arising from this report. Children’s Services will be reporting regularly against the template to Welsh Government and continuing to work with all partners and take shared appropriate steps to address how to reduce the numbers of children who are looked after in the City.

## Financial Summary

The proposals for Welsh Government are funded from with the core Children’s Services budget.

The five LAs have submitted a proposal for additional funding from the ICF revenue streams. If this bid is successful the existing proposals to specifically target reducing the numbers of children subject to care proceedings will be strengthened.

## 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?
Continued rise in numbers of looked after children	H	M	The proposals in the Welsh Government template lay out mitigation. First discussions have taken place to widen the scope for involvement in responsibility for reducing the numbers of looked after children	Head of Children’s Services, Strategic Director of People

## Links to Council Policies and Priorities

The work outlined in the Reduction template is part of the wider work of Children’s Services which has been developed to support the delivery of the Council’s Corporate Plan and is focused on

Resilient Communities  
Aspirational People

The Corporate Plan sets out the meeting of the Well Being Objectives. “Supporting children to remain safely with their families” is within Well Being Objective 3 – To enable people to be healthy, independent and resilient.

## Options Available and considered

Not applicable

## Preferred Option and Why

Not applicable

## Comments of Chief Financial Officer

The report confirms there are no direct financial implications in the creation and implementation of the plan attached to this report. The Council has invested significantly in this area to keep up with growing demand which the action plan recognises and this is the case nationally in the UK.

Any reduction in looked after children should bring savings to the Council’s budget and in the context of a significant projected financial challenge over the next 3 years and the significance of this budget area

in relation to the overall budget, is welcomed. As the action plan acknowledges, this is a challenging aspiration given the complexity that surrounds the current situation.

### **Comments of Monitoring Officer**

There are no specific legal issues arising from the report at this stage, as Cabinet are simply being advised about the Welsh Government priority for reducing the numbers of children in care and the template response submitted on behalf of the Council, which sets out the proposed strategic approach to addressing this issue. The proposals set out in the template have no immediate financial or staffing implications, but will require cultural changes throughout the organisation. The emphasis on early intervention and prevention, to avoid taking children into care, is clearly beneficial to all concerned. However, this has to be balanced against the Council's statutory safeguarding duties under the Social Services and Well-Being (Wales) Act 2014 and the increasing risk of satellite litigation and claims in "non removal" cases.

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

This report outlines how the Council will reduce the number of looked after children in its care. The proposals are closely linked to sustainable development and wellbeing principles with an emphasis on early intervention and prevention and working collaboratively to manage risk and enable children to remain safely with their families, with the aim of achieving better long-term outcomes for children. The improved wellbeing outcomes will benefit children themselves, their families and wider society and will also alleviate financial pressures on public services. There are no direct human resources implications to this report however cultural change will be required within the Council.

### **Comments of Cabinet Member**

The Cabinet Member has approved the report for consideration by cabinet.

### **Local issues**

Not applicable

### **Scrutiny Committees**

None

### **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.

There is no decision linked to this report hence a FEIA will be completed as and when necessary.

## **Children and Families (Wales) Measure**

Although no targeted consultation takes place specifically aimed at children and young people, consultation on planning applications and appeals is open to all of our citizens regardless of their age. Depending on the scale of the proposed development, applications are publicised via letters to neighbouring occupiers, site notices, press notices and/or social media. People replying to consultations are not required to provide their age or any other personal data, and therefore this data is not held or recorded in any way, and responses are not separated out by age.

## **Wellbeing of Future Generations (Wales) Act 2015**

Report writes need to indicate how they have considered the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act. You will need to demonstrate you have considered the following:

- Long term: the importance of balancing short- term needs with the need to safeguard the ability to also meet long – term needs
- Prevention: How acting to prevent problems occurring or getting worse may help us meet our objectives
- Integration: Consider how the proposals will impact on our wellbeing objectives, our wellbeing goals, other objectives or those of other public bodies
- Collaboration: have you considered how acting in collaboration with any other person or any other part of our organisation could help meet our wellbeing objectives
- 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.

Throughout this report the core principles of the WFG are referenced and interwoven. This is clearly a long term proposal which seeks to embed preventative working as a way to ensure good outcomes for citizens. Integration with other elements of the Council and public bodies is key to the success of the proposal. Working in collaboration with families and partner agencies is vital and drives this plan. Throughout Children's Services we are looking for new ways to fully involve and engage children, young people, parents and carers this plan is key to that work.

## **Crime and Disorder Act 1998**

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

## **Consultation**

Comments received from wider consultation, including comments from elected members, are detailed in each application report in the attached schedule.

## **Background Papers**

Template attached

Dated:  
07.06.2019

Mae'r dudalen hon yn wag yn

Children & Young People Services purpose is *“To promote and safeguard the wellbeing of children and young people within their families and where this is not possible, to provide good quality alternative care”*.

Key to all our work is firstly to support children to remain safely with their families. Our emphasis on preventative services alongside support for families to explore their strengths and meet the needs of their children is crucial in meeting this primary outcome. Secondly when children are in our care and leave our care we must do everything to support them to ensure positive lives in the present and strong opportunities for the future. Children and families deserve services that are truly holistic and recognise the multifaceted nature of family’s lives. In order to ensure we can work to meet this need partnership underpins our service. We work with families and a broad range of agencies to meet our stated outcomes and to offer the best possible services.

Over the coming four years we will look to develop and enhance all elements of Children’s Services to safely reduce the numbers of children being looked after while ensuring that those who are looked after have effective and nurturing placements which promote aspiration into adulthood.

Children & Young People Services in Newport provides a range of services to children and families requiring care and support:

**Operations** – These teams undertake first point of contact work for referrals from the public and other agencies. They undertake assessments, multi-agency plans strategy meetings and conferences, initiate care proceedings, court processes and other activities. The core teams in this area include: Newport Safeguarding Information Hub; Child Protection and Children requiring Care and Support teams; Mentoring Assessment and Consultancy; Disabled Children’s Team; Pathway Teams; and Youth Justice Team.

**Placement resources for our Looked after Children** – The teams provide the direct care for children who live in residential homes, in-house fostering services, out of county placements, promoting educational achievement, training and therapeutic support for emotional and mental wellbeing. The core teams in this area include: Residential Services; Fostering Team; Family and Friends Team.

**Integrated Family Support Services** - The teams provide a range of evidence based, outcome focussed interventions designed to reduce risk in families, improve resilience and avoid the need for more acute services. They work with the frontline social work teams to prevent children coming into the care system unless it is absolutely necessary. They support families when children are being rehabilitated to the care of their birth families and provide court ordered supervised contact as well as certain key programmes requested by the courts. The teams involved are: Family Assessment and Support Team; Family Support team; Family Contact Service and Prevention Services.

**Safeguarding** – The Safeguarding team is responsible for ensuring that all vulnerable children are protected and that where there is evidence that a child is at risk or harm that effective processes are in place to make an assessment, investigate and take action if necessary. The Safeguarding team

collaborates with other social care providers, health board, police, education, probation and other organisations both internal and external) through the South East Wales Safeguarding Children s Board.

Children & Young People Services has set 4 Objectives in our Service Plan

Objective 1 – Deliver effective services to support children to safely remain with their families

Objective 2 – Improve outcomes for children in care and care leavers including a focus on safe reunification

Objective 3 – Ensure a range of placements are available for looked after children

Objective 4 – Prevent offending and re-offending by children and young people.

The Objectives and the whole Service Plan are reviewed within Children’s Services and then through the Scrutiny processes of the whole Council at mid-year and again at the end of the year.

**Defined service users:** Children on the edge of care, Looked after children, their families and carers

**Headline performance measures:**

- reduction in the number of children in care
- reduction in the number of children placed out of county
- reduction in the number of children placed out of Wales
- reduction in the number of children removed from parents with a learning disability

In the section below the current position is outlined. Using the data of the past five years and the current trajectory of the figures we recognise that halting the increase and then turning to a reduction is testing. The National research all points to a very wider range of factors and influences and casting the net to facilitate enduring change will require work across agencies and the courts. On the current trajectory our numbers of looked after children would increase during this year by a further 55 taking us to 435. We have already put in place a number of measures to attempt to slow this trajectory but realistically rebuilding a culture where a higher degree of risk is accepted takes time and the ownership across all areas of public bodies as well as

**Proposed Reduction Expectations**

**Year One (2019/20):**

410

**Year Two (2020/21):**

Reduction of 10% to 15% on the total number at the end of March 2020

**Year Three (2021/22):**

Reduction of 5% on the total number at the end of March 2021

<p>an understanding and emphasis throughout the universal and preventative services. This year we therefore plan to slow the upward trajectory and then look to reduce the overall figures in the following two years. The work to move towards these reductions has already commenced but is also predicated on the support of the revenue streams from ICF and work with Cafcass Cymru and the courts.</p> <p>We have set the overall expectations for the reduction expectations. For the detail in the three other bullet points for the reasons outlined in the section “How are we doing?” below we have not set reduction expectations.</p> <p>Predicting the UASC numbers continues to be immensely challenging and while predicting looked after children numbers is always fraught the complexity in this area poses particular difficulties and potentially compromises any setting of targets.</p>	
<p><b>What other measures have you agreed to support the headline performance measures?</b></p> <p>Number of Care Orders with children subject to Placement with Parent regulations revoked</p> <p>Number of kinship carers becoming SGO carers</p> <p>Number of adoptions</p> <p>Number of children with a care plan for long term fostering</p>	
<p>Number of families referred for Family Group Meetings within period</p>	<p>No and % of families experiencing the following outcomes as a result of the Family Group Meeting:</p> <ul style="list-style-type: none"> <li>• Referral to ‘step-down’/early support service</li> <li>• Diverted from Child Protection Case Conference</li> <li>• Diverted from Section 76 Accommodation</li> <li>• Diverted/stepped down from PLO</li> </ul>

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**REDUCTION EXPECTATION PLAN REPORTING TEMPLATE  
NEWPORT CITY COUNCIL**

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<p>Numbers of children/young people accessing edge of care services during period</p>	<p>The number and % of children and young people receiving edge of care support who are:</p> <ul style="list-style-type: none"> <li>i. Supported to remain living within their family network</li> <li>ii. Supported to return to live within their family network from care</li> <li>iii. Supported to return to or engage in education</li> <li>iv. Supported to engage in community activities</li> <li>v. Removed from the CPR as a result of the intervention</li> </ul> <p>Numbers and % of those children/young people accessing edge of care services who have experienced school exclusion during period</p>
<p>The number of children/young people subject to an SGO expressed as proportion per LA</p>	<p>Number of SGO carers subject to an SGO support plan (other than financial support only)</p> <p>The number of children/young people subject to SGO who have experienced school exclusion during period</p> <p>The numbers and % of SGO carers accessing:</p> <ul style="list-style-type: none"> <li>i. peer support (during period)</li> <li>ii. training (during period)</li> <li>iii. psychological support (during period)</li> </ul>
<p>The number of young people aged 14 – 17 years (broken down by age) referred for Mediation within a period</p>	<p>Of those accessing the Mediation service how many were:</p> <ul style="list-style-type: none"> <li>i. Supported to remain living within their family</li> <li>ii. Supported to return to their family pending a planned move to alternative accommodation</li> <li>iii. Supported to become Looked After</li> <li>iv. Supported into independent living (ie non-LAC)</li> </ul>
<p>Number of families referred for Baby and Me support</p>	<p>Of those accessing the Baby and Me service how many babies were:</p> <ul style="list-style-type: none"> <li>i. Supported to remain living within their parent(s)</li> <li>ii. Supported to live with a family member</li> <li>iii. Became Looked After</li> </ul>

**How are we doing?**

Number of looked after children at 31 March 2018				
	2015	2016	2017	2018
Newport	285	295	280	325
Wales	5,615	5,665	5,945	6,405
Rate per 10,000 population at 31 March				
	2015	2016	2017	2018
Newport	85.5	87.5	83.1	94.3
Wales	89.2	90.2	94.6	102.0

**As of 31.3.2019**

Number of children in care	375
Number of Children Placed within Newport	234
Number of children placed out of county	121
Number of children placed out of Wales	20
Number of looked after children removed from parents with a LD	0
Number of UASC	25

The number of public law referrals for 2018/19 was 122 compared to 139 in 2017/18. However, the rate of children exiting care also fell hence the overall rise. The increasing numbers of UASC pose a particular challenge as there are no exit options for this group of children and the LA cannot reduce this number nor control the numbers arriving. Newport had seen steady looked after children figures until 2017/18 when there was a significant spike. The increasing numbers continued into 2018/19. We have explored the reasons behind the increase and while there is no single factor there are a range of themes which emerge some identified by IPC from dip sampling and some by the LA using available data and dip sampling.

- There was a jump in the number of UASC
- A higher identified rate of domestic abuse than in similar LAs
- An increase in large families – 3 children or more – including families who had been known to the LA for many years and a single precipitating factor triggered care proceedings
- A slowly increasing rate of placement with parents
- A slowly increasing rate of kinship care arrangements
- Private law cases referred with no previous knowledge within the LA

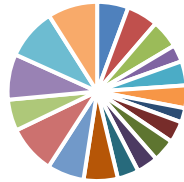
We have reviewed the children currently placed out of county and with our increased residential capacity already targeted those furthest afield to return to Newport. On examination none of the children placed out of county are placed inappropriately with the majority being placed in South East Wales and only 23 placed away from Gwent or Cardiff. For example there are 7 children placed in specialist provision for disabled children who will remain out of county while there are 11 children placed for adoption further afield. There are a further group placed with family members.

We have reviewed all our children currently placed out of Wales and all are placed either for adoption and have been placed out of Wales because of their identified needs or are placed with family members. The practice in this area is therefore already meeting the best interests of this group of children. We will continue to work on an individual case basis to ensure that only when it is in a child's best interests are they placed outside of Wales.

In 2018/19 there were no children removed from parents who were receiving services from adult learning disability services. There were 7 parents who after capacity assessments required the services of the Official Solicitor. Capacity assessments are commissioned for a number of parents. The assessments are used to assist with the type of parenting support offered. All PAMS assessments are carried out internally and we also use elements of PAMS methodology when appropriate. Family support services have worked on specific packages for parents who require extra support and for example materials in different formats. We await the work commissioned from IPC under the auspices of the MAG to consider further steps we could take when parents require support identified in capacity assessments while recognising that the number of parents who access adult services is extremely low.



Age of Looked after Children 31.05.2019



31.05.2019

- 199 of the looked after children in Newport are aged over 11
- 67 of this group have been looked after for more than 10 years
- 27 are UASC

Reducing our long term looked after children population requires as far as possible avoiding long term care within the Local Authority. From the data we have we recognise if children are over 11 when they become looked after the more likely it is they will then remain with us until their 18<sup>th</sup> birthday and they are more likely to require external placements. While children becoming looked after post 11 is usually as a result of a range of factors the most common are the risks of criminal and sexual exploitation. There is already significant partnership work in Newport focussed on the local risks of criminal exploitation. Actions to tackle child criminal exploitation need to be proactive, focus on prevention, early identification and intervention, as well as disrupting activity and prosecuting perpetrators. Nationally the research has already established a link with school exclusions as a marker a risk of exploitation. As part of the city-wide work drawing on multi agency resources to understand and address contextual safeguarding we will look to understand the local risk factors of school exclusion and exploitation.

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**Story behind the headline measures (progress since the last reporting period):**

N/A for this submission

**Key partners who are supporting us**

As part of the discussions in preparing this template dates have been set first to present this information to Cabinet and then to agenda for the Public Services Board. All the key partners sit at the PSB and so will be part of the discussions and actions over the coming three years. The Regional Partnership Board has allocated ICF and Transformation funding directly and indirectly to the support for and reduction of looked after children numbers

There are existing mechanisms in place to work effectively with colleagues in the Local Authority legal

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	<p>teams.</p> <p>There are established relationships with education colleagues in the Local Authority, Gwent Police and different section of the health Board.</p> <p>NCC has a long-established Strategic Partnership with Barnardo’s who deliver our family support as well as working with us to develop evidence based new provision.</p> <p>We will continue to have regular contact with local Cafcass Cymru staff to work within the court arena.</p>
	<p><b>What further activity will you be taking place to support your reduction expectation plans?</b></p> <p>In line with the recommendations of the Care Crisis Review NCC has introduced Family Group Conferencing. The service commenced in February 2019 The provision is managed within the Barnardo’s Partnership and follows the rollout of training across all services including Preventions and YOS. The service was initially funded from a reconfiguration within the existing family support service but if the regional children’s revenue ICF bid is successful the service will be supplemented with an increased number of coordinators. Initial take up has been very promising and the provision is being built into processes as a default option. FGCs are being offered across Children’s Services with a view to preventing families from moving through the systems of risk and creating strengths based family solutions. They will also be used with a view to reunification for children who have been in care for many years but where home circumstances have changed and with support they can return home.</p> <p>On 1.7.2019 we will launch a service specifically focussing on working at a much earlier stage with vulnerable women who are likely to require Children’s Services involvement. Again the service is part of a refocussing of resource in the Barnardo’s Partnership but will be enhanced with the ICF funding. The support is intensive with social work, health visitor and family support worker input from 12 weeks of pregnancy and into the early months after the baby is born.</p> <p>Developing a separate Family and Friends team specifically to support family carers with a focus on support for Special Guardianship arrangements has commenced with again a reconfiguration of existing</p>

**REDUCTION EXPECTATION PLAN REPORTING TEMPLATE  
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	<p>staff and resources. The team will undertake all elements of Connected Person’s Assessments and then support family carers be they Special Guardians or kinship carers. The team will also work with all children subject to placement with parent to ensure revocation is expedited as quickly as possible. Part of the work of this team is to build assurances for when in the court arena that the support wrapped around Special Guardianship is on par if not greater than that offered to foster carers. As a Local Authority we have a comparably low rate of kinship carers but are under increasing pressure from the court to approve family members as foster carers rather than explore the option of SGO.</p> <p>We have reviewed the timing of legal meetings and are using the work being completed within the Public Law Working Group to improve our pre-proceedings work. This includes a recognition of the drivers within the court which encourage risk averse practice. There are local challenges in this area with a demanding court arena and an exceptionally high rate of referral of cases to the Official Solicitor for HRA resulting from alleged delays in removal.</p> <p>We have used local authority and ICF capital funding to develop our in-house children’s residential care. A new children’s home opened in January 2019 with a further home planned for later in the year. The children placed in the home returned to Newport from out of authority residential care. This will also be the case in the second home. We are currently driving our recruitment of foster carers locally. While we have a reasonable pool of carers our use of IFAs and hence out of the immediate locality is too high. The recruitment of new carers is an ongoing attempt to address this issue.</p>
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# Report

## Cabinet

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### Part 1

Date: 19 June 2019

Item No. 7

**Subject** Cabinet Work Programme

**Purpose** To report and agree the details of the Cabinet's Work Programme.

**Author** Cabinet Office Manager

**Ward** All Wards

**Summary** The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The current work programme runs to June 2020, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

**Proposal** To agree the updated work programme.

**Action by** Cabinet Office Manager

**Timetable** Immediate

This report was prepared after consultation with:

- Chief Officers
- Monitoring Officer
- Head of Finance
- Head of People and Business Change

## Background

The purpose of a work programme is to enable Cabinet to organise and prioritise the reports and decisions that are brought to each meeting. Effective forward planning by Cabinet also impacts positively upon the Council's other Committees, in particular Scrutiny, because work needs to be coordinated on certain reports to ensure proper consultation takes place before a decision is taken.

The Wales Audit Office's Corporate Assessment of Newport City Council, published in September 2013, highlighted the need to "strengthen committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up". Since that report was published, these monthly reports have been introduced to provide Cabinet with regular updates on its work programme, and the opportunity to comment upon and shape its priorities as an executive group. The Democratic Services team have also been working to improve the links between this and other work programmes under its management (e.g. Council, Scrutiny, Audit) to ensure the various programmes are properly coordinated.

The current work programme runs to June 2020, but it is a working document. It is important that the work programme is owned and prioritised by Cabinet Members directly, so each month the Cabinet Office Manager brings a report updating Cabinet on any changes, so that the revised programme can be formally approved.

The updated work programme is attached at Appendix 1.

## Financial Summary

There is no direct cost to adopting a programme of work.

## 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?
No action taken	M	L	Work programming arrangements are in place to ensure they are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.	Head of Democratic Services
The process is not embraced by report authors and members	M	M	If there is proliferation of unplanned or late items, the opportunity to ensure work programming is timely, meaningful, informative, and transparent, balanced, monitored, and joined up will diminish	Head of Democratic Services

## Links to Council Policies and Priorities

These proposals will help the Council provide the best possible service to members and will provide information to the public and elected members.

### **Options Available and considered**

- To adopt the process and adopt or amend the work programme
- To consider any alternative proposals raised by Cabinet members
- To take no action

### **Preferred Option and Why**

To adopt the proposals which should help to ensure work programming arrangements are timely, meaningful, informative, and transparent, balanced, monitored, and joined up.

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

There are no financial implications in adopting a programme of work.

### **Comments of Monitoring Officer**

There are no legal implications in adopting a programme of work.

### **Staffing Implications: Comments of Head of People and Business Change**

There are no specific staffing implications in adopting a programme of work.

### **Comments of Cabinet Member**

The Chair has approved the report for consideration by cabinet.

### **Local issues**

There are no local issues as this report relates to the Council's processes

### **Scrutiny Committees**

Monthly update reports allow the Scrutiny and Cabinet work programmes to be better coordinated. The Scrutiny team and Members are currently developing new ways of working through the new Committees, and continually reviewing the work programmes to focus more on risk, and ensure all scrutiny activity has a defined purpose and constructive outcome.

### **Equalities Impact Assessment and the Equalities Act 2010**

This does not apply to this procedural report.

### **Children and Families (Wales) Measure**

This procedural report does not impact on Children and Young People although certain reports contained in the programme may do and will need appropriate consultation and comment when they are presented to cabinet.

### **Wellbeing of Future Generations (Wales) Act 2015**

This is a procedural report but reports contained within the programme will need to show how consideration has been given to the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act.

### **Crime and Disorder Act 1998**

This does not apply to this procedural report

### **Consultation**

As set out above

### **Background Papers**

[Newport City Council Corporate Assessment](#), Wales Audit Office (September 2013)

[Newport City Council – Corporate Assessment Follow Up 2015](#), Wales Audit Office (May 2015)

Dated: 30 May 2019

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**NEWPORT CITY COUNCIL: CABINET/COUNCIL WORK PROGRAMME 2019/20**

<b>MEETING</b>	<b>AGENDA ITEMS</b>	<b>LEAD OFFICER</b>
<b>CABINET 19-JUN-19</b>	Treasury Management Year End Report	HoF
	Corporate Risk Register Update	HP&BC
	Forecast Numbers of LAC	SD People
	Work Programme	COM
<b>CABINET 17-JUL-19</b>	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	Revenue Budget and MTFP Draft Proposals	HoF
	Brexit Update	HP&BC
	Welsh Language Annual Report	HP&BC
	Performance Update – Early Year End PI Analysis	HP&BC
	Strategic Equality Plan Annual Report	HP&BC
	Air Quality Management Plan (provisional – dependant on whether public consultation and engagement with stakeholders has been carried out)	HoL&R
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
<b>COUNCIL 23-JUL-19</b>	NNDR Relief Scheme Treasury Management Year End Report	
<b>COUNCIL 10-SEP-19</b>	Democratic Services Annual Report Welsh Language Annual Report Strategic Equality Plan Annual Report Member/Officer Protocol Scrutiny Annual Report Standards Committee Annual Report Improvement Plan	
<b>CABINET 18-SEP-19</b>	Capital Programme Monitoring July 2019	HoF
	July Revenue Budget Monitor	HoF
	WAO Annual Improvement Report	HP&BC
	WAO Certificate of Compliance 1	HP&BC
	Corporate Plan Annual Report	HP&BC
	Corporate Risk Register Update	HP&BC
	Work Programme	COM
<b>CABINET 16-OCT-19</b>	Final Year End Analysis of PIs (All Wales Data)	HP&BC
	WAO Annual Improvement Report	HP&BC
	WAO Scrutiny Fit for the Future Report	HP&BC
	Director of Social Services Annual Report	SD – People
	Work Programme	COM
<b>CABINET</b>	Revenue Budget Monitor	HoF

13-NOV-19		
	Capital Budget Monitor	HoF
	Revenue Budget and MTFP: Draft Proposals	HoF
	Public Services Ombudsman Annual Report	CX
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC
COUNCIL 26-NOV-19	Director of Social Services Annual Report	
CABINET 11-DEC-19	Revenue Budget and MTFP: Draft Proposals	HoF
	Treasury Management 6 monthly Report	HoF
	Corporate Risk Register Update	HP&BC
	WAO Certificate of Compliance 2	HP&BC
	Work Programme	COM
CABINET 15-JAN-20	Mid-Year Analysis of PIs	HP&BC
	Revenue Budget Monitor	HoF
	Capital Budget Monitor	HoF
	PSB Summary Document (for information/awareness)	HP&BC
	Work Programme	COM
COUNCIL 28-JAN-20	Mayoral Nomination 2020/21 Council Schedule of Meetings Treasury Management 6 monthly report Council Tax Reduction Scheme	
CABINET 12-FEB-20	Capital Strategy and Treasury Management Strategy	HoF
	Revenue Budget and MTFP: Final Proposals	HoF
	Corporate Safeguarding	HC&YPS
	Work Programme	COM
COUNCIL 25-FEB-20	Budget and Medium Term Financial Plan Capital Strategy and Treasury Management Strategy	
CABINET 11-MAR-20	Pay and Reward Statement 2020/21	HP&BC
	EAS Business Plan	CEdO
	Categorisation of Schools	CEdO
	Corporate Risk Register Update	HP&BC
	Work Programme	COM
CABINET 08-APR-20 (t.b.c.)	Items TBC	
	Corporate Safeguarding	HC&YPS
	Work Programme	COM
	PSB Summary Document (for information/awareness)	HP&BC

COUNCIL 28-APR-20	IRP Annual Report NNDR Rate Relief Pay and Reward Policy	
CABINET 06-MAY-20 (t.b.c.)	Items TBC	
	Work Programme	COM
COUNCIL 12-MAY-20	AGM	
CABINET 03-JUN-20 (t.b.c.)	Corporate Risk Register Update	HP&BC
	Risk Management Strategy	HP&BC
	Work Programme	COM

Mae'r dudalen hon yn wag yn