

Springing Forward – Strategic Asset Management – Newport City Council

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Summary report

Summary

What we reviewed and why

- 1 We reviewed the Council's arrangements for managing its assets. We looked at how the Council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements.
- 2 We delivered this review as the world moves forward, using the experiences from the global COVID-19 pandemic, to look at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 3 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 we recognised that it would take time for public bodies to embed the sustainable development principle, but we did also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 4 This project had three main aims:
 - to gain assurance that councils are putting in place arrangements to transform, adapt and maintain the delivery of services;
 - to explain the actions that councils are taking both individually and collectively to strengthen their arrangements as well as further embed the sustainable development principle; and
 - to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 5 The Council has a substantial land and property estate covering over 170 buildings such as the Civic Centre, Telford Depot, schools, etc at the end of March 2021, with a total net book value above £342 million.
- 6 We undertook the review during the period November and December 2021, reviewing key Council documents and speaking with officers and elected members of the Council.

What we found

- 7 Our review sought to answer the question: Is the Council's strategic approach to its assets effectively helping the Council to strengthen its ability to transform, adapt and maintain the delivery of its services in the short and longer term?

- 8 Overall we found that the Council strategically plans and manages its property assets well, needs to put the sustainable development principle at the heart of its considerations, building on the experience of the pandemic
- 9 We reached this conclusion because:
- the Council’s strategic assets plan has clear aims and rationale and is supporting its overall corporate plan, however, progress has understandably slowed as it learns from the COVID-19 pandemic;
 - the Council was comparatively well placed to respond to the COVID-19 crisis with swift agility and in partnership with other public sector organisations; and is looking to retain some benefits of new ways of working for the future; and
 - the Council does present some performance indicators to help evaluate its performance and accepts that this data would be enhanced by comparing with and learning from other organisations.

Recommendations

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
Develop longer-term planning that is required by the Sustainable Principle	
R1	The Council should demonstrate longer-term considerations for its property portfolio strategic planning and associated decision-making processes.
Further develop partnership working	
R2	Engage with public sector partners across Gwent to realise the potential benefits arising from a strategic approach to a single public estate.

Detailed report

The Council strategically plans and manages its property assets well, needs to put the sustainable development principle at the heart of its considerations, building on the experience of the pandemic

The Council's strategic assets plan has clear aims and rationale and is supporting its overall corporate plan, however, progress has understandably slowed as it learns from the COVID-19 pandemic

Why setting a clear vision is important

- 10 A clear asset management strategy and well-developed delivery plans are important to identify the intended usage of assets over the short and longer term; the funding available to maintain and develop assets, as well as the anticipated future level of demand for, and cost of, providing services. It is also important to identify how the asset management strategy aligns and is integrated with other relevant strategies including, agile working, workforce, digital and carbon reduction. Learning from the changes brought about by the global COVID-19 pandemic, can help councils strengthen their ability to transform, adapt and maintain the delivery of services.
- 11 In reaching this conclusion we found that:
- the Council's existing Strategic Asset Management Plan 2018-25 (SAMP) states that it does not require all of its current property portfolio, further that 'the current portfolio is larger than the Council can afford to retain in the medium to long term'.
 - the Council has improved its understanding of its estates since setting its current Corporate Plan and now has a clear intent for using some assets for corporate use and also for disposal. However, the Council intends to continue with an audit of all its built assets by 2025 to fully understand their long-term carbon impact with the aim of better strategic utilisation.
 - learning from the experiences of the COVID-19 pandemic, listening to its workforce and seeking to cost effectively reduce carbon impact has led the Council to rethink its property portfolio. The Council continues to develop how it will use its buildings, particularly the Civic Centre, in the future.

The Council was comparatively well placed to respond to the COVID-19 crisis with swift agility and in partnership with other public sector organisations; and is looking to retain some benefits of new ways of working for the future

12 In reaching this conclusion we found that:

- the Council responded swiftly to the rapidly changing environment of the COVID-19 global pandemic. The lockdown in March 2020 required previously office-based staff to work from home. The Council was in a comparatively good position to respond to the immediate need for its office-based staff to work from home. This was largely due to already having made it routine to provide staff with laptops and investing in cloud technologies.
- maintaining vital Council services required staff to be flexible in how and where they worked, imaginative digitisation of services and practical solutions to ensure that vital Council services continued whilst also contributing to the extension of additional health services. This has understandably resulted in operational plans and arrangements moving at greater pace and in some areas developed beyond the scope of the existing Strategic Asset Management Plan and other key Council strategies.
- in November 2019, the Council opened its partnership hub in Ringland that delivers a range of services, including health, Police and Third Sector and Council from a single building that is purposefully located to serve the community. This is a pathfinder project to establish an appropriate model for the remaining three hubs. The Council will be reviewing the [Ringland hub](#) model and developing proposals for the remaining three hubs by March 2023.
- the Council is progressing with its 'New Normal' project to further reduce the need for traditional office accommodation space by:
 - enabling many of its staff to continue to work from home for some of the time;
 - changing the office environment to collaborative working places;
 - condensing service delivery offices into less buildings; and
 - integrating with the Council's strategic priorities, particularly to improve its estate to meet the 2030 Net zero carbon commitment, driven in part by the Council's Climate Change Plan and Local Area Energy Plan.

The Council's strategy and management of its property portfolio and existing arrangements for surplus buildings are effective, but now needs to put the sustainable development principle at the heart of its considerations, building on the experience of the pandemic

Why the Well-being of Future Generations (Wales) Act 2015 is important

- 13 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 we recognised that it would take time for public bodies to embed the sustainable development principle, but we did also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 14 Under the Well-being of Future Generations (Wales) Act 2015 (the Act) councils must act in accordance with the sustainable development principle. To do this, the Council must take account of the five ways of working: Long-term, Integration, Involvement, Collaboration and Prevention. Statutory guidance on the Act¹ sets out the seven core organisational activities that it is essential that the sustainable development principle is applied to. Assets are one of those core organisational activities.
- 15 In reaching our conclusion we found that:
- the WFG Act requires the Council to demonstrate that it has balanced the demands of short term whilst also safeguarding its ability to also meet needs in the longer term. The Council can demonstrate some thinking in the medium term for its property portfolio. Whilst the Council continues to gather further information on its property estate it accepts that it should also incorporate longer-term trends into their plans.
 - the Council lists that its property estate is a major risk in its [Corporate Risk Register 2021/22 Quarter 2 Update \(Page 24\)](#), with an action 'to develop a balanced strategy for the future of the Civic Centre', describing the action: 'in response to financial, environmental, legal sustainability and social pressures we need to develop a balanced strategy for the future preservation and transformation of the Civic Centre'.

In 2020, public sector organisations in Gwent agreed to collaborate with a view to identifying possible strategic approaches to a One Public Estate.

¹ Welsh Government, [Shared Purpose: Shared Future 1 – Core Guidance](#), 2016

Such an approach may identify flexibility, collaboration opportunities and a reduced dependency to seek out private market solutions which may potentially reduce costs. However, progress so far has been limited by the operational demands of the COVID-19 pandemic.

- the Council can demonstrate many examples of where it works collaboratively with other partners. Examples of recent collaborative working include the Track, Trace and Protect service and working with Aneurin Bevan University Health Board to house vaccination centres. But the Council still accepts that collaboration is still proving difficult to embed routinely.
- the Council's pilot for a community hub in Ringland and planned further developments are an example of where the Council is actively placing multi-agency services in a single building situated within the community. We were told that the hubs provided vital support and preventative services to the most vulnerable residents during the pandemic.

The Council does present some performance indicators to help evaluate its performance and accepts that this data would be enhanced by comparing with and learning from other organisations

Why effectively reviewing the delivery of planned changes to assets is important

- 16 Councils should use data to monitor whether they are achieving their intended outcomes effectively and efficiently over the short and longer term. Using benchmarking data can provide useful insight into councils' individual performance and can identify opportunities for learning from other organisations.
- 17 In reaching this conclusion we found that:
- as part our examination of councils' performance assessments covering the 2020-21 financial year, we noted a reduced reference to comparative performance information, although we recognise that the pandemic led to the suspension of some national data collection. The ability to compare data and performance with other organisations will continue to be an important element of arrangements to secure value for money and will be a challenge for councils to consider particularly as they continue to implement the requirements relating to self-assessment set out in the Local Government and Elections Act (Wales) 2021.
 - for example, within the Council's Service Plans 2017-22², there are a set of Performance Indicators with targets set for 2021-22 and actual data for the last three years. While understanding that the suspension of national

² Newport City Council, Regeneration, Investment & Housing Annual Service Plan 2017-22.

benchmarking datasets has made comparison more difficult, no external comparison has been provided.

- the Council's Strategic Asset Management Plan 2018-25 has an action, as yet incomplete, for its community partnership hubs to establish a set of performance indicators to ensure an effective and common approach is adopted in evaluating and monitoring the neighbourhood hub and spokes model. In addition to the intended set of pan-County performance indicators, the Council should consider how it will be able to gauge the social worth and impact of individual hub areas to inform improvement and resilience to future decision-making.
- the Council can provide some examples of when it has learnt from other organisations, examples being when the Council visited Partnership Hubs in Cardiff whilst developing the housing of a partnership hub pilot, and also linked up with Monmouthshire Council to benefit from their experience in implementing hybrid democratic meetings and services to enable the Council, during the COVID-19 pandemic, to re-establish the democratic processes online.



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