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Auditor General for Wales

Well-being of Future Generations: An examination of the step of 'Maintain our focus on regenerating the city centre to become one of the UK's top cities' – **Newport City Council**

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This document is also available in Welsh.

The team who delivered the work comprised Ian Phillips, Jeff Brown and Non Jenkins under the direction of Huw Rees.

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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.

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Summary report

Summary

Why we undertook the Examination

- 1 In accordance with the Wellbeing of Future Generations (Wales) Act 2015 (the Act) the Auditor General for Wales (the Auditor General) is statutorily required to examine public bodies to assess the extent to which they have acted in accordance with the sustainable development principle when:
 - a. setting their wellbeing objectives; and
 - b. taking steps to meet them.

The Act defines the sustainable development principle as acting in a manner: '...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'

- 2 The Auditor General must provide a report on his examinations to the National Assembly for Wales at least a year before each Assembly election. The first such report must be published by 2020, before the 2021 Assembly election.
- 3 During 2018-19 the Auditor General is undertaking examinations across the 44 bodies covered by the Act to inform his report to the National Assembly.
- 4 In May 2018, the Auditor General published his report, 'Reflecting on Year One – How have public bodies responded to the Well-being of Future Generations Act (2015)'. He concluded that public bodies support the principles of the Act and are taking steps to change how they work.
- 5 In developing our approach to undertaking the examinations during 2018-19, we engaged with a range of stakeholders including through our pilot work during 2017-18. We also worked closely with the Future Generations Commissioner.
- 6 As the preliminary work in year one included a consideration of how public bodies had set their Well-being Objectives, the principal focus of this work is the way in which public bodies are taking steps to meet their wellbeing objectives.
- 7 The findings in this report are based on fieldwork that we undertook during the period October to December 2018. We ran an initial fieldwork scoping workshop in October 2018 with Council officers and explored how each of the five ways of working had been applied.
- 8 We then reviewed key documents and undertook interviews with Council officers, officials from partner organisations and elected members.
- 9 This report sets out our findings from our examination of the step of 'Maintain our focus on regenerating the city centre to become one of the UK's top cities', a step the Council is taking to meet its Wellbeing Objectives.
- 10 It also sets out the Council's initial response to our findings.

What we examined

- 11 We examined the extent to which the Council is acting in accordance with the sustainable development principle in taking the step of 'Maintain our focus on regenerating the city centre to become one of the UK's top cities'.
- 12 The step we examined sits under the Council's wellbeing objective of 'To promote economic growth and regeneration whilst protecting the environment'.
- 13 The Council has delivered a number of regeneration projects since gaining city status in 2002 and the Council has ongoing plans for regeneration. The Council's Corporate Plan sets out the commitment to redeveloping sites such as the Westgate, Chartist Tower and the Market, to implement strategies to proactively encourage businesses to come to the city, and to open up empty building and shops and facilitate the development of high grade offices.
- 14 There are various key strategies and plans which inform and underpin the step, including the Economic Growth Strategy 2015-25, the Newport City Centre Masterplan and the Local Development Plan.
- 15 The Masterplan has three main areas of focus: Northern Gateway, City Core and Riverside. The Council is planning sub-masterplans for each of these three areas.
- 16 In order to act in accordance with the sustainable development principle public bodies must take account of the following 'ways of working':

Exhibit 1: the 'five ways of working'

The table below sets out the 'five ways of working' as defined in the Welsh Government's 'Well-being of Future Generations (Wales) Act 2015 The Essentials'¹ document.

The Five Ways of Working
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 public bodies meet their objectives.
Integration Considering how the public body's wellbeing objectives may impact upon each of the wellbeing goals, on their other objectives, or on the objectives of other public bodies.
Collaboration Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its wellbeing objectives.

¹ Well-being of Future Generations (Wales) Act 2015 The Essentials, Welsh Government (2015)

The Five Ways of Working

Involvement

The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the area which the body serves.

- 17 Our examination found that: In taking steps to regenerate the city centre the Council has many positive examples of how it has taken account of the SDP.
- 18 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.

Detailed report

Part One: Examination Findings

The Council has set out its vision for regenerating the city centre over a ten-year period. The Council's forthcoming update to its Economic Growth Strategy (EGS) presents an opportunity to extend the vision into the longer-term

What we looked for

- 19 We looked for evidence of:
- a thorough understanding of current and long-term needs and the associated challenges and opportunities;
 - planning over an appropriate timescale;
 - resources allocated to ensure long-term benefits; and
 - appropriate monitoring and review.
- 20 Our examination was also informed by the positive indicators for the 'long-term' that we have identified and used as part of this examination.²

What we found

- 21 We identified the following strengths:
- The Council makes good use of regional retrospective and long-term data to inform its decision making
 - The Council has a ten-year strategy which establishes its ambition for the regeneration of the city centre. The next refresh of this strategy is due in 2019 and presents an opportunity to articulate a longer-term vision
 - The Council is seeking to proactively mitigate some of the key risks that may impact on the regeneration of the City Centre, including Brexit and the removal of the M4 Tolls.
- 22 We identified the following areas for development:
- Make better use of data from other sources from outside of the region to inform its longer-term approach, such as using intelligence from the Centre for Cities and WLGA's Generations 2050 analysis
 - As the impacts of the key risks on the step become clearer, manage these in a way that adequately takes account of the longer-term
 - Ensure a longer-term view is taken when refreshing the EGS and the sub City Centre Master/delivery plans.

² See Appendix 1

The Council is using data to improve its understanding of prevention, however, the Council needs to be clearer about how its environmental aspirations for the city centre can deliver long-term benefits

What we looked for

- 23 We looked for evidence of:
- a thorough understanding of the nature and type of problem the step could help prevent from occurring or getting worse;
 - resources allocated to ensure preventative benefits will be delivered; and
 - monitoring and review of how effectively the step is preventing problems from occurring or getting worse.
- 24 Our examination was also informed by the positive indicators for 'prevention' that we have identified and used as part of this examination.³

What we found

- 25 We identified the following strengths:
- The Council has a number of positive examples of how it has used data effectively to inform its decisions to take preventative actions
 - Action has been taken to ensure that key iconic buildings are prevented from deteriorating and made fit for the future
 - Use of a community benefits toolkit to define and help deliver long-term preventative benefits within many of its city centre regeneration projects
 - Bold but managed risks taken to ensure its city centre regeneration strategy has been effectively resourced.
- 26 We identified the following areas for development:
- The current EGS and the Council's Well-being Objective identify environmental improvement/protection as a key aim, and there is an opportunity for the sub masterplans to provide a clearer long-term environmental vision, and articulate the preventative benefits to be delivered in the context of regenerating the city centre
 - There is an opportunity for key preventative interventions within the current Public Services Board (PSB) Well-Being Plan around green spaces and sustainable travel to be aligned within the proposed refresh of the next EGS in 2019.

³ See Appendix 1

The Council has made progress towards embedding an integrated approach to the step. However, this could be further improved by developing a consistent understanding of integration across the Council

What we looked for

- 27 We looked for evidence of consideration of:
- how this step could contribute to the seven national wellbeing goals;
 - how delivery of this step will impact on the Council's wellbeing objectives and wider priorities; and
 - how delivery of this step will impact on other public bodies' wellbeing objectives.
- 28 Our examination was also informed by the positive indicators for 'integration' that we have identified and used as part of this examination.⁴

What we found

- 29 We identified the following strengths:
- The approach to the city centre regeneration recognises that this can only be achieved with interventions that deal with the whole system (such as the environment, community safety, health and wellbeing) and not just focus on economic factors
 - Through the PSB and Newport Economic Network (NEN) the Council has enabled partners and stakeholders to consider how the step and its delivery will impact their own objectives
 - In designing and delivering this step the Council has taken some positive actions to consider how it might impact its other wellbeing objectives. This has resulted in different services which have an interest in the city centre working in a more joined up way.
- 30 We identified the following areas for development:
- There is still some misunderstanding as to the correct meaning of 'Integration', as defined by the Act. The Council needs to ensure it adopts a common understanding for the five ways of working
 - Whilst the current suite of plans and strategies articulate the ambition for the city centre, a number of these predate the Act. Therefore, as they are refreshed there is an opportunity for them to be more aligned and explicitly demonstrate how the regeneration of the city centre will support the delivery of the Council's wellbeing objectives and goals.

⁴ See Appendix 1

As the Council's collaborative forums evolve, it will be important for the Council to be clear on their respective roles in supporting its regeneration (city centre) ambition

What we looked for

- 31 We looked for evidence that the Council:
- has considered how it could work with others to deliver the step (to meet its wellbeing objectives, or assist another body to meet its wellbeing objectives);
 - is collaborating effectively to deliver the step; and
 - is monitoring and reviewing whether the collaboration is helping it or its stakeholders meet wellbeing objectives.
- 32 Our examination was also informed by the positive indicators for 'collaboration' that we have identified and used as part of this examination.⁵

What we found

- 33 We identified the following strengths:
- The Council has good collaborative relationships with many of the key partners and stakeholders involved in delivering this step
 - The Council has started to meet with the NEN. Whilst this group is fairly embryonic, in principle this has the opportunity of promoting and delivering a joined up and shared vision for the city centre.
- 34 We identified the following areas for development:
- The Council have recognised that there is always more to be done to ensure that the full benefits of effective collaboration are maximised
 - Building on the good collaborative relationships, there is an opportunity to consider how key partners can be enabled to influence the forthcoming refreshed EGS and the sub-masterplans to optimise long-term strategic alignment in terms of the vision for the regenerated city centre.

⁵ See Appendix 1

There are a number of good examples of involvement in this step, however, the Council recognises that it needs to build on its approaches to ensure that the full diversity of citizens and stakeholders can influence Council decision making

What we looked for

- 35 We looked for evidence that the Council has:
- identified who it needs to involve in designing and delivering the step;
 - effectively involved key stakeholders in designing and delivering the step;
 - used the results of involvement to shape the development and delivery of the step; and
 - sought to learn lessons and improve its approach to involvement.
- 36 Our examination was also informed by the positive indicators for 'involvement' that we have identified and used as part of this examination.⁶

What we found

- 37 We identified the following strengths:
- The Council's free WIFI project enables it to engage with a wider group of citizens to help shape decisions around the city centre
 - The Council has sought to effectively engage or involve hard to reach citizens in some of its specific city centre projects
 - The proposed Neighbourhood Hubs should provide more opportunity for the Council to involve people at the local community level.
- 38 We identified the following areas for development:
- Council has recognised it needs to be more sophisticated in how it captures engagement activity and ensures that the citizens involved fully represent the diversity of Newport. For example, there is an opportunity with the update of the EGS and sub-masterplans to facilitate the ability of citizens and stakeholders to influence those documents.

⁶ See Appendix 1

Part Two: Council's response

39 Following the conclusion of our fieldwork we presented our findings to the Council at a workshop on 20 February 2019 that was attended by the Head of Regeneration, Investment and Housing, the Performance and Research Business Partner, the Senior Policy and Performance Officer and the Development and Regeneration Manager. At this workshop the Council began to consider its response to our findings and as a result of discussions at the workshop and further reflection on our findings the Council has developed the following actions.

The Council's response

Area of Development	Management Response	Responsible Team / Officer	Agreed Date of Delivery
<p>Long-Term – Make better use of data from other sources from outside of the region to inform its longer-term approach, such as using intelligence from the Centre for Cities and WLGA's Generations 2050 analysis.</p>	<p>Newport Intelligence Hub and the drive for evidence based working is a commitment of the Corporate Plan.</p>	<p>Head of People and Business Change</p>	<p>30th June 2019</p>
	<p>The Council recently delivered the Gwent Futures workshop with key stakeholders focusing on the long-term scenarios (over 25 years) for Newport. A report will be published and shared in 2019-20.</p>	<p>Policy Partnership & Involvement.</p>	
	<p>The Regeneration Investment & Housing team will also review the WLGA 2050 analysis and will consider its findings when drafting the final version of the next iteration of the Economic Growth Strategy.</p>	<p>Regeneration Investment & Housing</p>	

Area of Development	Management Response	Responsible Team / Officer	Agreed Date of Delivery
<p>Long-Term – As the impacts of the key risks on the step become clearer, manage these in a way that adequately takes account of the longer-term.</p>	<p>The Gwent Futures Report will outline the scenarios, risks and impacts on Newport over the next 25 years and the findings will be published and shared across the organisation.</p> <p>The Council is also undertaking a corporate wide risk review and the Corporate Management Team will be holding a risk workshop to review and identify the key corporate risks in the Authority. This review will consider the 5 ways of working and the short/long-term impacts of risk.</p>	<p>Policy Partnership & Involvement</p> <p>Policy Partnership & Involvement</p>	<p>30th June 2019</p> <p>31st December 2019</p>
<p>Long-Term – Ensure a longer-term view is taken when refreshing the EGS and the sub City Centre Master/delivery plans.</p>	<p>As part of the Economic Growth Strategy (EGS) refresh we will examine the longer-term (20-25 years) impacts and will consider these as part of the Strategic plans and documents.</p>	<p>Regeneration Investment & Housing</p>	<p>Ongoing</p>
<p>Integration – There is still some misunderstanding as to the correct meaning of ‘Integration’, as defined by the Act. The Council needs to ensure it adopts a common understanding for the five ways of working.</p>	<p>Following the completion of the Future Generations Toolkit, ongoing work is required to embed the principles (including integration).</p> <p>Throughout the Council different approaches are being undertaken to ensure consistent messages are being delivered. Examples</p>	<p>Policy Partnership Involvement</p>	<p>Ongoing</p>

Area of Development	Management Response	Responsible Team / Officer	Agreed Date of Delivery
	include the democratic and decision making processes; corporate/ service planning, monitoring and report.		
<p>Integration – Whilst the current suite of plans and strategies articulate the ambition for the city centre, a number of these predate the Act. Therefore, as they are refreshed there is an opportunity for them to be more aligned and explicitly demonstrate how the regeneration of the city centre will support the delivery of the council’s well-being objectives and goals.</p>	As part of the EGS refresh we will ensure that the Future Generations Act, Well-being Plan and Corporate Plan are incorporated and aligned.	Regeneration Investment & Housing	To commence 2019-20
<p>Involvement – The Council has recognised it needs to be more sophisticated in how it captures engagement activity and ensures that the citizens involved fully represent the diversity of Newport. For example, there is an opportunity with the update of the EGS and sub-masterplans to facilitate the ability of citizens and stakeholders to influence those documents.</p>	<p>As recognised by the Wales Audit Office the Council is open to look at different approaches to engage with its stakeholders. With the development of the Neighbourhood Hubs, Bus Wi-Fi and other media platforms eg Citizens Panel, Facebook, Twitter we will look to utilise these to engage with stakeholders for the EGS and Master Plan refresh.</p> <p>As an ongoing action the Council is reviewing how we can involve at stakeholders as early as possible in decision making processes.</p>	<p>Regeneration Involvement & Housing</p> <p>Policy Partnership & Involvement</p>	<p>30th June 2019</p> <p>Ongoing</p>

Area of Development	Management Response	Responsible Team / Officer	Agreed Date of Delivery
<p>Collaboration – The Council have recognised that there is always more to be done to ensure that the full benefits of effective collaboration are maximised.</p>	<p>The Council is always looking to build and strengthen its collaborative network across Gwent, Wales and beyond. Through its involvement with organisations at the PSB, G10, Newport Economic Network et al we are always reviewing how services can be delivered efficiently and effectively to our users.</p>	<p>Corporate Management Team</p>	<p>Ongoing</p>
<p>Collaboration – Building on the good collaborative relationships, there is an opportunity to consider how key partners can be enabled to influence the forthcoming refreshed EGS and the sub-masterplans to optimise long-term strategic alignment in terms of the vision for the regenerated city centre.</p>	<p>We will be presenting the draft EGS to the Public Services Board and Newport Economic Network. We will be looking to ensure that the Strategy is endorsed and regular monitoring/reports will be shared with the groups.</p>	<p>Regeneration Investment & Housing</p>	<p>31st December 2019</p>
<p>Prevention – The current EGS and the Council's Well-being objective identify environmental improvement/protection as a key aim, and there is an opportunity for the sub masterplans to provide a clearer long term environmental vision, and articulate the preventative benefits to be delivered in the context of regenerating the city centre.</p>	<p>We will incorporate the environmental improvement and protection into the EGS and other supporting plans.</p>	<p>Regeneration Investment & Housing</p>	<p>31st December 2019</p>

Area of Development	Management Response	Responsible Team / Officer	Agreed Date of Delivery
<p>Prevention – There is an opportunity for key preventative interventions within the current PSB Well-being Plan around green spaces and sustainable travel to be aligned within the proposed refresh of the next EGS in 2019.</p>	<p>It is acknowledged that there is scope for the EGS to be incorporated into the PSB Intervention Boards. This will enable the Council to deliver more integrated work to ensure the environmental impacts and vision are considered.</p>	<p>Policy Partnership & Involvement</p> <p>Regeneration Investment & Housing</p>	<p>31st December 2019</p>

- 40 We will continue to monitor the Council's progress in implementing these actions, and the extent to which they address the issues we have identified in our findings.

Appendix 1

Positive Indicators of the Five Ways of Working

The table below sets out 'positive indicators' for each of the five ways of working that we have identified and will use to help inform our assessments of the extent to which bodies may be applying the SDP. We do not intend to use the indicators as a 'checklist'. They should be viewed as 'indicators' that will help us to form conclusions, rather than 'determinants' of the extent to which a body is acting in accordance with the SDP in taking steps to meet its wellbeing objectives.

Exhibit 2: Positive Indicators of the Five Ways of Working

What would show a body is fully applying the long-term way of working?
<ul style="list-style-type: none">• There is a clear understanding of what 'long-term' means in the context of the Act.• They have designed the step to deliver the wellbeing objective/s and contribute to their long-term vision• They have designed the step to deliver short or medium-term benefits, which are balanced with the impact over the long-term (within the project context).• They have designed the step based on a sophisticated understanding of current and future need and pressures, including analysis of future trends.• Consequently, there is a comprehensive understanding of current and future risks and opportunities.• Resources have been allocated to ensure long-term as well as short-term benefits are delivered.• There is a focus on delivering outcomes, with milestones/progression steps identified where outcomes will be delivered over the long-term.• They are open to new ways of doing things which could help deliver benefits over the longer-term.• They value intelligence and pursue evidence-based approaches.
What would show a body is fully applying the preventative way of working?
<ul style="list-style-type: none">• The body seeks to understand the root causes of problems so that negative cycles and intergenerational challenges can be tackled.• The body sees challenges from a system-wide perspective, recognising and valuing the long-term benefits that they can deliver for people and places.• The body allocates resources to preventative action that is likely to contribute to better outcomes and use of resources over the longer-term, even where this may limit the ability to meet some short-term needs.• There are decision-making and accountability arrangements that recognise the value of preventative action and accept short-term reductions in performance and resources in the pursuit of anticipated improvements in outcomes and use of resources.

What would show a body is taking an 'integrated' approach?

- Individuals at all levels understand their contribution to the delivery of the vision and wellbeing objectives.
- Individuals at all levels understand what different parts of the organisation do and proactively seek opportunities to work across organisational boundaries. This is replicated in their work with other public bodies.
- Individuals at all levels recognise the cross-organisation dependencies of achieving the ambition and objectives.
- There is an open culture where information is shared.
- There is a well-developed understanding of how the wellbeing objectives and steps to meet them impact on other public sector bodies.
- Individuals proactively work across organisational boundaries to maximise their contribution across the wellbeing goals and minimise negative impacts.
- Governance, structures and processes support this, as do behaviours.

What would show a body is collaborating effectively?

- The body is focused on place, community and outcomes rather than organisational boundaries.
- The body has a good understanding of partners' objectives and their responsibilities, which helps to drive collaborative activity.
- The body has positive and mature relationships with stakeholders, where information is shared in an open and transparent way.
- The body recognises and values the contributions that all partners can make.
- The body seeks to establish shared processes and ways of working, where appropriate.

What would show a body is involving people effectively?

- Having an understanding of who needs to be involved and why.
- Reflecting on how well the needs and challenges facing those people are currently understood.
- Working co-productively, working with stakeholders to design and deliver.
- Seeing the views of stakeholders as a vital source of information that will help deliver better outcomes.
- Ensuring that the full diversity of stakeholders is represented and they are able to take part.
- Having mature and trusting relationships with its stakeholders where there is ongoing dialogue and information is shared in an open and transparent way.
- Ensure stakeholders understand the impact of their contribution.
- Seek feedback from key stakeholders which is used to help learn and improve.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru