

# CITY & COUNTY OF SWANSEA

## CABINET

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**At:** Committee Room 1, Civic Centre, Swansea.


**On:** Tuesday, 3 June 2014

**Time:** 5.00 pm

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### AGENDA

1. **Apologies for Absence.**
2. **Disclosures of Personal and Prejudicial Interests.** 1 - 2
3. **Minutes.** 3 - 7  
To approve and sign as a correct record the Minutes of the meeting of Cabinet held on 6 May 2014.
4. **Leader of the Council's Report(s).**
5. **Councillors' Questions.**
6. **Public Questions.**
7. **Reports of the Wales Audit Office:**
  - a Annual Financial Audit Outline - City and County of Swansea. 8 - 27
  - b Annual Financial Audit Outline - City and County of Swansea Pension Fund. 28 - 41
8. **Scrutiny Reports:**
  - a Response to the Report of the Economic Inactivity Scrutiny Inquiry Panel - Looking at How the Council and its Partners Could Reduce Economic Inactivity in Swansea. 42 - 49
9. **Report of the Section 151 Officer:**
  - a Council Tax - Help for Pensioners. 50 - 51
10. **Report(s) within the Cabinet Member for Learning and Skills Portfolio: -**
  - a Flying Start Capital Programme Expansion 2014-2016. 52 - 59
  - b Disposal of Surplus Land on School Sites. 60 - 74
11. **Report(s) within the Cabinet Member for Wellbeing Portfolio: -**
  - a Western Bay Health and Social Care Programme - Intermediate Care Fund. 75 - 83



**Patrick Arran**  
**Head of Legal, Democratic Services & Procurement**  
**Tuesday, 20 May 2014**

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**Contact: Democratic Services - 636820**

## CABINET (10)

### Labour Councillors:

Nicholas S Bradley	William Evans
June E Burtonshaw	David Phillips ( <b>Leader</b> )
Mark C Child	Christine Richards ( <b>Deputy Leader</b> )
Sybil E Crouch	Rob C Stewart
C Ryland Doyle	Mitchell Theaker

### Officers:

Jack Straw	Chief Executive
Phil Roberts	Director of Place
Dean Taylor	Director of Corporate Services
Chris Sivers	Director of People
Arwyn Thomas	Chief Education Officer
Deborah Driffield	Chief Social Services Officer
Mike Hawes	Head of Financial Services
Lee Wenham	Head of Marketing, Communications & Scrutiny
Steve Rees	Head of Human Resources
Patrick Arran	Head of Legal, Democratic Services & Procurement – Electronic and hard copy
Tracey Meredith	Deputy Head of Legal, Democratic Services & Procurement - Electronic and hard copy
Huw Evans	Head of Democratic Services
Democratic Services	1 Copy
Patrick Fletcher	Communications
Scrutiny Team	1 Copy
Archives	1 Copy
Various Councillors	10 Copies
All Other Councillors	Via e mail

### Total Copies Needed:

57 Full & 10 Public
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# Agenda Item 2.

## Disclosures of Interest

To receive Disclosures of Interest from Councillors and Officers

### Councillors

**Councillors Interests are made** in accordance with the provisions of the Code of Conduct adopted by the City and County of Swansea. You must disclose orally to the meeting the existence and nature of that interest.

**NOTE:** You are requested to identify the Agenda Item / Minute No. / Planning Application No. and Subject Matter to which that interest relates and to enter all declared interests on the sheet provided for that purpose at the meeting.

1. If you have a **Personal Interest** as set out in **Paragraph 10** of the Code, you **MAY STAY, SPEAK AND VOTE** unless it is also a Prejudicial Interest.
2. If you have a Personal Interest which is also a **Prejudicial Interest** as set out in **Paragraph 12** of the Code, then subject to point 3 below, you **MUST WITHDRAW** from the meeting (unless you have obtained a dispensation from the Authority's Standards Committee)
3. Where you have a Prejudicial Interest you may attend the meeting but only for the purpose of making representations, answering questions or giving evidence relating to the business, **provided** that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise. In such a case, you **must withdraw from the meeting immediately after the period for making representations, answering questions, or giving evidence relating to the business has ended**, and in any event before further consideration of the business begins, whether or not the public are allowed to remain in attendance for such consideration (**Paragraph 14** of the Code).
4. Where you have agreement from the Monitoring Officer that the information relating to your Personal Interest is **sensitive information**, as set out in **Paragraph 16** of the Code of Conduct, your obligation to disclose such information is replaced with an obligation to disclose the existence of a personal interest and to confirm that the Monitoring Officer has agreed that the nature of such personal interest is sensitive information.
5. If you are relying on a **grant of a dispensation** by the Standards Committee, you must, before the matter is under consideration:
  - i) Disclose orally both the interest concerned and the existence of the dispensation; and
  - ii) Before or immediately after the close of the meeting give written notification to the Authority containing:

- a) Details of the prejudicial interest;
- b) Details of the business to which the prejudicial interest relates;
- c) Details of, and the date on which, the dispensation was granted; and
- d) Your signature

## **Officers**

### **Financial Interests**

1. If an Officer has a financial interest in any matter which arises for decision at any meeting to which the Officer is reporting or at which the Officer is in attendance involving any member of the Council and /or any third party the Officer shall declare an interest in that matter and take no part in the consideration or determination of the matter and shall withdraw from the meeting while that matter is considered. Any such declaration made in a meeting of a constitutional body shall be recorded in the minutes of that meeting. No Officer shall make a report to a meeting for a decision to be made on any matter in which s/he has a financial interest.
2. A "financial interest" is defined as any interest affecting the financial position of the Officer, either to his/her benefit or to his/her detriment. It also includes an interest on the same basis for any member of the Officers family or a close friend and any company firm or business from which an Officer or a member of his/her family receives any remuneration. There is no financial interest for an Officer where a decision on a report affects all of the Officers of the Council or all of the officers in a Department or Service.

# Agenda Item 3.

## CITY AND COUNTY OF SWANSEA

### MINUTES OF THE CABINET

HELD AT COMMITTEE ROOM 2, CIVIC CENTRE, SWANSEA ON  
TUESDAY, 6 MAY 2014  
AT 5.00 PM

**PRESENT:** Councillor D Phillips (Chair) Presided

**Councillor(s)**

N S Bradley  
J E Burtonshaw  
M C Child

**Councillor(s)**

S E Crouch  
C R Doyle  
W Evans

**Councillor(s)**

C Richards (Vice Chair)  
M Theaker

243. **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillor R C Stewart.

244. **DISCLOSURES OF PERSONAL AND PREJUDICIAL**

In accordance with the provisions of the Code of Conduct adopted by the City and County of Swansea, the following interests were declared:-

Councillor J E Burtonshaw – personal – Minute No. 254 and 258 - Disposal of Land on School Sites – has dispensation from Standards Committee to stay and speak but not vote – Governor of Blaenymaes Primary School.

Councillor W Evans – personal – Minute No. and - 254 and 258 - Disposal of Land on School Sites – has dispensation from Standards Committee to stay and speak but not vote – Governor of Tre – Uchaf School.

Councillor M Theaker – personal – Minute No 252– Local Authority Governor Appointments – has dispensation from Standards Committee to stay and speak but not vote.

245. **MINUTES.**

**RESOLVED** that the minutes of the meeting of the Cabinet held on 8 April 2014, be approved as a correct record.

246. **LEADER OF THE COUNCIL'S REPORT(S).**

None

247. **PUBLIC QUESTION TIME.**

Mr D Jenkins asked a question in relation to Minute No 254 – Disposal of Land on School Sites. The Cabinet member for Learning and Skills and The Leader responded accordingly.

248. **COUNCILLORS' QUESTION TIME.**

Councillor R V Smith asked questions in respect of Minute No 254 – Disposal of Surplus Land on School Sites in respect of Tre Uchaf Primary School. The Cabinet Member for Learning and Skills and The Leader responded accordingly.

249. **RESPONSE TO THE REPORT OF THE WELLBEING INQUIRY PANEL.**

This item was deferred from the agenda.

250. **EXTERNAL FUNDING PANEL**

The Director of Corporate Services presented the report of the Cabinet Member for Finance and Resources which sought to consider a proposal to establish an External Funding Panel, which would be a committee of Cabinet.

**CABINET DECISION**

That a Committee of Cabinet is set up called the External Funding Panel with the terms and reference and composition as set out in the Appendix to this report.

Policy Framework

Medium Term Financial Plan; *Sustainable Swansea – fit for the future*

Reason for Decision

To improve oversight of the Council's external funding: both grants to the third sector in Swansea and external funding that the Council receives.

Consultation

Legal, Finance

251. **CORPORATE IMPROVEMENT PLAN 2013-17: UPDATED FOR 2014-17.**

The Director of Corporate Services presented the report of the Cabinet Member for Finance and Resources which sought agreement to the updated Corporate Improvement Plan for 2014 – 17.

### **CABINET DECISION**

The updated Corporate Improvement Plan for 2014 – 17 be agreed.

#### Policy Framework

'Standing Up for a Better Swansea' Corporate Improvement Plan 2013 – 17.

#### Reason for Decision

To agree the updated Corporate Improvement Plan for 2014 – 17, to comply with statutory guidance Part1 Local Government ( Wales) Measure 2009.

#### Consultation

Legal, Finance

### 252. **LOCAL AUTHORITY GOVERNOR APPOINTMENTS.**

The Cabinet Member for Learning and Skills sought approval of the nominations submitted to fill LA Governor vacancies in School Governing Bodies.

### **CABINET DECISION**

That the following nominations be approved as recommended by the LA Governor Appointment Panel:

1(a) Bishopston Primary School	Mrs Lisa Boat
1(b) Cadle Primary School	Mrs Sarah Hooke
1(c) Llanrhidian Primary School	Mr Robert Griffiths – re-appointed
1(d) Penyrheol Primary School	Mrs Alison Seabourne – re-appointed
1(e) Sketty Primary School	Mrs Kathryn Byrne
1(f) Y.G.G. Gellionen	Mr Ian Tolley
1(g) Bishop Vaughn Catholic School	Mrs Margaret Buckley – re-appointed
1(h) Bishopston Comprehensive School	Councillor Keith Marsh – re-appointed



Policy Framework

Policy and Procedure for Appointments of L. A. Governors as amended by Council on 23 October 2008.

Reason for Decision

To ensure vacancies are to be filled expeditiously.

Consultation

Education, Legal, Finance

253. **AMALGAMATION OF BRYNHYFRYD INFANT AND JUNIOR SCHOOLS.**

The Cabinet member for Learning and Skills submitted a report which sought approval to consult on a proposal to amalgamate Brynhyfyrd Infant and Junior Schools from September 2015. To amalgamate the schools, both the infant and junior schools would be closed and a new primary school established on existing sites.

**CABINET DECISION**

That: -

(1) Approval be granted to consult on a proposal to close Brynhyfyrd Infant and Junior schools on 31<sup>st</sup> August 2015 and establish a new all-through primary school from 1<sup>st</sup> September 2015 on existing sites.

(2) Cabinet consider responses following the consultation period.

Policy Framework

QEd 2020 (strategic programme)  
Children & Young People Plan (priority 7)

Reason for Decision

Approval is sought prior to statutory consultation on this proposal.

Consultation

Legal, Finance and Access to Services

254. **DISPOSAL OF SURPLUS LAND ON SCHOOL SITES.**

This item and the exempt report were deferred from the agenda.

255. **URGENT ITEM.**

The Leader stated that pursuant to paragraph 100B( 4) (b) of the Local Government Act 1972, he considered that the report of the Cabinet Member for Place – Submission of a Planning Application in respect of Proposed change of use of former Caer Street Toilets.

Reason for Urgency

The project needs this support in order to progress through design and into implementation. The Police and Crime Commissioner Office has had external funding for the capital elements of this project and requirements of the auditors of the PCC are that the funds are allocated for spend before the end of May 2014.

256. **SUBMISSION OF A PLANNING APPLICATION IN RESPECT OF PROPOSED CHANGE OF USE OF FORMER CAER STREET TOILETS.**

The Cabinet Member for Place and Cabinet Member for Regeneration presented a joint report which sought Cabinet Authority for the submission of a change of use planning application.

**CABINET DECISION**

That approval be granted for the submission of a planning application for a change of use of the former Caer Street toilet block, to permit its use as a “Help Point Plus” Community Safety facility.

Policy Framework

Council Constitution

Reason for Decision

To enable officers to apply for planning permission in order for the Council to support its initiative to reduce crime and disorder and to support the Healthy Cities initiative.

Consultation

Legal, Finance & Access to Services

The meeting ended at 5.45p.m.

Published on 7 May 2014



WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

# Annual Financial Audit Outline **City and County of Swansea**

**Audit year:** 2013-14

**Issued:** April 2014

# Status of document

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This document has been prepared for the internal use of the City and County of Swansea as part of work performed/to be performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

To the maximum extent permitted by law, the Wales Audit Office (the Auditor General and his staff) and, where applicable, the appointed auditor do not accept any liability for losses incurred by any member, officer or other employee in their individual capacity, or any third party arising from use of this document.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties.

In relation to this document, the Auditor General for Wales (and, where applicable, his appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@wao.gov.uk](mailto:infoofficer@wao.gov.uk).

This document was produced by PricewaterhouseCoopers LLP on behalf of Anthony Barrett, the Appointed Auditor.

# Contents

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## Annual Financial Audit Outline

Introduction	4
Financial statements audit	4
Use of resources audit	11
Certification of grant claims and returns	11
Other work undertaken	13
Auditor General's Regulatory Programme	13
Independence	13
Fee, audit team and timetable	14

## Appendices

Roles and responsibilities	17
Electronic Communication	18
Quality arrangements	18

# Annual Financial Audit Outline

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## Introduction

1. This Annual Financial Audit Outline has been prepared by PricewaterhouseCoopers LLP (PwC) on behalf of Anthony Barrett, the Appointed Auditor.
2. As your external auditor my objective is to carry out an audit which discharges my statutory duties as Appointed Auditor and fulfils my obligations under the Code of Audit Practice, namely to:
  - examine and certify whether your financial statements are ‘true and fair’; and
  - assess whether you have made proper arrangements for securing economy, efficiency and effectiveness in the use of resources.
3. The purpose of this outline is to explain to you:
  - My audit team’s approach to:
    - the audit of your financial statements for the year ending 31 March 2014 including the significant risks of material misstatement in your financial statements and how we plan to address them; and
    - the assessment of your arrangements for securing economy, efficiency and effectiveness in the use of resources.
  - The planned timetable, fees and audit team.
  - The scope of the audit, our respective responsibilities and how we ensure independence and objectivity in our work.
4. There have been no limitations imposed on me in planning the scope of this audit.

## Financial statements audit

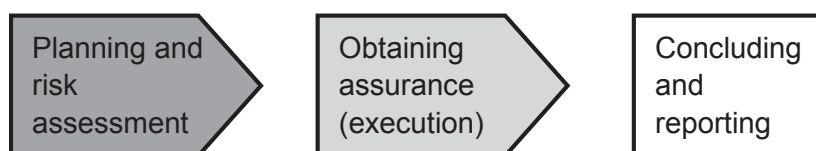
5. It is my responsibility to issue a report on the financial statements which includes an opinion on:
  - Whether or not the accounts give a ‘true and fair view’ of the City and County of Swansea’s (the Council’s) financial outturn and position. This provides assurance that the accounts:
    - are free from material misstatement, whether caused by fraud or error;
    - comply with statutory and other applicable requirements; and
    - comply with all relevant requirements for accounting presentation and disclosure.
  - The consistency of information in the Explanatory Foreword with the financial statements.
6. My report must also state by exception if the Annual Governance Statement for 2013-14 does not comply with requirements.

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## Audit approach

7. My team's audit work uses a range of techniques to assess risk and obtain audit evidence and assurance and is based on a thorough understanding of your business. This understanding allows my team to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the financial statements as a whole. Our audit approach consists of three phases as set out in [Exhibit 1](#).

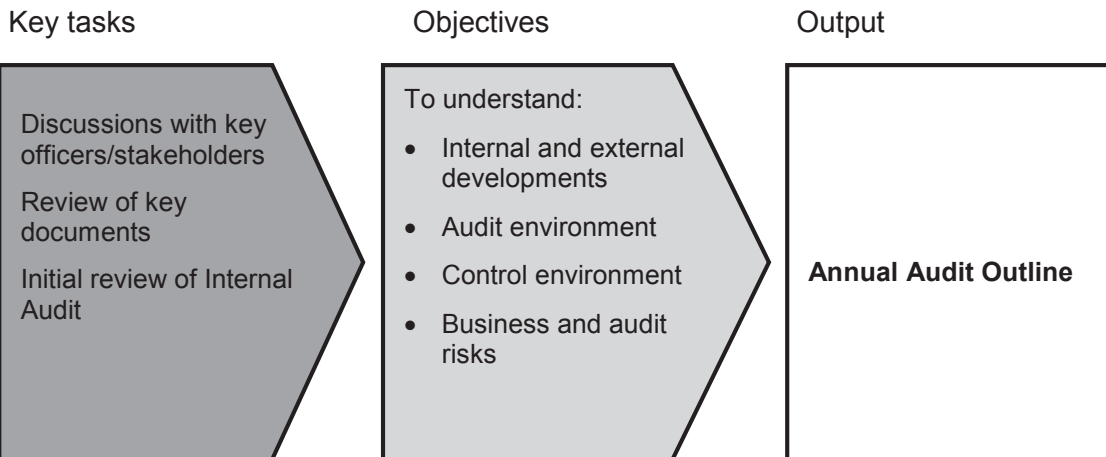
### Exhibit 1: Our audit approach



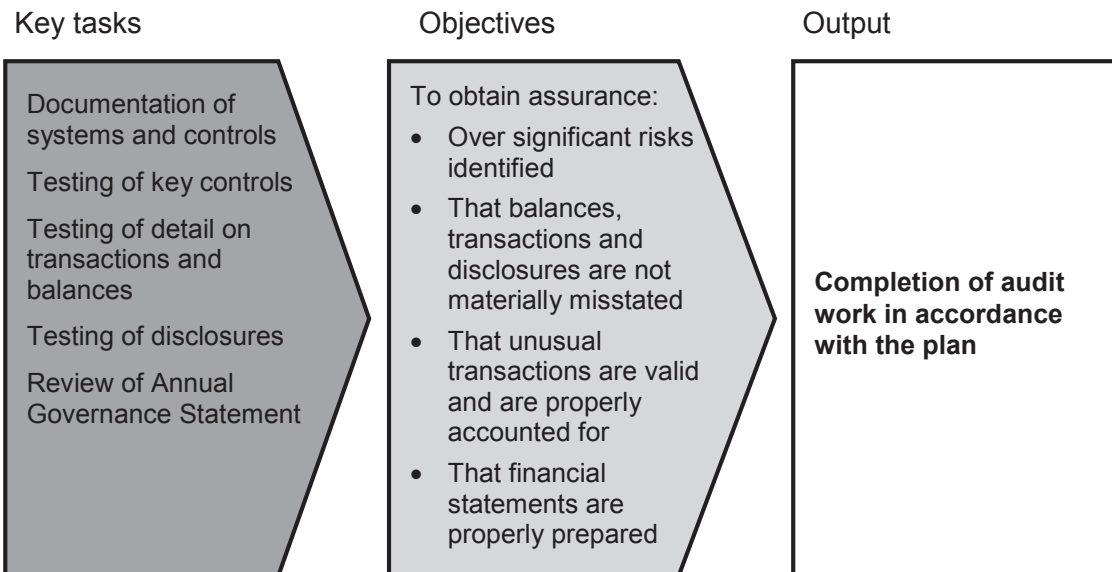
8. The work undertaken in each of these three areas is set out in more detail in [Exhibit 2](#).
9. I do not seek to obtain absolute assurance that the financial statements and related notes are true and fair, but adopt a concept of materiality. In planning and executing the audit, we aim to identify material misstatements in the financial statements and related notes, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Audit Committee and Cabinet prior to completion of the audit.
10. For reporting purposes, we will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and, therefore, will not report them.

Exhibit 2: Our audit approach

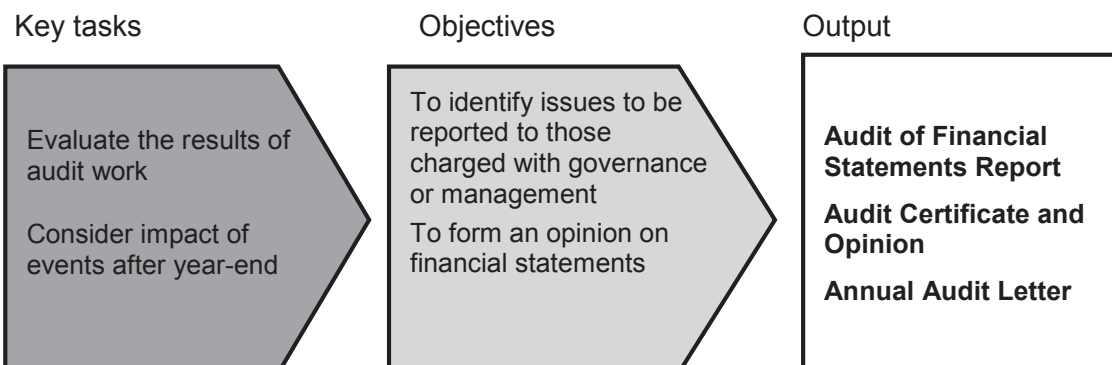
**Planning and risk assessment**



**Obtaining assurance (execution)**



**Concluding and reporting**





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11. In planning my work and obtaining an understanding of the Council I consider the control environment including the activities of Internal Audit to determine the potential impact of its work on my planned procedures. I use the work of Internal Audit to inform my risk assessment as part of my planning procedures.
12. As part of the planning process, my staff considered the information which would be required to support the accounts submitted for audit. The fees, once agreed, will assume that this information will be provided by the timescales agreed and to the quality standards that we expect. My other main assumptions in setting the estimated fees will be that:
- appropriate accommodation and facilities are provided to enable my audit team to deliver our audit in an efficient manner;
  - the financial statements and supporting working papers have been subject to review and validation by management, to provide the Responsible Financial Officer with assurance that they are 'true and fair';
  - all appropriate officials will be available during the audit;
  - you have all the necessary controls and checks in place to enable those charged with governance to provide all the assurances that I require in the Letter of Representation addressed to me; and
  - Internal Audit has completed its planned programme of work and that management has taken all necessary remedial action on issues that could have affected the financial statements.

## Audit risks and issues

### Risks of material misstatement in the accounting statements

13. **Exhibit 3** provides information regarding the main operational and financial risks faced by the Council that could affect my audit. These are the main risks that I have identified during the initial audit planning process, based upon information currently available, and the actions proposed to address them. I may need to change the audit plan if any new risks emerge. I will not make any changes to the audit plan without first discussing them with officers and, where relevant, those charged with governance.

### Exhibit 3: Summary of main audit risks and proposed responses

#### Significant audit risks

Risks	Action proposed
<b>Control environment risks</b>	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>review accounting estimates for evidence of bias;</li> <li>evaluate the rationale for any significant transactions outside the normal course of business; and</li> <li>incorporate an element of “unpredictable” audit work, which varies each year.</li> </ul>
<p>There is a risk of material misstatement due to fraud in income and non-pay expenditure recognition and this is treated as a significant risk.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>test the appropriateness of a sample of journals processed to income and non-pay expenditure ledger codes during the year;</li> <li>review the application of relevant accounting policies to ensure that they are in compliance with accounting standards; and</li> <li>perform substantive procedures on a sample basis to ensure that income and non-pay expenditure has been appropriately accounted for in the correct period.</li> </ul>

#### Elevated audit risks

Risks	Action proposed
<b>Preparation of the accounts risks</b>	
<p><b>Valuation of property, plant and equipment (PPE) and investment property</b>            The Council is required to ensure that PPE and Investment Property assets held on the Balance Sheet are valued at sufficient regularity to ensure that the carrying amount is not materially different to the fair value of these assets at the year end. This valuation is subject to a number of judgements.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>consider the appropriateness of the Council’s proposed approach to the valuation of PPE and Investment Properties; and</li> <li>test the valuation of such assets on a sample basis by using internal specialists</li> </ul>

Risks	Action proposed
<p><b>Equal pay and job evaluation</b></p> <p>The Single Status Agreement committed authorities to undertake equal pay reviews and to introduce non-discriminatory pay structures, addressing the fact that local government employees were often employed on differing terms and conditions.</p> <p>The Council has settled a number of equal pay claims to date and has undertaken a significant amount of work to develop a model to support the calculation of its provision for Equal Pay and Job Evaluation. The valuation of this provision is subject to a number of judgements.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• review the status of the equal pay and job evaluation exercise with officers and consider whether the associated accounting treatment is appropriate;</li> <li>• consider the continued appropriateness of the methodology used to derive the overall estimate and the reasonableness of the assumptions therein;</li> <li>• perform sample testing on individual cases; and</li> <li>• to the extent that the provision has been utilised after the year end, compare the payments made to the amounts provided for in the accounts.</li> </ul>
<p><b>Financial statements risks</b></p>	
<p><b>Group accounts</b></p> <p>During 2013-14 the trading operations Swansea City Waste Disposal Company Limited (SCWDC) were transferred to the Council. The Council fully owned SCWDC as at 31 March 2013. Therefore, the presentation and disclosure of this transaction in the accounts of the Council will need to be assessed and the requirement to produce group accounts considered.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> <li>• review the substance and accounting treatment of the transaction; and</li> <li>• consider the adequacy of disclosures in the accounts and group accounts of the Council.</li> </ul>

### Accounting and reporting issues

14. In addition to the audit risks set out above, I also need to consider any new financial accounting and reporting requirements which impact on my responsibilities. I summarise the more significant accounting and reporting changes that apply to 2013-14 in [Exhibit 4](#).

### Exhibit 4: Significant accounting and reporting changes for 2013-14

#### Accounting and reporting change

##### IAS 1 Presentation of Financial Statements

The Comprehensive Income and Expenditure Statement has been amended as a result of the June 2011 amendments to IAS 1 *Presentation of Financial Statements* (where relevant to an authority) and the June 2011 amendments to IAS 19. The requirement for Financing and Investment Income and Expenditure to include 'pensions interest cost and expected return on pensions assets' has been replaced by 'net interest on the net defined benefit liability / (asset)'. Financing and Investment Income and Expenditure also now includes 're-measurements of the net defined benefit liability / (asset) for long-term employee benefits recognised in accordance with section 6.2'.

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### **IAS 19 Employee Benefits**

Chapter 6 of the code includes revisions as a result of the June 2011 amendments to IAS 19 *Employee Benefits*:

- amendments to the definitions in section 6.1;
- updated terminology, amendments to the recognition requirements and clarifications of the disclosure requirements in section 6.2;
- amendments to the recognition requirements of section 6.3 Termination Benefits and clarification of the disclosure requirements; and
- amendments to the classification, recognition, measurement and disclosure requirements in section 6.4 Post-employment Benefits.

## **Risk of Fraud**

15. International Standards on Auditing (UK&I) state that I am responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarised below:

<b>Auditors' responsibility</b>	<b>Management's responsibility</b>	<b>Responsibility of those charged with governance</b>
<p>My objectives are:</p> <ul style="list-style-type: none"><li>• To identify and assess the risks of material misstatement of the financial statements due to fraud;</li><li>• To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and</li><li>• To respond appropriately to fraud or suspected fraud identified during the audit</li></ul>	<p>Management's responsibilities in relation to fraud are:</p> <ul style="list-style-type: none"><li>• To design and implement programmes and controls to prevent, deter and detect fraud;</li><li>• To ensure that the entity's culture and environment promote ethical behaviour; and</li><li>• To perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation.</li></ul>	<p>Your responsibility as part of your governance role is:</p> <ul style="list-style-type: none"><li>• To evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate 'tone at the top'; and</li><li>• To ensure any alleged or suspected instances of fraud brought to your attention are investigated appropriately.</li></ul>

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## Your views on fraud

- 16.** We enquire of those charged with governance:
- Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management?
  - What fraud detection or prevention measures (e.g. whistleblower lines) are in place in the entity?
  - What role you have in relation to fraud?
  - What protocols / procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?

## Use of resources audit

- 17.** To discharge my responsibilities regarding the arrangements that the Council has established to secure economy, efficiency and effectiveness in its use of resources, I shall place reliance upon:
- the results of the audit work undertaken on the financial statements;
  - the Council's system of internal control, as reported in the Annual Governance Statement and my report thereon;
  - the results of work carried out by the Auditor General, including work carried out under the Local Government (Wales) Measure 2009 (the Measure), certification of claims and returns, and data-matching exercises;
  - the results of the work of other external review bodies where relevant to my responsibilities; and
  - any other work that addresses matters not covered by the above, and which I consider necessary to discharge my responsibilities.

## Certification of grant claims and returns

- 18.** The Appointed Auditor, acting as an agent of the Auditor General, undertakes certification work on the Council's grant claims and returns in accordance with instructions issued by the Auditor General.

## Overall issues identified

- 19.** **Exhibit 5** summarises the more significant and/or recurring issues I identified when undertaking grant certification work in 2012-13.

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## Exhibit 5: Overall issues relating to grant claim and return certification

### Qualified grant claims and returns qualified in 2012-13

A total of 44 grant claims and financial returns were certified for 2012-13 with a total value of £257 million. This is two claims more than in 2011-12 with a total additional value of approximately £2 million. A total of:

- 16 claims were certified without qualification or amendment;
- 16 were certified following amendment;
- 7 claims were certified with a qualification; and
- 5 claims were certified with a qualification following amendment.

### Effectiveness of grant coordination arrangements

The Council had reasonable arrangements in place for the production and submission of grant claims and returns during 2012-13. The Council's grants coordinators worked closely with the audit team to ensure that an accurate and up to date schedule of grants was maintained during the year. A joint working protocol was put in place at the start of the audit process to facilitate this.

## Issues related to specific grant claims and returns

20. In addition to the overall issues identified above, I summarise the more significant issues I have identified relating to individual grant claims and returns in [Exhibit 6](#).

## Exhibit 6: Significant issues relating to specific grant claims and returns

### Name of scheme

#### EC Structural Fund

The Council takes the lead on 5 schemes that are funded by the Welsh European Funding Office (WEFO) as part of the EC Structural Fund. We are required to certify each claim within six weeks following the end of the claim period. Our ability to do this is dependent on the Council preparing the claim on a timely basis. In respect of 2011-12, repeated delays were experienced, which led to the recommendation that the Council should take four weeks to prepare the claim, allowing two weeks for the certification work to be completed. However, delays have continued to be experienced and further work is required to ensure that these claims are completed on a timely basis.

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## Other work undertaken

21. In addition to my responsibilities in respect of the audit of the body's statutory financial statements set out above, I am also required to certify a return to the Welsh Government which provides information about the City and County of Swansea to support preparation of Whole of Government Accounts.

## Auditor General's Regulatory Programme

22. A separate document, the Auditor General's Regulatory Programme for Performance Audit, has been issued setting out the work to be delivered by the Auditor General under the Measure.

## Independence

### Threats and safeguards

23. At the beginning of the audit process my audit team is required to assess their independence as your external auditor. I have made enquiries of all audit teams providing services to you and I have set out below the relationships that, in my professional judgement, may be perceived to impact upon my independence and the objectivity of my audit team, together with the related safeguards.

Services provided	Value	Threats to independence and safeguards in place
Certification of grant claims and returns	£150,000	<p><b>Self Review Threat:</b> My audit team will conduct the grant certification and this has arisen due to their appointment as external auditors. There is no self-review threat as the audit team are certifying management completed grant returns and claims.</p> <p><b>Self Interest Threat:</b> My audit team has no financial or other interest in the results of the Council. I have concluded that this work does not pose a self-interest threat.</p> <p><b>Management Threat:</b> My audit team is not required to take any decisions on behalf of management as part of this work.</p> <p><b>Advocacy Threat:</b> I will not be acting for, or alongside, management and I have therefore concluded that this work does not pose an advocacy threat.</p> <p><b>Familiarity Threat:</b> Work complements my audit teams external audit appointment and does not present a familiarity threat.</p> <p><b>Intimidation Threat:</b> I have concluded that this work does not pose an intimidation threat as all officers and members have conducted themselves with utmost integrity and professionalism.</p>

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## Relationships and Investments

24. Senior officers and members should not seek or receive personal financial or tax advice from my audit team. Senior officers and members who receive such advice from us should notify me, so that I can put appropriate conflict management arrangements in place.
25. Therefore at the date of this plan I confirm that in my professional judgement, my audit team are independent accountants with respect to the Council, within the meaning of UK regulatory and professional requirements and that the objectivity of my audit team is not impaired.

## Fee, audit team and timetable

### Fee

26. We are currently unable to provide you with an estimate of our fee for our 2013-14 audit work.
27. As a result of the requirements of the Public Audit (Wales) Act 2013, we have been required to revise our approach to fee setting. This act introduces a slightly revised fee-setting requirement on the new Wales Audit Office for all our audit work once its provisions come into effect from 1 April 2014. In anticipation of this new requirement, we have needed to take legal advice to clarify a number of its provisions. In the light of that advice, we have reviewed our cost allocation and apportionment processes to ensure that, going forward, our fee setting will fully comply with these new statutory requirements. This, unfortunately, has been a time-consuming process. The exercise has now been completed and the Auditor General has consulted on his fee scales, which take account of revisions made in anticipation of the new legislation. That consultation provides further information about the new legislative requirements.
28. After the end of the consultation process (28 February 2014), and after considering the consultation responses, we will be able to provide you with an estimate of your fee for 2013-14.
29. Planning will be ongoing and changes to my programme of audit work and, therefore, my fee may be required if any key new risks emerge. I shall make no changes without first discussing them with the Head of Financial Services. Further information on the new Wales Audit Office fee scales and fee setting will be provided once finalised.
30. In previous years, there have been no formal objections to the Council's financial statements. However, I do receive a number of queries and items of correspondence from members of the public and other interested parties. A small amount of time will be included within the fee to deal with minor queries, as part of the overall management of the audit.



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31. Any detailed investigations or other work required to respond to queries and objections will result in an additional fee. Any such additional fee will be charged at daily rates based on the specific grade or skill mix required for the work, but will be discussed with the Council, prior to undertaking the work.
  32. The Auditor General is required to recover, in respect of each grant or return, an amount that covers the full cost of the relevant work undertaken. Grant and return certification work is charged on a daily basis in line with the skill-related fee scales set out in the Auditor General's local government fees letter. The fees will reflect the size, complexity and particular issues relating to the specific grants.
  33. Further information on the Auditor General's fee scales and fee setting can be found on our website at: [www.wao.gov.uk/aboutus/4240.asp](http://www.wao.gov.uk/aboutus/4240.asp).

## Audit team

### Exhibit 7: My team

Name	Role	Contact number	E-mail address
Anthony Barrett	Appointed Auditor	029 2032 0500	anthony.barrett@wao.gov.uk
Kevin Williams	Engagement Lead – Financial Audit	029 2080 2161	kevin.a.williams@uk.pwc.com
Hywel Pullen	Engagement Manager	029 2080 2662	hywel.pullen@uk.pwc.com
Darragh Hanley-Crofts	Financial Audit Manager	029 2080 2632	darragh.e.hanley-crofts@uk.pwc.com
Kristel Sootarsing	Financial Audit Team Leader	029 2080 2058	kristel.s.sootarsing@uk.pwc.com

34. I can confirm that my team members are all independent of the Council, its officers and any joint committees. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

## Timetable

35. I will provide reports, or other outputs as agreed, to the Audit Committee and Cabinet as appropriate covering the areas of work identified in this document. My key milestones are set out in [Exhibit 8](#).

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Exhibit 8: Timetable

Planned output	Work undertaken	Report finalised
<b>Annual Financial Audit Outline for 2014</b>	March 2014	April 2014
<b>Financial accounts work:</b> <ul style="list-style-type: none"><li>• Audit of Financial Statements Report</li><li>• Opinion on Financial Statements</li><li>• Financial Accounts Memorandum</li><li>• Whole of Government Accounts</li></ul>	July 2014 – September 2014	September 2014
<b>Use of Resources Work</b>	July 2014 – September 2014	November 2014
<b>Annual Audit Letter 2014</b>	October 2014	November 2014
<b>Certification of Grant Claims</b>	October 2014 – December 2014	June 2015

# Appendix 1

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## Roles and responsibilities

This Annual Financial Audit Outline has been prepared to meet the requirements of auditing standards and proper audit practices. It provides City and County of Swansea (the Council) with an outline of the financial audit work required for the 2013-14 financial statements.

The Public Audit (Wales) Act 2013 (the 2013 Act) sets out that the Auditor General is to be the auditor of local government bodies in Wales. The 2013 Act does, however, provide transitional arrangements where the appointment of a person as an auditor under section 13 of the Public Audit (Wales) Act 2004 continues to have effect until the end of the period for which the appointment was made (subject to any earlier termination). The Auditor General has appointed me as the auditor of the Council's accounts for the year ending 31 March 2014.

As Appointed Auditor, I am required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the Council. In accordance with professional standards that apply by virtue of the Code of Audit Practice set under the act, this involves giving an opinion on whether the accounts give a true and fair view of the Council's financial position and of its income and expenditure for the year. The act also requires me to satisfy myself of these things:

- that the accounts are prepared in accordance with regulations under section 39 of the act (the Accounts and Audit (Wales) Regulations 2005);
- that the accounts comply with the requirements of all other statutory provisions applicable to them;
- that proper practices have been observed in the compilation of the accounts; and
- that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

I am also required to certify that the audit has been completed in accordance with the Public Audit (Wales) Act 2004.

The audit does not relieve the Council of its responsibility to:

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

The Public Audit (Wales) Act 2004 sets out the rights of the public and electors to inspect the Council's financial statements and related documents, to ask me, as the Appointed Auditor questions about the accounts and, where appropriate, to challenge items in the accounts.

A separate Annual Financial Audit Outline for the audit of the 2013-14 accounts of the City and County of Swansea Pension Fund has been issued.

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The Auditor General is required to certify certain grant claims and returns. The Appointed Auditor, acting as an agent of the Auditor General, undertakes the audit work relating to those claims and returns.

## Electronic communication

During the engagement my audit team may from time to time communicate electronically with you. However, the electronic transmission of information cannot be guaranteed to be secure, virus or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use.

My audit team may also need to access external electronic information and resources during the engagement. You agree that there are benefits to each of us in their being able to access external networks via your internet connection and that they may do this by connecting their laptop computers to your network. We each understand that there are risks to each of us associated with such access, including in relation to security and the transmission of viruses.

We each recognise that systems and procedures cannot be a guarantee that transmissions, our respective networks and the devices connected to these networks will be unaffected by risks such as those identified in the previous two paragraphs. We each agree to accept the risks of and authorise (a) electronic communications between us and (b) the use of your network and internet connection as set out above. We each agree to use commercially reasonable procedures (i) to check for the then most commonly known viruses before either of us sends information electronically or we connect to your network and (ii) to prevent unauthorised access to each other's systems.

We shall each be responsible for protecting our own systems and interests and you and my audit team shall have no liability to each other on any basis, whether in contract, tort (including negligence) or otherwise, in respect of any error, damage, loss or omission arising from or in connection with the electronic communication of information between you and my audit team and my audit teams reliance on such information or our use of your network and internet connection.

The exclusion of liability in the previous paragraph shall not apply to the extent that such liability cannot by law be excluded.

## Quality arrangements

I want to provide you at all times with a high quality service to meet your needs. If at any time you would like to discuss with me how my service could be improved or if you are dissatisfied with any aspect of our services, please raise the matter immediately. In this way I can ensure that your concerns are dealt with carefully and promptly. I undertake to look into any complaint carefully and promptly and to do all I can to explain the position to you. This will not affect your right to complain to the Institute of Chartered Accountants in England and Wales.

If you are not satisfied with the way your complaint has been dealt with, you can contact the Complaints Investigation Manager at the Wales Audit Office by phone on 029 2032 0500, or

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by email at [complaints@wao.gov.uk](mailto:complaints@wao.gov.uk). Further details about the complaints process are available at [www.wao.gov.uk/complaints](http://www.wao.gov.uk/complaints).



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WALES **AUDIT** OFFICE  
SWYDDFA **ARCHWILIO** CYMRU

# Annual Financial Audit Outline

## City & County of Swansea Pension Fund

**Audit year:** 2013-14

**Issued:** April 2014

# Status of document

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This document has been prepared for the City & County of Swansea Pension Fund as part of work performed in accordance with statutory functions, the Code of Audit Practice and the Statement of Responsibilities issued by the Auditor General for Wales.

To the maximum extent permitted by law, the Wales Audit Office (the Auditor General and his staff) and, where applicable, the appointed auditor do not accept any liability for losses incurred by any member, officer or other employee in their individual capacity, or any third party arising from use of this document.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties.

In relation to this document, the Auditor General for Wales (and, where applicable, his appointed auditor) is a relevant third party. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at [infoofficer@wao.gov.uk](mailto:infoofficer@wao.gov.uk).

This document was produced by PricewaterhouseCoopers LLP on behalf of Anthony Barrett, the Appointed Auditor.



# Contents

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## Annual Financial Audit Outline

Introduction	4
Audit of Pension Fund accounts	4
Pension fund annual report	9
Independence	10
Fee, audit team and timetable	10

## Appendices

Roles and responsibilities	12
Electronic communication	12
Quality arrangements	13

# Annual Financial Audit Outline

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## Introduction

1. This Annual Financial Audit Outline has been prepared by PricewaterhouseCoopers LLP on behalf of Anthony Barrett, the Appointed Auditor.
2. As your external auditor, my objective is to carry out an audit which discharges my statutory duties as Appointed Auditor and fulfils my obligations under the Code of Audit Practice to examine and certify whether the City & County of Swansea Pension Fund (the Pension Fund) accounting statements are 'true and fair'.
3. The purpose of this outline is to explain to you:
  - my audit team's approach to the audit of your Pension Fund accounting statements for the year ending 31 March 2014 including the significant risks of material misstatements in your accounting statements and how we plan to address them;
  - the planned timetable, fees and audit team; and
  - the scope of the audit, our respective responsibilities and how we ensure independence and objectivity in our work.
4. There have been no limitations imposed on me in planning the scope of this audit. If there have been limitations imposed these should be stated here or at an appropriate place in the body of the document.

## Audit of Pension Fund accounts

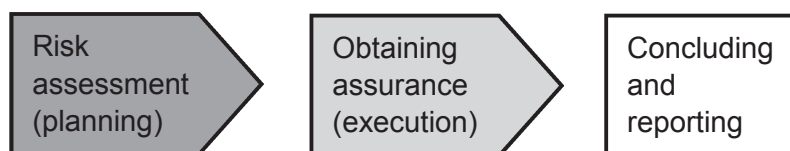
5. It is my responsibility to issue a report on the accounting statements which includes an opinion on their 'truth and fairness', providing assurance that they:
  - are free from material misstatement, whether caused by fraud or error;
  - comply with statutory and other applicable requirements; and
  - comply with all relevant requirements for accounting presentation and disclosure.

## Audit approach

6. Information regarding the financial audit team is provided in [Exhibit 5](#).
7. My team's audit work uses a range of techniques to assess risk and obtain audit evidence and assurance, and is based on a thorough understanding of your business. This understanding allows my team to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the Pension Fund accounts as a whole. Our audit approach consists of three phases as set out in [Exhibit 1](#).

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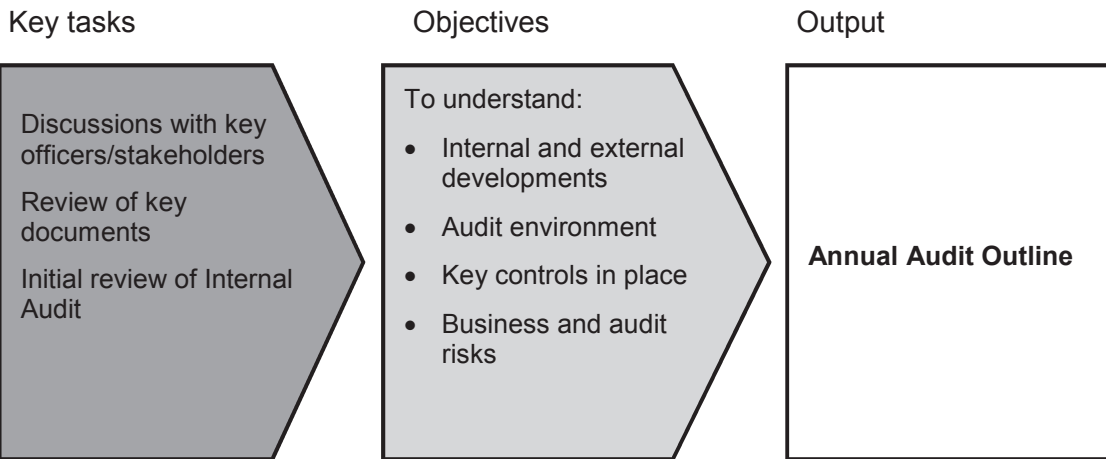
### Exhibit 1: Our audit approach



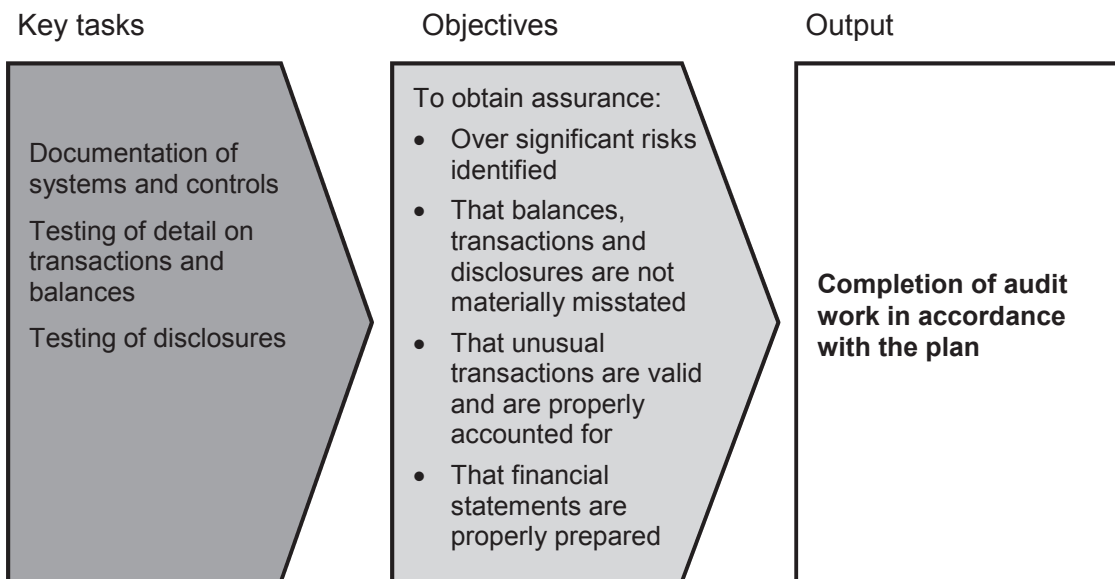
8. The work we undertake in each of these three areas is set out in more detail in [Exhibit 2](#).
9. I do not seek to obtain absolute assurance that the Pension Fund accounting statements are true and fair, but adopt a concept of materiality. In planning and executing the audit, we aim to identify material misstatements in the accounts and related notes, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Pension Fund Panel and to those charged with governance for the City & County of Swansea (the Council), as the administering authority of the Pension Fund as a whole, prior to completion of the audit.
10. For reporting purposes we will treat any misstatements below a 'trivial' level (the lower of five per cent of materiality or £100,000) as not requiring consideration by those charged with governance and, therefore, will not report them.

Exhibit 2: Our audit approach

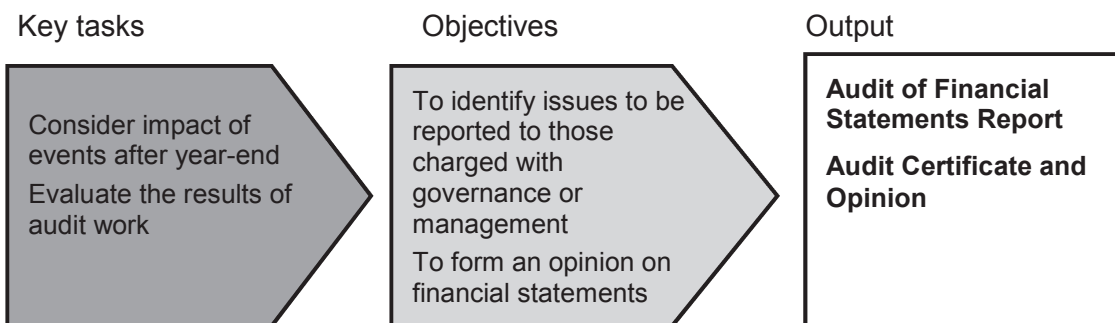
**Risk assessment (planning)**



**Obtaining assurance (execution)**



**Concluding and reporting**



- 
11. In planning my work and obtaining an understanding of the Pension Fund, I consider the control environment including the activities of Internal Audit to determine the potential impact of its work on my planned procedures. I use the work of Internal Audit to inform my risk assessment as part of my planning procedures.
12. As part of the planning process, my staff considered the information which would be required to support the accounts submitted for audit. The fees, once agreed, will assume that this information will be provided by the timescales agreed and to the quality standards that we expect. My other main assumptions in setting the estimated fees will be that:
- appropriate accommodation and facilities are provided to enable my audit team to deliver our audit in an efficient manner;
  - the financial statements and supporting working papers have been subject to review and validation by management, to provide the Responsible Financial Officer with assurance that they are 'true and fair';
  - all appropriate officials will be available during the audit;
  - you have all the necessary controls and checks in place to enable those charged with governance to provide all the assurances that I require in the Letter of Representation addressed to me; and
  - Internal Audit has completed its planned programme of work and that management has taken all necessary remedial action on issues that could have affected the financial statements.

### Audit risks

13. **Exhibit 3** provides information regarding the main operational and financial risks faced by the Pension Fund that could affect my audit. These are the main risks that I have identified during the initial audit planning process, based upon information currently available, and the actions proposed to address them. I may need to change the audit plan if any new risks emerge. I will not make any changes to the audit plan without first discussing them with officers and, where relevant, those charged with governance.

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### Exhibit 3: Summary of main audit risks and proposed responses

Significant Risks	Action proposed
<b>Control environment risks</b>	
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk.	My audit team will: <ul style="list-style-type: none"><li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• review accounting estimates for evidence of bias;</li><li>• evaluate the rationale for any significant transactions outside the normal course of business; and</li><li>• include an unpredictable element to our audit procedures that varies year on year.</li></ul>

#### Accounting and reporting issues

14. In addition to the significant risk set out above, I also need to consider any new financial accounting and reporting requirements which impact on my responsibilities.
15. There are no significant new financial accounting and reporting requirements that I wish to draw to your attention.

#### Risk of Fraud

16. International Standards on Auditing (UK&I) state that I am responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. The respective responsibilities of auditors, management and those charged with governance are summarised below:

Auditors' responsibility	Management's responsibility	Responsibility of those charged with governance
<p>My objectives are:</p> <ul style="list-style-type: none"> <li>To identify and assess the risks of material misstatement of the financial statements due to fraud;</li> <li>To obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and</li> <li>To respond appropriately to fraud or suspected fraud identified during the audit</li> </ul>	<p>Management's responsibilities in relation to fraud are:</p> <ul style="list-style-type: none"> <li>To design and implement programmes and controls to prevent, deter and detect fraud;</li> <li>To ensure that the entity's culture and environment promote ethical behaviour; and</li> <li>To perform a risk assessment that specifically includes the risk of fraud addressing incentives and pressures, opportunities, and attitudes and rationalisation.</li> </ul>	<p>Your responsibility as part of your governance role is:</p> <ul style="list-style-type: none"> <li>To evaluate management's identification of fraud risk, implementation of anti-fraud measures and creation of appropriate 'tone at the top'; and</li> <li>To ensure any alleged or suspected instances of fraud brought to your attention are investigated appropriately.</li> </ul>

### Your views on fraud

17. We enquire of those charged with governance:
- Whether you have knowledge of fraud, either actual, suspected or alleged, including those involving management?
  - What fraud detection or prevention measures (e.g. whistleblower lines) are in place in the entity?
  - What role you have in relation to fraud?
  - What protocols / procedures have been established between those charged with governance and management to keep you informed of instances of fraud, either actual, suspected or alleged?

## Pension Fund annual report

18. In addition to including the Pension Fund accounts in their main accounting statements, administering authorities are required to publish a Pension Fund annual report which must include the Pension Fund accounts.
19. I am required to read the Pension Fund annual report and consider whether the information it contains is consistent with the audited Pension Fund accounts included in the Council's main accounting statements.
20. I also issue an audit statement confirming the consistency of the accounts included in the annual report with the audited Pension Fund accounts.

---

## Independence

### Threats and safeguards

21. At the beginning of the audit process my audit team is required to assess their independence as your external auditor. I made enquiries of all audit teams providing services to you and in order to identify any relationships that, in my professional judgement, may be perceived to impact upon my independence and the objectivity of my audit team.

### Relationships and Investments

22. Senior officers and members should not seek or receive personal financial or tax advice from my audit team. Senior officers and members who receive such advice from us should notify me, so that I can put appropriate conflict management arrangements in place.
23. Therefore at the date of this plan I confirm that in my professional judgement, my audit team are independent accountants with respect to the Council, within the meaning of UK regulatory and professional requirements and that the objectivity of my audit team is not impaired.

## Fee, audit team and timetable

### Fee

24. We are currently unable to provide you with an estimate of our fee for our 2013-14 audit work.
25. Owing to the requirements of the Public Audit (Wales) Act 2013, we are required to revise our approach to fee setting. This act introduces a slightly revised fee-setting requirement on the new Wales Audit Office for all our audit work once its provisions come into effect from 1 April 2014. In anticipation of this new requirement we have needed to take legal advice to clarify a number of its provisions. In the light of that advice, we have reviewed our cost allocation and apportionment processes to ensure that going forward our fee setting will fully comply with these new statutory requirements. This unfortunately has been a time-consuming process. The exercise has now been completed and the Auditor General is has consulted on his fee scales, which take account of revisions made in anticipation of the new legislation. That consultation provides further information about the new legislative requirements.



- 
26. After the end of the consultation process (28 February 2014), and after considering the consultation responses, we will be able to provide you with an estimate of your fee for 2013-14.
27. Planning will be ongoing, and changes to my programme of audit work and, therefore, my fee may be required if any key new risks emerge. I shall make no changes without first discussing them with the Head of Financial Services. Further information on the new Wales Audit Office fee scales and fee setting will be provided once finalised.
28. Further information on the Auditor General's fee scales and fee setting can be found on our website at: [www.wao.gov.uk/aboutus/4240.asp](http://www.wao.gov.uk/aboutus/4240.asp).

## Audit team

### Exhibit 4: My team

Name	Role	Contact number	E-mail address
Anthony Barrett	Appointed Auditor	029 2032 0500	<a href="mailto:anthony.barrett@wao.gov.uk">anthony.barrett@wao.gov.uk</a>
Kevin Williams	Financial Audit Engagement Lead	029 2080 2161	<a href="mailto:kevin.a.williams@uk.pwc.com">kevin.a.williams@uk.pwc.com</a>
Stuart Austin	Audit Manager (Pensions Specialist)	0121 265 5871	<a href="mailto:stuart.austin@uk.pwc.com">stuart.austin@uk.pwc.com</a>
Ian Looker	Financial Audit Team Leader (Pensions Specialist)	029 2080 2653	<a href="mailto:ian.z.looker@uk.pwc.com">ian.z.looker@uk.pwc.com</a>

29. I can confirm that my team members are all independent of the City & County of Swansea Pension Fund and its officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.

## Timetable

30. I will provide reports, or other outputs as agreed, to the Pension Fund Panel, Audit Committee and Cabinet covering the areas of work identified in this document. My key milestones are set out in [Exhibit 5](#).

### Exhibit 5: Timetable

Planned output	Work undertaken	Report finalised
Annual Financial Audit Outline	March 2014	April 2014
Audit of Financial Statements (ISA 260) Report	July 2014	September 2014
Audit Opinion on the 2012-13 Financial Statements	July 2014	September 2014

# Appendix 1

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## Roles and responsibilities

The Council is the administering authority of the Pension Fund. This Annual Financial Audit Outline has been prepared to meet the requirements of auditing standards and proper audit practices. It provides the Council with an outline of the financial audit work required for the 2013-14 Pension Fund accounts.

The Public Audit (Wales) Act 2013 (the 2013 Act) sets out that the Auditor General is to be the auditor of local government bodies in Wales, and their associated pension funds. The 2013 Act does, however, provide transitional arrangements where the appointment of a person as an auditor under section 13 of the Public Audit (Wales) Act 2004 continues to have effect until the end of the period for which the appointment was made (subject to any earlier termination). The Auditor General has appointed Anthony Barrett as the auditor of the Pension Fund accounts for the year ending 31 March 2014.

As Appointed Auditor, I am required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the Pension Fund. In accordance with professional standards that apply by virtue of the Code of Audit Practice set under the act, this involves giving an opinion on whether the accounts give a true and fair view of the Pension Fund's financial transactions and of the amount and disposition of the fund's assets and liabilities. The act also requires me to satisfy myself of these things:

- that the accounts are prepared in accordance with regulations under section 39 of the act (the Accounts and Audit (Wales) Regulations 2005);
- that the accounts comply with the requirements of all other statutory provisions applicable to them; and
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The audit does not relieve the Council of its responsibility regarding the Pension Fund to:

- establish systems of internal control to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
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## Report of the Cabinet Members for Regeneration and Opportunities for Children & Young People

Cabinet – 3 June 2014

### RESPONSE TO THE REPORT OF THE ECONOMIC INACTIVITY SCRUTINY INQUIRY PANEL LOOKING AT HOW THE COUNCIL & ITS PARTNERS COULD REDUCE ECONOMIC INACTIVITY IN SWANSEA

<b>Purpose:</b>	To outline the response of the Cabinet Members to the scrutiny recommendations and to present an action plan to address these.
<b>Policy Framework:</b>	None
<b>Reason for Decision:</b>	To comply with the requirements of the Council Constitution.
<b>Consultation:</b>	Legal Services, Financial Services
<b>Recommendation(s):</b>	It is recommended that:  1) The Cabinet Members responses as outlined in the report and related action plan be agreed.
<b>Report Author:</b>	Steve Marshall
<b>Finance Officer:</b>	Kim Lawrence
<b>Legal Officer:</b>	Nigel Havard
<b>Access to Services Officer:</b>	Kirsty Roderick

#### 1. Introduction

- 1.1 The report of the Economic Inactivity Scrutiny Inquiry Panel was submitted to Cabinet on the 12 November 2013 after a detailed inquiry into how the Council and its partners could reduce economic inactivity in Swansea.
- 1.2 The response and whether Cabinet agree, or not agree, with each recommendation is detailed in this report. The report also highlights where in the context of a recommendation work is already taking place and the issues raised are being addressed.

**2. Response to Scrutiny Recommendations**

<b>Recommendation 1</b>
Takes steps to extend apprenticeship schemes beyond the traditional, to include office based and to encourage local employers.
<p><b>Cabinet Member Response:</b>          This is already a CCS policy commitment established and augmented by the current administration .Work has already begun as part of the Council’s Poverty Forum to work with others to set up a Swansea wide apprenticeship scheme. The Authority via the Lifelong Learning &amp; Employment Training Service (LLETS) manages a large Apprenticeship and Traineeship programme funded by the Welsh Government. The South West Workways Project managed within the Economic Regeneration &amp; Planning Division provides the support for unemployed and economically inactive people to acquire the skills and confidence to gain employment or engage in higher level training. Beyond Bricks &amp; Mortar works with employers and contractors to provide jobs, training and apprenticeship opportunities. This authority is already recognised as leading the way in developing both the skills and opportunities for apprenticeships in the region.</p> <p>Moving forward the intention is to integrate these three Council activities and introduce a programme of employment, education, enterprise and training opportunities for 18-24 year olds that includes an enhancement of the Council’s current apprenticeship programme. Organisations on the Local Service Board will be asked to join this programme. The aim is to increase the number of apprenticeship opportunities available in Swansea overall and to broaden the range of apprenticeships to include higher level posts (i.e.; legal, financial, planning etc.) and areas such as Business Administration. Social and domiciliary care. This would help to meet the needs of a greater number of people from a diversity of backgrounds.</p>
Recommendation is <b>already Council policy</b>

<b>Recommendation 2</b>
<p>Raises the following with the Department of Work and Pensions around employment services:</p> <ul style="list-style-type: none"> <li>a. Accessibility of employment opportunities for disabled people;</li> <li>b. Support and availability of services for the generational and long-term unemployed group;</li> <li>c. Issues raised by participants highlighted in this report.</li> </ul>
<p><b>Cabinet Member Response:</b>          As part of the Council’s anti-poverty agenda we have established that DWP has several schemes to ensure that disabled people and long term unemployed are able to access employment opportunities, for example;          - The UK Government’s Work Programme lies at the heart of the UK</p>

Government's welfare reform agenda. It provides a single platform for support to Jobseekers Allowance (JSA) and Employment Support Allowance (ESA- formerly Incapacity Benefit) claimants who need additional help in securing employment.

- Work Choice is a DWP programme providing specialist employability, work entry and supported work opportunities to unemployed and economically inactive disabled people (as defined by the Equality Act 2010) with complex employment support needs.
- Access to Work scheme can help employers with some costs involved in making adjustments for disabled workers
- Disabled people enrolled in the New Enterprise Allowance scheme can now receive additional support through Access to Work to help pay for necessary specialised equipment, support workers and travel costs to get their business started.

The City & County of Swansea engages with the Department of Work & Pensions (and other partners) through a number of local fora – such as the Economic Equity Delivery Team, Universal Credit Task & Finish Group, Workways Employer Support Group – which provide opportunities to discuss strategic and operational issues relating to employability support in Swansea.

Recommendation **has been completed**

### Recommendation 3

Investigates the possibility of incentives and increased support being offered to businesses in relation to recruitment and employment issues.

#### **Cabinet Member Response:**

This a clear Council priority and there are a number of schemes already in place to incentivise employment, for example:

- **JobCentre Plus Wage Incentive** - Available for 18-24 year olds that have been unemployed 6 months or more. The incentive is paid to the employer, although eligibility is based on the individual and paid at a rate of £1,137.50 for part time work (16-29 hrs) or £2,275.00 for full time (30 hrs or more).
- **JobCentre Plus Work Trials** - Available for up to 1 week (can be longer in exceptional circumstances). Individuals are able to claim travel costs to and from the place of work in addition to continued benefit.
- **JobCentre Plus New Enterprise Allowance (NEA)** – for Jobseeker's Allowance claimants aged 18 and over who want to start their own business. It gives participants access to a volunteer business mentor to provide guidance and support to develop their business plan and through the early months of trading. Following approval of business plan, the end of their benefit claim and start of trading, individuals can access a package of support worth up to £2,274 in weekly allowances and a loan.

- **ReAct II Redundancy scheme** - provides support that helps people gain new skills, overcome obstacles and improve their chances of returning to work in the shortest time possible following redundancy. The package is additional to, and offered in collaboration with, a wide range of support from the Welsh Government and their partner organisations such as Careers Wales and Jobcentre Plus. There are three parts to the scheme: a vocational training grant for people who need to update their skills to return to work; extra support to help remove any barriers to vocational training; a wage subsidy and help with training costs for recruiting employers.
- **Employer Training Support** - a discretionary fund of up to £1,500 that may be available towards the cost of each new recruit's job related training.
- **WG Young Recruits Programme** – offering a wage subsidy of £3,900 (over 52 weeks) to businesses to take on additional apprentices aged 16-24 years.
- **WG Jobs Growth Wales** - Supports 16-24 year olds to gain work experience and secure employment by covering the participants wage costs for 26 weeks
- **Traineeships** - Available to individuals who are unfocussed or unsure of the career path they would like to take. Level 1 training provided for up to 1 year with the individual paid a minimum of £50 per week via the training provider.
- **Workways Temporary Job Opportunities** – available to eligible participants and employers. Employers receive a subsidy equal to the minimum wage for duration of the placement and participant's training and travel are paid, along with a contribution to childcare costs (if applicable).
- **GO Wales** – Up to £1000 funding for SMEs to offer a work placement for a graduate of up 10 weeks.
- **Skills for Industry** – offers subsidised, accredited training to meet the needs of employers in South West Wales.

Recommendation is **already Council policy**

#### **Recommendation 4**

Enters into discussions with the Department of Work and Pensions to develop a 'Single point of Entry', in relation to employment opportunities, so that all groups have equal access to available jobs/ training and apprenticeships.

#### **Cabinet Member Response:**

As I stated at the scrutiny panel the City & County of Swansea in conjunction with the Regional Learning Partnership is leading on a new initiative designed to highlight job and training opportunities as part of its strategy to reduce poverty in Swansea. The vision is to increase the number of job and training opportunities for young people and those wishing to return to work and to create an accessible single point of entry, detailing future opportunities and the skills and learning routes that will help individuals to achieve their goals. Awareness and contact with the initiative is being created via the e-portal "Inform Swansea,"



providing a one-stop shop-frontage for those opportunities created. Inform Swansea holds real time information on what is available and the route-ways for people to avail themselves of those opportunities. Discussions are underway and almost complete with Job Centre Plus (Department of Work & Pensions) and others in Swansea on linking with Inform Swansea.

Recommendation is **Council policy and is almost complete**

#### **Recommendation 5**

Works with schools to develop initiatives with young people who are considered to be at risk of becoming NEETs from an earlier age.

#### **Cabinet Member Response:**

The Children and Young People's Board along with the Local Service Board have started discussions around the expansion of the 16-18 NEETS agenda to include children and young people from a younger age and to include those beyond 18. This work is ongoing and is inclusive of school representatives that sit on the CYP Board.

Recommendation is **complete and an example of best practice**

#### **Recommendation 6**

Works to raise aspirations of young people in schools by encouraging the promotion of further and higher education at an earlier stage (e.g. in Primary School)

#### **Cabinet Member Response:**

We can work to support HE and FE institutions to raise the profile and ambition in our schools and as a result of it being raised in this report the relevant cabinet members will ensure that the item is discussed at a future Swansea Learning Partnership meeting. However, responsibility for this also lies with the HE and FE institutions themselves and is not a sole responsibility of the Council.

Recommendation is **AGREED**

#### **Recommendation 7**

Investigates the possibility of holding regular entrepreneurship events to encourage young people.

#### **Cabinet Member Response:**

As I stated in my detailed response at Scrutiny we are actively encouraging and promoting enterprise education among young people is currently being co-ordinated by the Building Enterprise Education in Swansea (BEES) Group. Reporting into the Swansea Economic Regeneration Partnership (SERP) Board, the BEES Group members (comprising local authority Members, staff and educational practitioners) have for a number of years contributed to the delivery of entrepreneurship initiatives (Young Business Dragons, Enterprise Troopers) and conferences (ELVIS, IEEC) in schools and colleges. In addition the local authority has in partnership with local HE institutions and businesses supported entrepreneurship weekends

which have been recognised on a global stage and have encouraged the formation of new start up businesses. In addition The local authority has funded two Enterprise Support Officers to increase interest and take up of enterprise education activity in schools and among young people, these Officers, based at Gower College Swansea, are regular contributors to the BEES Group agenda and meetings.

The BEES Group is already delivering on this recommendation.

Recommendation is **being delivered**

### **3. Equality and Engagement Implications**

- 3.1 An Equalities Impact Assessment (EIA) screening of the report has been undertaken which confirms that a full EIA screening is not required, as the report has a low direct impact on the general public. However, individual actions in the action plan may have a more significant direct impact on the public and it may be appropriate for them to undergo the EIA screening process during their development, to assess if they require a full EIA.

### **4. Legal Implications**

- 4.1 There are no specific legal implications at this stage.

### **5. Financial Implications**

- 5.1 There are no financial implications associated with this report.

#### **Background Papers:**

None

#### **Appendices**

Appendix A – Cabinet Action Plan – Scrutiny Inquiry of Economic Inactivity

## Scrutiny Inquiry of Economic Inactivity– Cabinet Action Plan

Recommendation	Action Taken / Proposed	Timescale	Responsible Officer
1.	<p>Takes steps to extend apprenticeship schemes beyond the traditional, to include office based and to encourage local employers.</p> <p>This is already a CCS policy commitment and work has begun in conjunction with the Council's Poverty Forum.</p> <ol style="list-style-type: none"> <li>1. Engage with Service areas/Departments, formalise and present proposals for additional apprenticeships and work experience</li> <li>2. Engage with and present to LSB members on them joining the effort</li> <li>3. Launch a Swansea wide scheme</li> </ol>	April – December 2014	Steve Marshall
2.	<p>Raises the following with the Department of Work and Pensions around employment services:</p> <ol style="list-style-type: none"> <li>a. Accessibility of employment opportunities for disabled people;</li> <li>b. Support and availability of services for the generational and long-term unemployed group;</li> <li>c. Issues raised by participants highlighted in this report.</li> </ol> <p>Recommendation is agreed and the framework for raising those issues exists and the Council can use them to continue on-going engagement and discussions with DWP through the various working groups already identified and established.</p>		
3.	<p>Investigates the possibility of incentives and increased support being offered to businesses in relation to recruitment and employment issues</p> <p>Recommendation is agreed and it has also been established that a significant number of incentives currently exist for employers. The new programmes of European structural funds will also have this as a priority and regional projects under the new programmes will have the creation of employment as a key theme.</p>		
4.	<p>Enters into discussions with the Department of Work and Pensions to develop a 'Single point of Entry', in relation to employment opportunities, so</p> <p>As part of the Council's Poverty Forum we have developed the e-portal platform 'Inform Swansea as a front of house' client interface for promoting opportunities and will:</p>	April – December 2014	Steve Marshall

	that all groups have equal access to available jobs/ training and apprenticeships.	<ol style="list-style-type: none"> <li>1. Engage with Job Centre Plus via the Economic Equity Delivery Team (SERP) and the work of the Regional Learning Partnership (RLP) on joint use,</li> <li>2. Determine what DWP initiatives are also being developed in this context</li> </ol>		
5.	Works with schools to develop initiatives with young people who are considered to be at risk of becoming NEETs from an earlier age.	Recommendation is agreed and discussions are already taking place via the Local Service Board and Children and Young People's Board that includes representatives from our schools		Cabinet member for Opportunities for Children and Young People
6.	Works to raise aspirations of young people in schools by encouraging the promotion of further and higher education at an earlier stage (e.g. in Primary School)	Recommendation is agreed although this is not the sole responsibility of the Council. Raise the matter at a future meeting of the Swansea Learning Partnership		Cabinet member for Opportunities for Children and Young People
7.	Investigates the possibility of holding regular entrepreneurship events to encourage young people.	Recommendation is agreed and work is already taking place and co-ordinated by the Building Enterprise Education in Swansea (BEES) Group. The Council has recently funded two Enterprise Support Officers to increase interest and take up of enterprise education activity in schools and among young people		

## Report of the Section 151 Officer

Cabinet – 3 June 2014

### COUNCIL TAX - HELP FOR PENSIONERS

<b>Purpose:</b>	To agree a Council Tax Scheme to help Pensioners for 2014/2015.
<b>Policy Framework:</b>	None.
<b>Reason for Decision:</b>	To comply with Financial Procedure Rules.
<b>Consultation:</b>	Legal, Finance and Access to Services.
<b>Recommendation(s):</b>	It is recommended that:  1) The proposed scheme is adopted.  2) The proposals and qualifying criteria set out in paragraph 2 are agreed.
<b>Report Author:</b>	Rose McCreesh
<b>Finance Officer:</b>	Mike Hawes
<b>Legal Officer:</b>	Janet Hooper
<b>Access to Services Officer:</b>	Sherill Hopkins

## 1. Background

1.1 As part of the Final Settlement, the Welsh Government transferred £4m into RSG in relation to the former Pensioners Grant Scheme, of which £294k was allocated to this authority. The former grant scheme provided financial support to Pensioners receiving partial Council Tax Support, to help pay their Council Tax. This report is recommending that the £294k allocated should be used to enable continuation of a Council Tax scheme to help pensioners for 2014/15, for eligible pensioner households.

## 2. The Proposed Scheme

2.1 It is proposed to adopt the same scheme criteria as used in previous years, where the allocated funding is distributed equally to pensioner households (i.e. pensioners aged 60+) who qualify for partial, but not full, Council Tax Reduction. As the cases can be accurately identified from our records, those who qualify would not need to make an application for the payment.

- 2.2 It is estimated that there are approximately 3144 cases, which would be awarded approximately £105.00, where the amount of Council Tax payable is £105.00 or more. In cases where the amount of Council Tax due is less than this amount the payment would be capped at the amount of Council Tax due, subject to a minimum payment of £ 5.00.
- 2.3 The amount of net liability would be fixed at 1 June 2014, which would mean that there would be no recalculation required for subsequent changes of circumstances, keeping the administrative costs to a minimum.
- 2.4 The payment would be credited to the relevant Council Tax account, and a revised bill and explanatory letter would be sent to the Council Tax payer.
- 2.5 The proposed use of the grant is consistent with the Council's objectives in tackling poverty.

### **3. Financial Implications.**

- 3.1 There are no financial implications other than those shown above.

### **4. Legal Implications**

- 4.1 There are no legal implications.

### **6. Equality and Engagement Implications**

- 6.1 The proposed scheme has been screened and does not require a full Equality Impact Assessment report.
- 6.2 It should be noted that in terms of equality impact there are no changes to the qualifying criteria for the proposed 2014/15 scheme compared to the Welsh Government's scheme for 2013/2014. The scheme is intended to provide financial support to those pensioner households who are not in receipt of full Council Tax Reduction but still qualify for partial reduction and therefore by definition are pensioner households which have lower disposable incomes in Swansea.

**Background Papers:** None.

**Appendices:** None.

## Report of the Cabinet Member for Learning and Skills

Cabinet – 3 June 2014

### FLYING START CAPITAL PROGRAMME EXPANSION 2014 - 2016

<b>Purpose:</b>	To outline the capital proposals included in the Strategic Outline Plan submitted to Welsh Government in respect of the expansion of the Flying Start Programme between 2014/15 and 2015/16 (Supplementary Bid) and to award the work to Corporate Building and Property Services
<b>Policy Framework:</b>	One Swansea Plan
<b>Reason for Decision:</b>	<p>To comply with Financial Procedure Rule 7-to approve and include new Capital schemes in the Capital Programme.</p> <p>To seek authorisation to submit Planning applications where appropriate/if required</p> <p>To award contract to Corporate Building and Property Services - To comply with Contract Procedure Rule 1.2.4 - to award a contract.</p>
<b>Consultation:</b>	Education, Poverty, Corporate Building Services, Finance and Legal were consulted.
<b>Recommendation(s):</b>	<p>It is recommended that the Director of People be authorised to: -</p> <ol style="list-style-type: none"><li>1. implement the settings, as detailed in the approved Flying Start Strategic Outline Plan (SOP)</li><li>2. submit planning applications where appropriate</li><li>3. authorise that the schemes as detailed, together with their financial implications, be included in the capital programme</li><li>4. authorise the work to be awarded to Corporate Property and Building Services</li></ol>
<b>Report Author:</b>	Brian Roles
<b>Finance Officer:</b>	Ben Smith
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer</b>	Sherill Hopkins

## **1.0 Background**

- 1.1 There has been significant progress to date in relation to Swansea's Flying Start Programme which is rooted in the strategic direction established nationally and locally for the Programme and forms part of the continuum of services and approaches within the wider Prevention and Early Intervention Programme within the Children and Young People Plan and on behalf of the Children & Young People's Partnership.
- 1.2 Flying Start has been in operation in Swansea since 2006 with over 2200 0-3 year olds supported annually via the Programme. It is a multi-agency Programme aimed at improving outcomes for children under four in the identified most deprived target areas. Children and their families living in the targeted areas are eligible to access a menu of services which include additional health visiting above core service/other health enhancing services, parenting programmes and support via delivery of accredited group work programmes and/or 1-2-1 individual interventions, language and play programme and the centrepiece is free, high quality, part-time childcare for all two year olds 2.5 hours a day, 5 days a week 42 weeks of the year. By the end of phase two there will be over 600 child care places in operation.
- 1.3 **Phase 1** of the Programme (2006-2011) was required by Welsh Government to be targeted at the most disadvantaged school catchments in Swansea. In line with WIMD data the target areas were Townhill, Seaview, Blaenymaes, Portmead, Clwyd, Hafod, Waun Wen and Pentrechwyth. Provision for Welsh medium childcare and accessible childcare for disabled children are also provided for eligible 0-3 year olds living in the geographical target areas. The settings in Phase 1 were successfully implemented and are detailed in Appendix A.
- 1.4 **Phase 2** of the Programme (2012–2014) involved a changed criteria (set by Welsh Government) for defining Flying Start areas. Local partnerships were provided with a list of all Lower Super Output Areas (LSOAs) ranked in order of deprivation according to the levels of income benefit households (IBHs) with 0-3 year olds. Prior to receiving offer of capital grant from Welsh Government for Phase 2, the Authority had to satisfy Welsh Government on a number of occasions that the expansion of the Programme was fully in line with the ranking of LSOAs determined by IBHs of 0-3 year olds. Phase 2 approved LSOAs and associated settings have been successfully implemented and are detailed in Appendix A.

## **2.0 Supplementary Bidding Round – Phase 3**

- 2.1 The Welsh Government has identified Flying Start as a priority area and as such the Programme across Wales is to be further expanded over the next two financial years.



- 2.2 In August 2013 Local Authorities were asked to complete a Strategic Outline Plan (SOP) for a supplementary bid for Flying Start capital resources to expand the Programme to further geographical targeted areas and to consolidate the programme for Phase 2.
- 2.3 The criteria now prescribed by Welsh Government for new areas directly relate to LSOAs ranked in priority order, determined by Income Deprived Households (IDHHs) where 0-3 year olds live. The basis for targeting this expansion has been agreed by Ministers. On this basis, taking into account the Income Deprived Households (IDHHs) data, the cap of 0-3 year olds set by Welsh Government and the existing Flying Start population, the Lower Super Output Areas (LSOAs) included in the bid for Swansea are shown in Appendix B.
- 2.4 To complete Phase 2, 20 childcare places were required for the Pontarddulais 4 LSOA. The small scale expansion Phase 3, would target an additional 244 0-3 year olds annually, This expanded programme would provide an additional **60** childcare places.
- 2.5 However, in order to maximise the impact of the Programme Swansea submitted a bid for over and above the cap number set by WG. WG subsequently requested that bids be scaled back to the original request of 60 childcare places due to funding restraints.
- 2.6 On 17<sup>th</sup> April, 2014 a formal offer of grant was received from WG approving 36 new childcare places for Phase 3 as well as confirming the 20 childcare places to consolidate Phase 2. The approved schemes are highlighted in Appendix B.

### **3.0 Service Solution**

- 3.1 Building on the Programme to date and taking into account lessons learned and good practice, the preferred way forward would be to, where possible, maximise the use of available space (potential surplus capacity) via re-modelling within existing local primary schools. Of particular interest to Swansea would be continuing to link the Flying Start Programme with the aspirations for 21<sup>st</sup> Century schools so that the benefits of Flying Start are maximised within primary schools and Community Focussed Schools particularly in relation to the evidenced benefits of transition into the Foundation Phase.
- 3.2 Where the option to remodel existing surplus capacity on primary schools sites is not achievable, “buying-in” the childcare from wider community facilities such as registered playgroups and day nurseries will be explored. This approach was approved by WG on 7<sup>th</sup> January 2014.
- 3.3 In the case of Morryston 5 LSOA (which was an approved Phase 2 setting), the preferred option for locating Flying Start on a Primary school site has not been achievable, therefore approximately 17

childcare places for this area will need to be procured, or bought in from registered childcare providers.

#### **4.0 Equality and Engagement Implications**

- 4.1 An Equality Impact Assessment Screening Form has been completed for the project with the outcome that a full EIA Report was required. This has now been completed and has shown this project will have a positive impact on;

Age – provide an additional good quality childcare places and additional services for 0-3 year olds.

Disability – services will be provided to meet the needs of other key vulnerable groups, such as children with disabilities for which dedicated and integrated options will be available.

Poverty – by virtue of the project’s scope and aims.

All key stakeholders will be communicated with throughout the projects delivery.

#### **5.0 Financial Implications**

##### **Capital**

- 5.1 The total cost of the capital improvement works approved amounts to **£620,000** and will be fully funded by grant from the Welsh Government.
- 5.2 The funding relates to the period April 2014 to March 2015 and must be claimed in full by 31<sup>st</sup> March 2015 otherwise any unclaimed part of the funding will cease to be available to the City and County of Swansea. The funding available has been profiled as set out in Appendix C.

##### **Revenue**

- 5.3 To date WG have not confirmed the revenue allocations for Phase 3 in writing. It is anticipated this will be announced shortly.

#### **6.0 Legal Implications**

- 6.1 In line with current arrangements agreements will be in place between Flying Start, the schools and the individual services operating from the setting to ensure clarity of roles and responsibilities relating to the asset.
- 6.2 The grant offer from Welsh Government will contain conditions which are legally binding. The Council must be satisfied that it is able to comply with the same.

- 6.3 Any proposal to “buy – in” childcare provision as outlined in paragraph 3.2 must comply with the Council’s procurement procedures and the Council’s Contract Procedure Rules as relevant.

## **7.0 Procurement**

- 7.1 It is proposed that associated works will be delivered by The City and County of Swansea’s Internal contractor (Corporate Building and Property Services). This approach has previously been approved with external auditors, therefore will fulfil stipulated grant criteria and attain best value throughout the process.

Best value will be demonstrated through a number of means.

All sub contractor elements of work will be tendered accordingly, which in itself will demonstrate best value.

All elements of work which are delivered with internal resources will be benchmarked against rates previously supplied by the internal contractor through a competitive tendering process.

As part of any procurement process, the internal contractor will ensure:

- Purchases of works, goods or services will be made through open competition
- Decisions to purchase goods, services or works will be made with the aim of obtaining value for money
- Sufficient time will be allowed to undertake a proper tendering exercise
- Suppliers and contractors will be treated fairly and in an even handed manner
- A clear and concise documentary audit trail will be kept so the reasoning behind the procurement decision reached is open and transparent.

### **Background Papers:**

Swansea’s Flying Start Strategic Outline Programme, can be viewed at <http://www.cypswansea.co.uk/fssupplementary>

Map of Flying Start Areas (Phase 1,2 and approved Phase 3) can be viewed <http://www.cypswansea.co.uk/fssupplementary>

Equality Impact Assessment can be viewed at <http://www.cypswansea.co.uk/fssupplementary>

### **Appendices:**

Appendix A Approved Phase 1 and 2 settings

Appendix B City & County of Swansea Summary of submitted bid and decisions of approved areas to date

Appendix C Financial Implications Summary

**Appendix A**  
**Flying Start Approved Phase 1 & 2 settings**

Phase 1		Phase 2	
Ward	Setting	Ward	Setting
Penderry 1,2,7	Blaenymaes Primary	Mynyddbach 1	Clase Primary
Penderry 4,5,6, Cockett 8, Cwmbwrla 5	Clwyd Integrated Childrens Centre	Townhill 1,2,6	Gors Primary
Castle 1,2, Landore 2,3,4	Hafod Primary	Clydach 3	Craigfelen Primary
Bonymaen 1,2	Pentrechwyth Primary	Morrison 7	YGG Tan-y-lan (Welsh Medium Provision)
Penderry 1,2,3	Portmead Primary	St Thomas 1&2	St Thomas Primary
Castle 5, Townhill 1,3,5 Uplands 2	Seaview Primary	Castle 4&8, & Uplands 4	St Helens Primary
Townhill 1,2,4,6 Uplands 2	Townhill Primary	Llansamlet 8	Birchgrove Primary
Castle 1,2,3,5	Waun Wen Primary	Penderry 3,4,5,7 & Cockett 8	Blaenymaes Primary (expansion of existing setting)
All FS areas	Plantos Bach (Welsh Medium Provision)	Morrison 5*	Buy in from Private Provider
		Pontarddulais 4*	Proposed Pontarddulais Primary – Consolidated in supplementary bidding round

\* these schemes are yet to be operational

## Appendix B

### City & County of Swansea Summary of Submitted bids and decisions of WG to date

LSOA	Proposed Location of setting	Proportion of children aged 0-3 in income deprived households (b)	Number of children aged 0-3 in income deprived households (c)	Number of people aged 0-3 (2011 small area population estimates) (d)	Estimated number of childcare places	Capital Grant Allocation requested	Welsh Government Decisions to date (April 2014)
<b>Phase 2 consolidation</b>							
Pontarddulais 4	Pontarddulais Primary	54%	40	72	20	£200K	Approved 17 <sup>th</sup> April 2014
<b>Phase 3 / additional places</b>							
Sketty 4	Parklands Primary (maximising spaces in Oaktree)	63%	35	52	12	£160K	Approved 17 <sup>th</sup> April 2014
Morryston 9	Plasmarl Primary	60%	60	96	24	£260K	Approved 17 <sup>th</sup> April 2014
Penyrheol 4	Penyrheol Primary	57%	30	54	14	£160K	Awaiting decision
Clydach 4	Maximise Craigfelen Flying Start	52%	40	77	8	Nil	Awaiting decision
<b>These schemes would take Swansea over the additional Cap Number/New spaces</b>							
Clydach 4	YGG Gellionnen	As above (52%)	As above (40)	As above (77)	12*	£210K	WG/CCoS cannot financially support
Bonymaen 4	Cwmglas Primary School	51%	35	71	20*	£750K (£600K WG / £150K CCoS)	WG/CCoS cannot financially support

\* these numbers would take Swansea over the cap that has been indicated.

## FINANCIAL IMPLICATIONS : SUMMARY

**Portfolio: EDUCATION**

**Service : PRIMARY SCHOOLS**

**Scheme : FLYING START CAPITAL PROGRAMME EXPANSION  
2014 / 2016  
Approvals to date (April 2014)**

<b>1.1. CAPITAL COSTS</b>	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>TOTAL £'000</b>
<u>Expenditure</u>			
Flying Start Approved Projects:			
Pontarddulais Primary	200,000	0	200,000
Parklands Primary	160,000	0	160,000
Plasmarl Primary	260,000	0	260,000
<b>EXPENDITURE</b>	<b>620,000</b>	<b>0</b>	<b>620,000</b>
<u>Financing</u>			
Flying Start Capital Grant 14/16 (Expansion Programme)	620,000	0	620,000
<b>FINANCING</b>	<b>620,000</b>	<b>0</b>	<b>620,000</b>

<b>1.2. REVENUE COSTS</b>	<b>2012/13 £'000</b>	<b>2012/13 £'000</b>	<b>FULL YEAR £'000</b>
<u>Service Controlled - Expenditure</u>			
Employees )			0
Maintenance )	To be met by grant allocation tbd)		0
Vehicle running costs )			0
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Financing</u>			
<b>FINANCING</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Report of the Cabinet Member for Learning and Skills

Cabinet – 3 June 2014

### DISPOSAL OF SURPLUS LAND ON SCHOOL SITES

<b>Purpose:</b>	To consider responses to the consultation carried out with Schools.
<b>Policy Framework:</b>	Capital Budget and Programme 2014/15 – 2017/18.
<b>Reason for Decision:</b>	To report back on the consultation with the Governing Bodies on the proposed land sales and to seek approval to proceed with the disposals in principle as set out in the recommendations to meet the required local contribution – a need set out in the Capital Budget & Programme 2014/15 – 2017/18
<b>Consultation:</b>	Corporate Building & Property Services, Finance, Legal, Democratic Services & Procurement
<b>Recommendation(s):</b>	<p>It is recommended that Cabinet declares the following sites surplus to requirements and authorises the Director of Place to dispose of them: -</p> <ol style="list-style-type: none"><li>1) Blaenymaes Primary School –the site as shown on Plan 1B</li><li>2) Knelston Primary School - the site as shown on Plan 2B</li><li>3) Tre Uchaf Primary School –the site as shown on Plan 3B</li><li>4) YGG Gellionnen - the site as shown on Plan 4B</li></ol>
<b>Report Author:</b>	Brian Roles
<b>Finance Officer:</b>	Mike Hawes
<b>Legal Officer:</b>	Janet Hooper / Nigel Havard
<b>Access to Services Officer:</b>	Sherill Hopkins

## **Background**

On the 25<sup>th</sup> April 2013 Cabinet approved the proposed funding strategy for the 21<sup>st</sup> Century Schools Programme, and authorised officers to consider further any potential parcels of surplus land identified through the approach set out, and on the 2<sup>nd</sup> July 2013 Council approved the proposed approach for an Incentive Scheme.

Potential surplus land on school sites has been identified on the following basis;

1. 'Building Bulletin' guidance. For example a primary school site in excess of 4.5 acres - a generous interpretation of the guidance- is assumed to be over supplied. A number of sites are considerably in excess of this general guideline.
2. The parcel of land is physically capable of being separated and developed.
3. Advice from Planning and Highways indicating that the land has development potential.
4. Confirmation of any legal constraints on the title.

Prior to making any final decision on disposal the Authority were advised by Counsel to seek the views of the Governing Body of each school in question. In particular it was advised that their view must be sought on whether they consider the land to be surplus and if not then they must be given the opportunity of putting forward their reasons and for those reasons to be fully considered.

**The formal planning process will further ensure that community considerations and views are fully considered with regard to any alternative use of the areas.**

## **Consultation with Governing Bodies**

Cabinet decided on the 11<sup>th</sup> March 2014 to work towards the disposal of the sites at Birchgrove, Clase, Clwyd and Gors Primary Schools, and continue with surveys and investigations at YGG Gellionen, Parkland Primary School, Penyrheol Comprehensive School, Knelston Primary School, Pontarddulais Primary School, Tre Uchaf Primary School, Blaenymaes Primary School, Olchfa Comprehensive School and Penyrheol Primary School.

Facilities Management have commenced surveys of the sites considering issues such as the possible realignment of pitches and grounds maintenance access.

Geotech surveys have been commissioned for a number of the sites where required and further consultation with Planning and Legal is being undertaken.

The views of the Governing Bodies of the remaining nine School sites have all been sought, and a summary of the responses from four of those (Blaenymaes, Knelston, Tre Uchaf Primary Schools and YGG Gellionen) are set out in Appendices 1 and 2 and a full copy of the response from each of



the Governing Bodies consulted is available at:

[http://www.swansea.gov.uk/qedlandsales\\_c](http://www.swansea.gov.uk/qedlandsales_c)

Three schools object outright;

Blaenymaes Primary School

Knelston Primary School

Tre Uchaf Primary School

YGG Gellionnen were not in disagreement of land disposal but were against the proposal of which part of the field was under consideration.

### **Site Evaluations**

All necessary legal work will be carried out to make sites ready for disposal and if any issues arise they will be reported to Cabinet by exception.

The Valuation figures have been redacted due to commercial sensitivity and will be provided to Cabinet Members in a confidential briefing note.

Two plans in relation to each site are attached at Appendix 1;

Plan A shows shaded the extent of the land on which the Governing Body were consulted and hatched the area if applicable that they agree is surplus to requirements

Plan B shows the land which is being recommended for disposal.

### **Equality and Engagement Implications**

A full Equality Impact Assessment has been carried out and has shown this project will have a positive impact on;

Age – the sale of potentially surplus land will allow the City & County of Swansea to invest in the facilities of a number of schools across the City, benefiting our children and young people.

Disability – the money being invested in schools will improve access for a number of disabled children and young people e.g. pupils at the new Burlais Primary School.

Equality issues raised to date have been acknowledged and will form part of ongoing communication with key stakeholders throughout the projects delivery.

### **Financial Implications**

In accordance with current policy, the relevant capital receipt will contribute towards the achievement of the Council's overall capital receipt target to part fund the 21<sup>st</sup> Century Programme for school improvements as set out in the

approved capital programme. As such the capital receipt will not be allocated for any other specific purpose.

### **Legal Implications:**

The legal owner of land at a maintained / community school has statutory power under section 123 of the Local Government Act 1972 to dispose of such land in any manner it sees fit, subject to obtaining the best consideration that can be reasonably obtained.

The Head of Corporate Property would need to certify in any such disposal that the Authority has discharged its statutory duty in obtaining such consideration and that the disposal complies with the Land Disposal Rules.

The Authority must also seek the views of the Governing Body and take those views into account prior to making any final decision on disposal. Legal officers are satisfied that the Governing Bodies have been consulted and that their responses are contained in this report.

The sites were originally acquired by the Council for the purposes of Education and will therefore need to be formally declared surplus to requirements to enable a disposal.

### **Background Papers:**

Report of Cabinet Member for Learning and Skills and Cabinet Member for Finance and Resources to Cabinet 25.04.13; 21<sup>st</sup> Century Schools Programme.

Report of Cabinet Member for Learning and Skills to Cabinet 28.05.13; Capital receipts from sale of land / property on school sites proposed incentive scheme.

Report of Cabinet Member for Learning and Skills to Cabinet 11.03.14; Disposal of Surplus Land on School Sites.

Equality Impact Assessment

### **Appendices:**

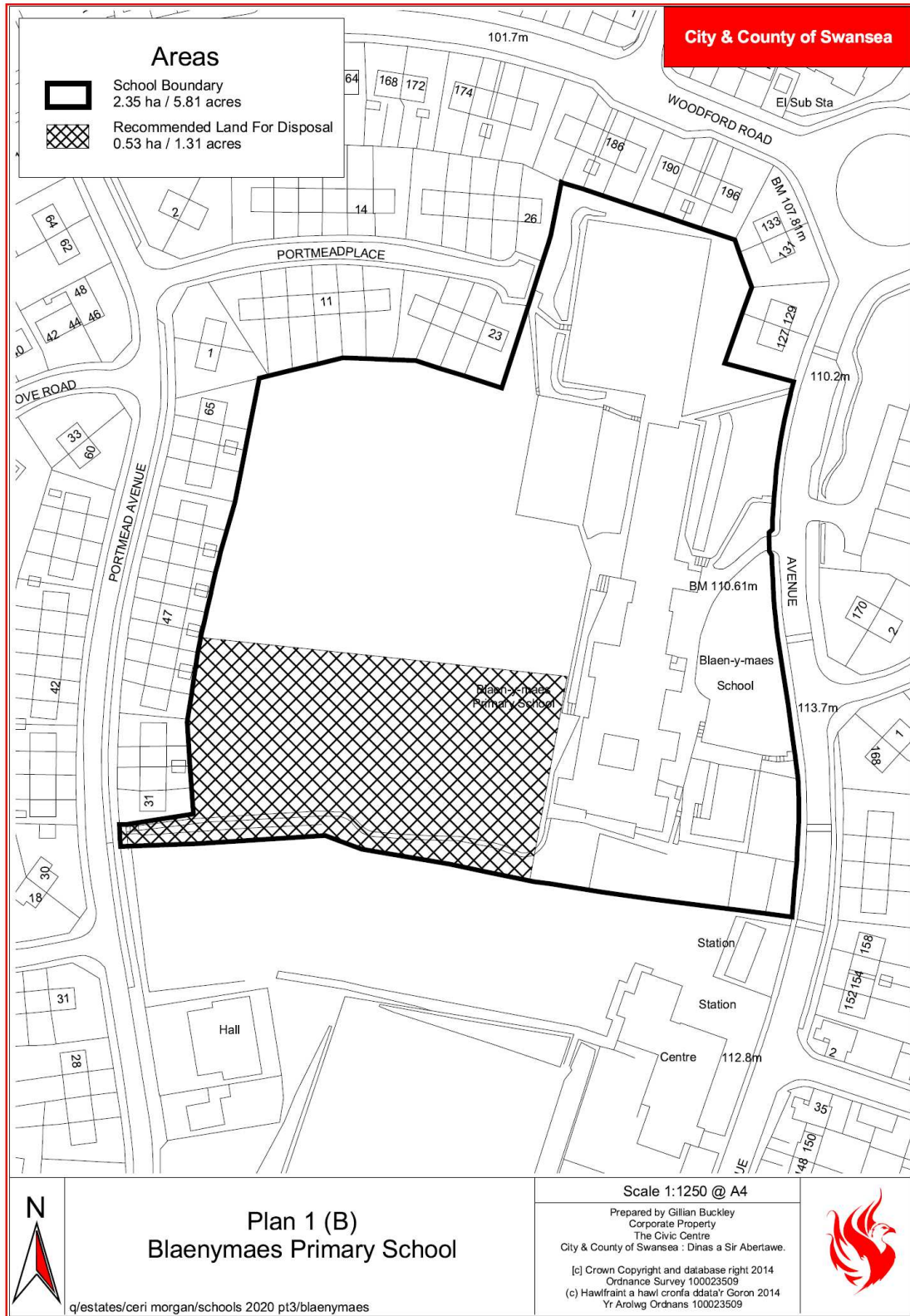
Appendix 1: Site Plans

Appendix 2: Site Evaluations

The full response from each of the Governing Bodies can be viewed at: [http://www.swansea.gov.uk/qedlandsales\\_c](http://www.swansea.gov.uk/qedlandsales_c)

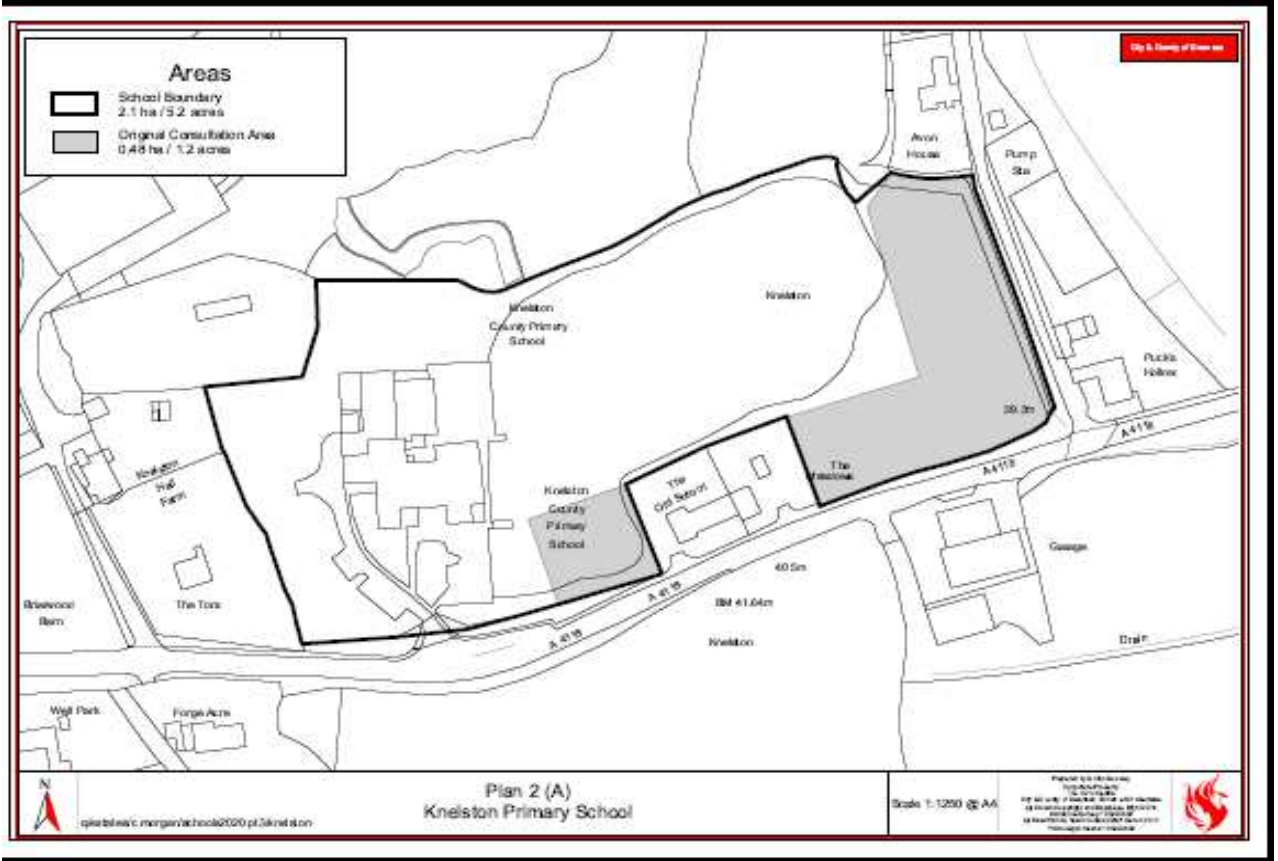


# Blaenymaes Plan 1B

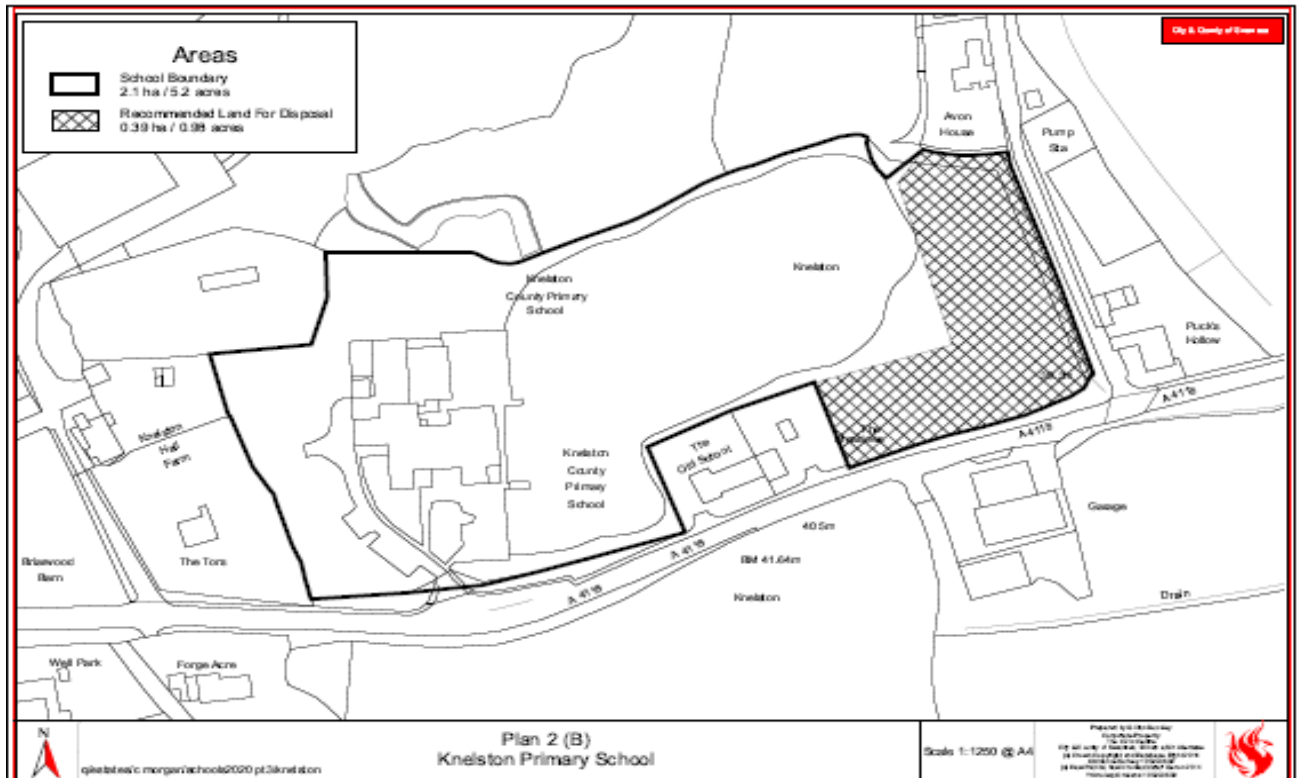




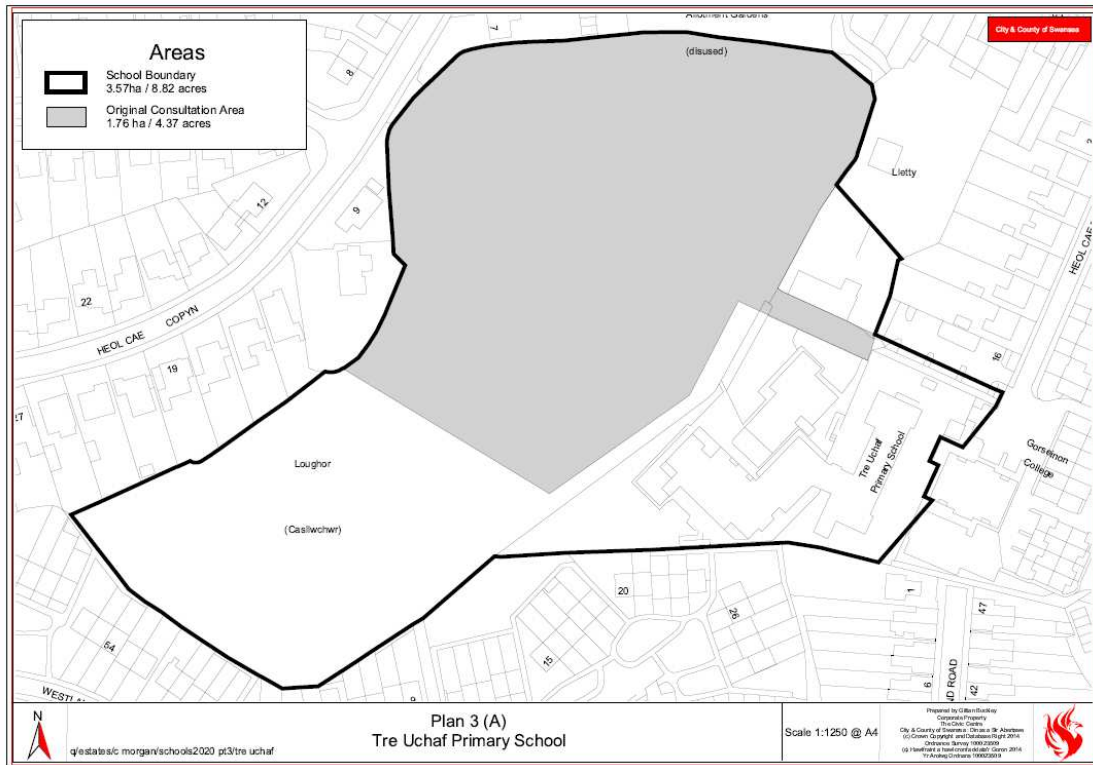
## Knelston Plan 2A



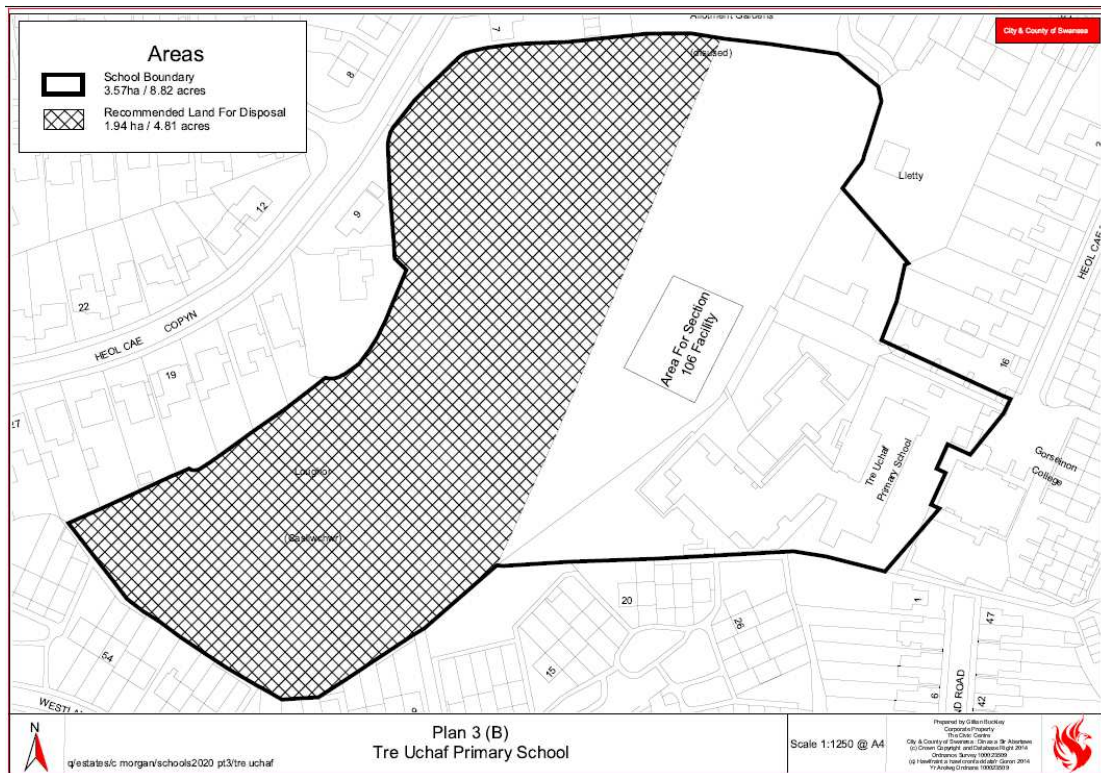
## Knelston Plan 2B



## Tre Uchaf Primary School Plan 3A



## Tre Uchaf Primary School Plan 3B







## Appendix 2: Site Evaluations

The Valuation figures have been redacted due to commercial sensitivity.

<b>Site Location</b>	<b>Blaenymaes Primary School</b>		<b>Plan ref: 1</b>
Capacity 2013/14: 260		Numbers on Roll September 2013: 154	
Original Valuation: [REDACTED]	Estimated selling costs: [REDACTED]	Incentive Value: [REDACTED]	Estimated net capital receipt: [REDACTED]
Total School Acreage: 5.81	Proposed developable area: 1.31		Area remaining: 4.5
Date letter and plan sent to the School: 21.06.2013	Date response received: 31.10.2013		Objections received: <b>Yes</b>
<p>Summary of responses received from Governing Body:</p> <ul style="list-style-type: none"> <li>• The land makes up most of our playing fields.</li> <li>• The school has to provide a safe green space that can be easily policed and kept at a high health and safety standard.</li> <li>• School grounds are well utilised.</li> <li>• Disposal of the land would mean the loss of a flat entrance to the school particularly the Flying Start part of the school, where families attend with young children in prams and some who have disabilities.</li> <li>• Losing this land would mean a loss of a flat entrance to the school.</li> </ul>			
<p><b>Evaluation:</b></p> <p>The development potential of this site is likely to be limited to Registered Social Landlords.</p> <p>Facilities Management have surveyed the site; there is sufficient space remaining for the existing pitches to be realigned to still provide a usable area.</p> <p>The School has planted a small woodland recently on the site, which is understood is funded through grant funding. The site proposed for disposal impinges on that slightly; however the trees are still only whips and so should be able to be replanted.</p> <p>The detailed boundary lines will have to secure an access for grounds maintenance and emergency vehicles.</p> <p>At the time of the inspection the Head flagged problems currently being experienced with neighbours throwing rubbish onto the School grounds; the proximity of housing to the School boundary and proposed layouts will require this issue to be considered.</p> <p>The remainder of the site would only be accessible for a future development if either the development on the proposed area is designed in such a way so as to allow access from it via a hammerhead, or from Broughton Avenue across the School site.</p> <p>Equality considerations – the School stated that the disposal of the land would mean</p>			



the loss of a flat entrance to the school particularly the Flying Start part of the school, where families attend with young children in prams and / or disabled adults/children. Although the access referred to cuts across the area proposed for disposal, it is recommended that a rear flat access to the School including the Flying Start is preserved.

**Recommendation:** That the Director of Place be authorised to work towards the disposal of the site as shown on Plan 1B, and subject to the preservation of a rear flat access to the School including the Flying Start.

Updated valuation based on recommendations: ████████	Estimated selling costs: ████████	Incentive Value: ████████	Estimated net capital receipt: ████████
Updated developable area based on recommendations: 1.31		Area remaining: 4.5	

<b>Site Location</b>	<b>Knelston Primary School</b>	<b>Plan ref: 2</b>
Capacity 2013/14: 132		Numbers on Roll September 2013: 107
Original Valuation: ████████	Estimated selling costs: ████████	Incentive Value: ████████
		Estimated net capital receipt: ████████
Total School Acreage: 5.2	Proposed developable area: 1.2	Area remaining: 4
Date letter and plan sent to the School: 21.06.13	Date response received: 22.07.13	Objections received: <b>Yes</b>
<p>Summary of responses received from Governing Body:</p> <ul style="list-style-type: none"> <li>• The Governing Body do not agree that the land identified and proposed for sale is surplus to requirements.</li> <li>• Various grants have been awarded to the school which will have to be paid back.</li> <li>• Concern over visibility into the school from a new housing development, concern over resiting bus bay.</li> <li>• Negative impact on education through restriction of outdoor learning.</li> <li>• No scope for further expansion.</li> <li>• No safe route to walk to school.</li> <li>• Memorial trees planted.</li> <li>• Sale would leave zero parking on a busy road, wheelchair users will have to walk on road with no pavement.</li> <li>• Land previously identified as a flood plain.</li> <li>• Farmland nearby which is believed to be owned by the council could be sold.</li> <li>• Land adjacent to the school and an allotment area which supports a large part of the EDDGC and ECO committee</li> <li>• Sale of land would disadvantage and discriminate against disabled pupils</li> </ul>		

## **Evaluation:**

Two key concerns raised by the School are;

1. Safety, particularly with regard to the square plot of land at the front centre of the site.
2. The development of part of the School grounds with grant funding amounting to £16,500.

The development of both the square and L shaped areas is unlikely to be acceptable from a planning perspective, and the development of the square area would as the School indicate present a conflict with the bus layby.

The L shaped area may be a viable proposition particularly if it included some affordable housing which is in demand in these rural areas. It is unlikely that the whole of that area would be capable of development given planning and highway constraints, however it may be possible (subject to planning consent) to develop a site of say up to 2 or 3 dwellings including one of which is affordable.

Such disposal and development may impact on an area of the site that has been developed by the School as woodland / nature area using grant funding. The value of this is understood to be £16,500. There are young trees, fencing and a bird hide in the L Shaped area; it is likely that the bird hide could be relocated, and it is proposed to endeavour to mitigate any issues with regard to grant funding.

The Roundhouse is situated elsewhere on the site and would be unaffected.

Facilities Management have surveyed the site; the recommendations do not appear to impact on the existing pitch, however if required there is sufficient space to realign the existing pitch.

The detailed boundary lines will have to secure an access for grounds maintenance and emergency vehicles.

The School do informally use the access to the site between the School House and the L Shaped area of land for vehicles to park on the grass at events. The sale and development of the L shaped area would impact on that.

If only the L Shaped area of land is sold the remainder of the site could potentially be accessed from the square area at the front of the site.

Equality considerations - the site recommended for disposal now excludes that square section adjacent to the bus bay; and so the proposals should not therefore impact on parking or pedestrian access in proximity of the School. The other issue of concern was relating to the footpath around the playing field which is a means of access to the playing fields by wheelchair users, similarly as the site recommended for disposal now excludes that square section adjacent to the bus bay, the footpath around the playing fields would remain within the School curtilage.

<b>Recommendation:</b> That the Director of Place be authorised to work towards the disposal of the site as shown on Plan 2B.			
Updated valuation based on recommendations: [REDACTED]	Estimated selling costs: [REDACTED]	Incentive Value: [REDACTED]	Estimated net capital receipt: [REDACTED]
Updated developable are based on recommendations: 0.98		Area remaining: 4.22	

<b>Site Location</b>	<b>Tre Uchaf Primary School</b>		<b>Plan ref: 3</b>
Capacity 2013/14: 206		Numbers on Roll September 2013: 140	
Original Valuation: [REDACTED]	Estimated selling costs: [REDACTED]	Incentive Value: [REDACTED]	Estimated net capital receipt: [REDACTED]
Total School Acreage: 8.82	Proposed developable area: 4.37		Area remaining: 4.45
Date letter and plan sent to the School: 21.06.2013	Date response received: 19.07.2013		Objections received: <b>Yes</b>

Summary of responses received from Governing Body:

- The area is used on a daily basis by the school, community and local residents.
- Currently catering for 18 children with learning difficulties, regularly host open day for children from SEN classes across Swansea.
- This field is the only remaining large, safe green space in Upper Loughor.
- It is used extensively for both educational and leisure purposes.
- Safety issues have been highlighted as a concern in relation to this proposal.
- Concerns have been raised from parents regarding the proximity of the housing development so close to the school and the possible impact of children being watched at play.
- There are plans for a MUGA on the section for proposed development there would be wide spread disappointment in the neighbourhood if this facility was stopped.

**Evaluation:**

Initial investigations indicate that access for a development on the site on which the school were consulted can be achieved off Heol Cae Copyn which may facilitate a development of 30-35 houses.

The Governing body response indicates an outright objection, however it was understood from the discussions at the School in June 2013 that the area to the south west of the hatched area is unused by the School.

Facilities Management have now surveyed the site; the area on which the School were consulted has been marked with a mini football pitch, running track and a rounders diamond.

The remaining area to the south west is large enough to accommodate the same

areas, and is fairly level. However at the time of the inspection it was very wet and drainage investigation/works would be required before it is marked and used.

In view of this the site being recommended for disposal has now been revised as shown on Plan 3B. This would involve a land take of 4.81 acres approximately, which would leave the School with a site area of approximately 4.01 acres, including a grassed area adjacent to the School buildings, suitable for marking as a pitch, and which at the time of inspection was dry.

Further surveys and investigations are required to establish the most appropriate boundary line, and also to ensure that a suitable access is secured for grounds maintenance and emergency vehicles.

s. 106 funding has previously been secured for the locality for the provision of sports facilities for the community. It is proposed that a portion of this is used to provide a facility at Tre Uchaf Primary School. The maximum land take for such a facility would be 35m x 25m. The extent and possible location of this is excluded from the area recommended for disposal. However given the time that it has taken to realise the benefit of this s.106 funding at Tre Uchaf it is suggested that this is reviewed in 6 months time prior to disposal, and if there is no indication that this is progressing, the land is included in the disposal site.

The sale and development would not land lock the remainder of the site.

Equality considerations – the School have said that the proposal will negatively impact disabled children and adults as they currently are catering for 18 children with learning difficulties, regularly host open day for children from SEN classes across Swansea. The site recommended for disposal is no longer immediately adjacent to the School and therefore there will remain direct access to a playing field area by the School.

**Recommendation:** That the Director of Place be authorised to work towards the disposal of the site as shown on Plan 3B.

Updated valuation based on recommendations: ██████████	Estimated selling costs: ██████████	Incentive Value: ██████████	Estimated net capital receipt: ██████████
Updated developable are based on recommendations: 4.81		Area remaining: 4.01	

<b>Site Location</b>	<b>YGG Gellionnen</b>	<b>Plan ref: 4</b>	
Capacity 2013/14: 305		Numbers on Roll September 2013: 220	
Original Valuation: ██████████	Estimated selling costs: ██████████	Incentive Value: ██████████	Estimated net capital receipt: ██████████
Total School Acreage: 5.25	Proposed developable area: 0.75		Area remaining: 4.5

Date letter and plan sent to the School: 21.6.2013	Date response received: 11.10.2013	Objections received: <b>Not in principle, but alternative area requested.</b>	
<p>Summary of responses received from Governing Body:</p> <ul style="list-style-type: none"> <li>• <b>The Governing Body were not in disagreement of land disposal but were against the proposal of which part of the field was under consideration.</b></li> <li>• It was also felt that a Risk Assessment would be required as to the appropriateness of building work being carried out during school time as the road is narrow and traffic congestion and parking is a problem.</li> </ul>			
<p><b>Evaluation:</b></p> <p>The alternative area suggested by the School is not a viable proposition as the site would be too narrow to accommodate an access road, and even if achievable this would not be a cost effective solution, and would result in an increased land take.</p> <p>Facilities Management have surveyed the site; and the indications are there is sufficient space for the existing pitches to be realigned. At the time of the inspection the remaining area did not have any apparent drainage issues.</p> <p>The detailed boundary lines will have to secure an access for grounds maintenance and emergency vehicles.</p> <p>This site may be marketed in conjunction with the Teacher Centre site across the road.</p> <p>The remainder of the site would only be accessible for a future development if either the development on the proposed area is designed in such a way so as to allow access to the side of it, or from Gellionen Road across the School site.</p> <p>Equality considerations – the School have suggested that there will be less parking spaces outside the school which could affect access for disabled children and adults. Highway issues will be addressed as part of the formal planning application process, which would include a disabled/ restricted drop off point.</p>			
<p><b>Recommendation:</b> That the Director of Place be authorised to work towards the disposal of the site as shown on Plan 4B.</p>			
Updated valuation based on recommendations: ██████████	Estimated selling costs: ██████████	Incentive Value: ██████████	Estimated net capital receipt: ██████████
Updated developable are based on recommendations: 0.75		Area remaining: 4.5	

# Agenda Item 11.a

## Report of the Cabinet Member for Wellbeing

Cabinet - 3 June 2014

### WESTERN BAY HEALTH AND SOCIAL CARE PROGRAMME INTERMEDIATE CARE FUND

<b>Purpose:</b>	To seek endorsement of the Cabinet to include the Western Bay Intermediate Care Fund capital schemes in the Capital Programme.
<b>Policy Framework:</b>	The Revenue and Capital Budget as reported to and approved by Council on the 18th February 2014.  Sustainable Social Services for Wales: A Framework for Action
<b>Reason for Decision:</b>	To comply with Financial Procedure Rule No.7 (Capital Programming and Appraisals): to include new schemes in the Capital Programme.
<b>Consultation:</b>	Legal, Finance and Access to Services
<b>Recommendation(s):</b>	It is recommended that Cabinet:  1) Approve the details and financial implications of the CCS capital schemes included in the Intermediate Care Fund package of schemes to be delivered as part of the Western Bay Programme and authorise their inclusion in the Council's Capital Programme.
<b>Report Author:</b>	Sara Harvey
<b>Finance Officer:</b>	Steve Mathews
<b>Legal Officer:</b>	Debbie Smith
<b>Access to Services Officer:</b>	Catherine Window

#### 1. Introduction

- 1.1 The Western Bay Health and Social Care (WBHSC) Collaborative was established two years ago. Its focus is on social care and health integration. The main partners are the City & County of Swansea, Bridgend County Borough Council, Neath Port Talbot County Borough Council and Abertawe Bro Morgannwg University (ABMU) Health Board.

Its purpose is a strategic mechanism for co-ordinating a programme of change in a suite of projects that all 4 partners have identified as a common concern. The City & County of Swansea is the lead authority for the Programme in terms of holding the funding and hosting the programme management arrangements. Other partners lead different strands of the Programme and service delivery is focused at a local level.

- 1.2 A report was agreed in Cabinet in January 2013 which recommended endorsement of the Western Bay Health and Social Care Programme Board approach to regionalisation. The main strands of the WBHSC Programme were reported to Cabinet on 8 April 2014 in an overview report and outlined:
  - Learning Disabilities
  - Mental Health Services
  - Community Services (Intermediate Care)
  - Adoption
  
- 1.3 A further report was agreed by Cabinet on 8 April 2014 which detailed the business case for Intermediate Tier Services in the Community Services strand of the Western Bay Programme. The demographic challenge facing the Western Bay area and the service and financial risks associated with a 'do nothing' option were noted. The submission of an application to the Welsh Government Intermediate Care Fund for 2014/15 in line with a 5 year programme of change was endorsed by Cabinet. The challenges presented by the bridging finance requirements in 2015/16 and 2016/17 in relation to the revenue consequences were noted and that further work was required to detail the benefits realisation framework and risk sharing arrangements required. Cabinet agreed the requirement to re-invest the cash releasing savings achieved from re-modelling services into intermediate tier pooled funds to achieve the sustainability of the intermediate tier of service.
  
- 1.4 The Western Bay Intermediate Care Fund submission to Welsh Government represented the first year of funding to support a three year business case for the Intermediate Tier which was endorsed by Cabinet on 8 April. The funding will:
  - a) Improve care coordination across statutory and 3<sup>rd</sup> sector organisations through its emphasis on the key functions that need to be delivered by an intermediate tier of services and by carrying through the local ambition for integration described in the output from a multi-agency workshop held in September 2013.
  
  - b) Promote and maximise independent living opportunities by providing additional capacity (including adaptations and equipment) at times of crisis, where, and to the extent to which, this has been identified by analysing existing activity and impact for intermediate care service.

c) Support recovery and recuperation through the development of additional capacity in 'step-down' services where this has been assessed as currently not meeting the optimal level of demand.

- 1.5 Notification that the Western Bay funding submission for 2014/15 was successful was given by Welsh Government on 2 April 2014 (a detailed approval letter is outstanding). Cabinet has been advised that the funding is available for the 2014/15 financial year only and cannot be extended after 01/04/2015. The ICF funding allocation for Western Bay is £2.601m capital and £5.203m revenue. This report is concerned with the capital funding of £1.191m made available to the City & County of Swansea on behalf of all the partners. The revenue funding was the subject of the detailed report to Cabinet on 8 April 2013.
- 1.6 The funding is allocated across the three Local Authority areas and will be drawn down from City & County of Swansea as the grant holder by the partner organisations (ABMU Health Board, Bridgend CBC, Neath Port Talbot CBC). **Appendix 1** sets out the summary of the funding schedule.

## **2. Capital Programme Process**

2.1 The scheme has not been approved as part of the Capital Programme process.

### **2.2 Objective of Scheme**

2.2.1 The objective of the Intermediate Care Fund is to increase the pace of integration between the Health Board and the three Local Authorities at the Intermediate Tier of services by providing pump priming funding from Welsh Government to the Western Bay Health and Social Care Programme for one year.

2.2.2 The ICF funding underpins the delivery of the Community Services (older people) strand of the Western Bay Programme, as outlined in the Business Case previously endorsed by Cabinet (8 April 2013).

2.2.3 The objectives for the funding proposal were:

- a) To strengthen the 'demand management' function undertaken by common access points into the intermediate tier of services.
- b) To support 3<sup>rd</sup> sector involvement in brokerage and short term support as an integral part of the intermediate tier.
- c) To optimise services, and provide the necessary housing adaptations, equipment and support, in order to provide genuine alternatives to a hospital or long term care admission.
- d) To provide the context, physical estate and care pathways for integrated services between health and social care and, where appropriate, with mental health services.



e) To act as a catalyst for the transformation of services for frail older people and achieve, over time, a shift in how and where this care is delivered.

2.2.4 Each county participating in the Western Bay Programme has identified a consistent model for an integrated intermediate tier of services which will provide a number of functions, focused on time limited support to people that helps them to recover their independence either at a point of crisis or after an incident that may have led to a hospital admission. Ultimately, the focus of the Community Services project is on:

- The wellbeing of older people and keeping them healthy in their own communities so they enjoy happy and independent lives;
- Strengthening community teams, making sure people default to the community for assessment and care rather than hospitals and institutional care;
- Making community services sustainable, ensuring community teams are the best they can be through better technology and better financial and workforce planning models.

2.2.5 Services in the intermediate tier are targeted at the key areas of impact:

- a) Rapid response at times of crisis.
- b) Providing a few weeks of reablement to maximise independence before a care package is agreed or increased.
- c) Ensuring that after a hospital admission people have the best chance possible of returning home.

2.2.6 Within Swansea we are developing pilots of local delivery which evidence better integration eg. local area coordination between health and social care for the benefit of service users but there remains some distance to travel in embedding integrated services. Good practice and positive outcomes for individuals are in evidence, but there is a lack of consistency within and between different Local Authority areas. Similar approaches are being taken in Bridgend and Neath Port Talbot with the ABMU Health Board.

## **2.3 Description of Scheme**

2.3.1 The scheme will be delivered in the three 'localities' across Western Bay (Swansea, Bridgend and Neath Port Talbot) and the capital funding will underpin the revenue grant funding and service delivery. The capital element for Swansea will provide:

- Specialist equipment for the Operational Hubs (eg. Clinical equipment used by medical staff / nursing practitioners)
- Specialist equipment for people's homes (eg. specialist beds and mattresses)
- Vehicles including specialist mobility vehicles

2.3.2 A local Integration Board in Swansea has been established to oversee the delivery of the intermediate care services locally. Similar arrangements have been made in each local area. The detailed capital requirements will be identified and monitored by the Integration Board at a local level and reviewed through the Western Bay governance arrangements. There is no requirement for the acquisition of land, nor have interests in land through this funding been identified.

2.2.3 The funding has been allocated for the financial year 2014/15 only.

### **3.0 General Issues**

#### **3.1 Staffing Issues**

3.1.1 Additional staff are being recruited in each of the 3 Local Authority areas to support the delivery of the Community Services Intermediate Tier.

#### **3.2 IT/System Implications**

3.2.1 A separate funding submission was made to the Welsh Government Health Technologies programme which supported the delivery of the Intermediate Care Fund activity. This funding submission has been unsuccessful so a revised plan is now being developed by representatives from all 4 partner organisations and will be presented to Programme Board in May.

#### **3.3 Property/Highway Implications**

3.3.1 There are no property or highway implications.

### **4.0 Equality and Engagement Implications**

4.1 The Equality Impact Assessment process has commenced for the Community Services project as the initial screening has been completed. The outcome of the screening was that a full EIA needs to be completed. The full EIA has been completed in draft and requires further work, which will be completed once a replacement Project Manager is in post.

## **5. Financial Implications**

5.1 The underlying assumption that supports the business case is that without changes to the intermediate tier services, demographic changes will result in continuing and increasing cost pressures for both Local Authorities and Health. The ICF investment aims to go some way to address this pressure.

- 5.2 Within the Swansea locality (Local Authority and Health) the business case estimated that by 2016/17 the costs for frail older people will increase by some £1.787m. The current estimate for the City and County of Swansea is £1.2m.
- 5.3 The summary of Capital costs for Swansea are:
- Operational hubs £432k
  - Specialist equipment £379k
  - Vehicles and other items £380k
- 5.4 These costs will be fully funded by WG grant. However, the grant is only available for 2014/15 so the expenditure must be incurred and claimed within this financial year.
- 5.5 Each partner authority will be responsible for any funding requirement in excess of the final grant allocation.
- 5.6 Any revenue consequences over and above the grant allocation will be met by existing budgets.
- 5.7 The major issues associated with this programme include the ability to spend the grant within the limited time period. Also, the governance and oversight of the funding across the 4 partner organisations engaged in the Western Bay Health and Social Care Collaborative, as well as local partner organisations assisting in the delivery of the service (i.e. including third sector organisations such as Care and Repair). The recruitment of the staff necessary to deliver the enhanced service is a further issue (time taken to recruit and the availability of specialist staff to deliver the service). This has the potential to impact on the capital element of programme delivery.
- 5.8 The Heads of Finance/ S151 Officers across the partner organisations are committed to develop the necessary protocols and procedures to support the delivery of the enhanced service. A mechanism for aligned budgets is being developed and a Section 33 Agreement to underpin the delivery of the programme is also being progressed. A concerted recruitment exercise across the 4 Western Bay partner organisations is underway, which will include opportunities for staff at risk of redundancy in partner organisations and attempts to avoid competing for staff in different localities.
- 5.9 A summary of the capital scheme forecast expenditure across the Programme is set out in **Appendix 2**.
- 5.10 The detail of the revenue costs associated with the ICF were set out in the report to Cabinet on 8 April 2014.
- a) Revenue running costs across the WBSHC Programme will be met in the first year by an ICF revenue grant award of £5.203m.

b) The budget responsibility for the delivery of the City & County of Swansea part of the ICF Programme will remain with the Head of Adult Services. The budget head for the Western Bay Programme in relation to grants coordination is the Regional Programme Director.

- 5.11 The provisional grant approval was given on 2 April for £2.601m capital and £5.203m revenue (formal notification to follow).
- 5.12 The main financial risks are associated with the funding timescales (spend in one year). The delay in the formal approval letter setting out the grant requirements being received from Welsh Government, establishing the necessary protocols and meeting the grant funding requirements across 4 different organisations is a further risk. The monitoring of delivery against spend and the resource required to address this risk in each organisation. These governance risks are being fully reviewed and mitigating factors put in place by the WBHSC Collaborative.

## **6. Legal Implications**

- 6.1 There are no specific implications at this stage but detailed legal advice will be required when taking this further including the development of S33 Agreement. The Council must ensure that it complies with the terms and conditions of the grant funding at all times. Also the Council must ensure that any procurement processes undertaken to deliver the schemes are compliant with the Council's Contract Procedure Rules and European Procurement legislation as appropriate.

### **Background Papers:**

#### Cabinet Reports -

- "Western Bay Health and Social Care Programme: Delivering Improved Community Services – Business Case for Intermediate Tier" – 8<sup>th</sup> April 2014
- "Western Bay Overview Report" – 8<sup>th</sup> April 2014
- "Western Bay Health and Social Care Programme Update" – 17<sup>th</sup> September 2013

### **Appendices:**

Appendix 1: Summary of Intermediate Care Fund Submission funding.

Appendix 2: Western Bay ICF Expenditure Proposals 2014/15 including capital.

## Appendix 1

### Summary of Intermediate Care Fund Submission funding

<b>Revenue Funding</b>	<b>Q1</b> £000's	<b>Q2</b> £000's	<b>Q3</b> £000's	<b>Q4</b> £000's	<b>Total</b> £000's
Bridgend	£115	£345	£406	£406	£1,272
Neath Port Talbot	£96	£401	£487	£567	£1,551
Swansea	£58	£429	£934	£959	£2,380
<b>TOTAL</b>					<b>£5,203</b>
<b>Capital Funding</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>Bridgend</b>	<b>£398</b>	<b>£ 99</b>	<b>£69</b>	<b>£69</b>	<b>£635</b>
<b>Neath Port Talbot</b>	<b>£189</b>	<b>£217</b>	<b>£217</b>	<b>£152</b>	<b>£775</b>
<b>Swansea</b>	<b>£221</b>	<b>£366</b>	<b>£460</b>	<b>£144</b>	<b>£1,191</b>
<b>TOTAL</b>					<b>£2,601</b>
<b>TOTAL FUNDING</b>					
Bridgend	£513	£444	£475	£475	£1,907
Neath Port Talbot	£285	£618	£704	£719	£2,326
Swansea	£279	£795	£1,394	£1,103	£3,571
<b>Western Bay</b>	<b>£1,077</b>	<b>£1,857</b>	<b>£2,573</b>	<b>£2,297</b>	<b>£7,804</b>

## Appendix 2

### Western Bay ICF Expenditure 2014/15 including capital

<b>BRIDGEND</b>		
<b>Service / function</b>	<b>Revenue 14/15 £000's</b>	<b>Capital 14/15 £000's</b>
Common Access Point		60
Rapid Response (inc. virtual wards & Better @ Home)	534	255
Planned response (inc. reablement & OT)	661	120
Medical Support across the Intermediate Tier	77	
Support across the Intermediate Tier		200
<b>Bridgend Total</b>	<b>1,272</b>	<b>635</b>
<b>NEATH PORT TALBOT</b>		
<b>Service / function</b>	<b>Revenue 14/15 £000's</b>	<b>Capital 14/15 £000's</b>
Common Access Point	202	100
Rapid Response ( Including enhanced NP, bridging and mobile response)	417	10
Planned response (inc. mental health expertise)	713	60
Carers, business support, medics, medicine management	219	
Support across the Intermediate Tier e.g. bases equipment		605
<b>Neath Port Talbot Total</b>	<b>1,551</b>	<b>775</b>
<b>SWANSEA</b>		
<b>Service/Function</b>	<b>Revenue 14/15 £000's</b>	<b>Capital 14/15 £000's</b>
Common Access Point	234	
Rapid Response	648	
Peripatetic Response Team	140	
Mental Health Link workers	25	
Planned Response NHS	446	
Reablement	391	
Third Sector	155	
Medicines Management scheme	341	
Medical workforce	144	
Evaluation	49	
Operational hubs		432
Specialist equipment		379
Vehicles & other items		380
<b>Swansea Total</b>	<b>2,380</b>	<b>1,191</b>
<b>Total for Western Bay</b>	<b>5,203</b>	<b>2,601</b>