

CITY & COUNTY OF SWANSEA

CABINET

At: Lord Mayors Reception Room - Guildhall, Swansea

On: Thursday, 18 June 2015

Time: 5.00 pm

AGENDA

1. **Apologies for Absence.**
2. **Disclosures of Personal and Prejudicial Interests.** 1 - 2
3. **Minutes.** 3 - 11
To approve and sign as a correct record the Minutes of the Special Meeting of Cabinet held on 30 April 2015, the Ordinary Meeting of Cabinet held on 12 May 2015 and the Special Meeting of Cabinet held on 2 June 2015.
4. **Leader of the Council's Report(s).**
5. **Public Question Time.**
6. **Councillors' Question Time.**
7. **Scrutiny Report(s):**
8. **Report of the Cabinet Member for Environment and Transportation.**
 - 8.a Tackling On Street Enforcement. 12 - 17
 - 8.b Financial Procedure Rule 7 - Local Transport Fund Grant 2015-2016. 18 - 27
9. **Report of the Cabinet Member for Finance and Strategy.**
 - 9.a Revenue Budget 2015/16 - Position Statement and Interim Review. 28 - 32
 - 9.b Financial Procedure Rule 7 - Capital Allocation to Highway Infrastructure Assets. 33 - 37
10. **Report of the Cabinet Member for Services for Children and Young People.**
 - 10.a Site Accommodation Review for the City & County of Swansea Residential Home for Looked After Children. 38 - 49
11. **Report of the Cabinet Member for Services for Adults and Vulnerable People.**
 - 11.a Western Bay Regional Area Planning Board for Substance Misuse – Legal Agreement. 50 - 54

12. Report of the Cabinet Member for Transformation and Performance.

12.a Swansea Community Renewable Energy and Enterprise Scheme.

55 - 62



Patrick Arran
Head of Legal, Democratic Services & Procurement
Tuesday, 9 June 2015

Contact: Democratic Services - 01792 636923923

CABINET (10)

Labour Councillors:

Mark C Child	Clive Lloyd
William Evans	Jennifer A Raynor
Robert Francis-Davies	Christine Richards (Deputy Leader)
Jane E C Harris	Rob C Stewart (Leader)
David H Hopkins	Mark Thomas

Officers:

Jack Straw	Chief Executive
Phil Roberts	Director of Place
Dean Taylor	Director of Corporate Services
Chris Sivers	Director of People
Lindsay Harvey	Chief Education Officer
David Howes	Interim 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
CAC, Licensing & Planning Chairs	7 Copies
Various Councillors	10 Copies
All Other Councillors	Via e mail

Total Copies Needed:

57 Full & 10 Public

- 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.

CITY AND COUNTY OF SWANSEA

MINUTES OF THE SPECIAL MEETING OF CABINET

HELD AT GEORGE HALL, GUILDHALL, SWANSEA - GUILDHALL ON
THURSDAY, 30 APRIL 2015 AT 4.00 PM

PRESENT: Councillor R C Stewart (Leader) Presided

Councillor(s)	Councillor(s)	Councillor(s)
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M C Child	R Francis-Davies	C E Lloyd
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W Evans	J E C Harris	M Thomas
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226. **APOLOGIES FOR ABSENCE.**

Apologies for absence were received from Councillors D H Hopkins, J A Raynor and C Richards.

227. **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, no interests were declared.

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

None.

229. **PUBLIC QUESTION TIME.**

None.

230. **COUNCILLORS' QUESTION TIME.**

None.

231. **EXCLUSION OF THE PUBLIC.**

Cabinet were requested to exclude the public from the meeting during the consideration of the item of business identified in the recommendations to the report on the grounds that it involved the likely disclosure of exempt information as set out in the exclusion paragraph of 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation)(Wales) Order 2007, relevant to the item of business as set out in the report.

Cabinet considered the Public Interest Test in deciding to exclude the public from the meeting for the items of business where the Public Interest Test was relevant, as set out in the report.

It was **RESOLVED** that the public be excluded for the following items of business.

(CLOSED SESSION)

232. **LAND ASSEMBLY TO ASSIST DELIVERY OF DRAFT CITY CENTRE STRATEGIC FRAMEWORK REVIEW.**

The Cabinet Member for Enterprise, Development and Regeneration presented a report regarding Land Assembly to assist Delivery of Draft City Centre Strategic Framework Review.

CABINET DECISION

The recommendations, as indicated in the report, be approved.

Policy Framework

Swansea City Centre Strategic Framework (SCCSF); City and County of Swansea Unitary Development Plan Adopted 2008; CCS Asset Management Plan; One Swansea Plan 2013 and Corporate Improvement Plan 2013 – 2017.

Reason for Decision

To allow City Centre regeneration to be progressed and to comply with Financial Procedure Rule 7 – to include a new capital scheme in the Capital Programme.

Consultation

Legal, Finance, Access to Services, Corporate Property, Highways and Transportation.

The meeting ended at 4.09 pm

CHAIR

CITY AND COUNTY OF SWANSEA

MINUTES OF THE MEETING OF CABINET

**HELD AT LORD MAYORS RECEPTION ROOM - GUILDHALL ON
TUESDAY, 12 MAY 2015 AT 5.00 PM**

PRESENT: Councillor R C Stewart (Leader) presided

Councillor(s)	Councillor(s)	Councillor(s)
C Richards	R Francis-Davies	J A Raynor
M C Child	D H Hopkins	
W Evans	C E Lloyd	

232. **APOLOGIES FOR ABSENCE.**

Apologies for absence was received from Councillors J E C Harris and M Thomas.

233. **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTERESTS.**

In accordance with the provisions of the Code of Conduct adopted by the City and County of Swansea, the following interest was declared:

- 1) Councillors J A Raynor and C Richards declared a personal interest in Minute 239 "Local Authority (LA) Governor Appointments" as they are Governors at schools mentioned in the report. Both Councillors had been granted dispensation from the Standards Committee.

234. **MINUTES.**

RESOLVED that the Minutes of the meetings held on 17 March 2015 be approved as a correct record.

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

The Leader of the Council indicated that he had no announcements.

236. **PUBLIC QUESTION TIME.**

No questions were asked.

237. **COUNCILLORS' QUESTION TIME.**

Councillor P M Meara asked a question in relation to Minute 241 "Commercialism in the Council".

The Leader of the Council and the Cabinet Member for Transformation and Performance responded.

238. **SCRUTINY REPORT(S).**

None.

239. **LOCAL AUTHORITY GOVERNOR APPOINTMENTS.**

The Cabinet Member for Education presented a report which sought approval of the nomination submitted to fill Local Authority (LA) Governor vacancies on School Governing Bodies.

CABINET DECISION

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

a)	Christchurch Church in Wales Primary School	Mr David Moore
b)	Clase Primary School	Mrs Michelle Morgan
c)	Craigcefnparc Primary School	Mrs Eira Wyn Davies
d)	Penyrheol Primary School	Mr David Roe
e)	Pontlliw Primary School	Mr David Mathias
f)	Seaview Primary School	Mr Wayne Morgan
g)	Townhill Primary School	Mrs Janet Chaplin
h)	YGG Lon Las	Mrs Carys Wyn Davies Mr Stephen Hopkins
i)	Olchfa Comprehensive School	Mr James Lyn Ellis

Policy Framework

Policy and Procedure for Appointment of Local Authority (LA) Governors as amended by Council on 23 October 2008.

Reason for Decision

To ensure vacancies are to be filled expeditiously.

Consultation

Education, Legal, Finance.

240. **FLYING START CAPITAL PROGRAMME 2015-2016.**

The Cabinet Members for Education and Services for Children & Young People submitted a report which sought to outline the capital proposal included in the Additional Funding Application submitted to Welsh Government in respect of the Flying Start Programme 2015-2016.

CABINET DECISION

- 1) The Director of Place be authorised to implement relocation of the previously approved Flying Start setting;
- 2) The scheme as detailed, together with the financial implications be included in the capital programme.

Policy Framework

One Swansea Plan.

Reason for Decision

To comply with Financial Procedure Rule 7 "To approve and include new Capital Schemes in the Capital Programme.

Consultation

Education, Poverty, Corporate Building Services, Legal, Finance.

241. **COMMERCIALISM IN THE COUNCIL.**

The Cabinet Member for Performance and Transformation submitted a report which sought approval to agree a corporate framework for the Council's future approach to Commercialism.

CABINET DECISION

- 1) The Strategic Aim, Objectives and Key Actions for Commercialism in the Council, as set out in Section 4 and Appendix A of the report be approved;
- 2) A small number of candidate commercial projects for early development and learning as set out in paragraph 4.5 of the report be agreed;
- 3) The appointment of a Head of Commercial Services be authorised.

Policy Framework

Sustainable Swansea - Fit for the Future.

Reason for Decision

The Council has an ambitious agenda for transformation within "Sustainable Swansea - Fit for the Future", a key feature of which is the need to adopt a more commercial approach to everything that we do, so that we can protect services and jobs. An overarching strategy for commercialism is required to provide a corporate framework for this.

Consultation

Access to Services, Finance, Legal.

242. **EXCLUSION OF THE PUBLIC.**

Cabinet were requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendations to the report(s) on the grounds that it / they involve the likely disclosure of exempt information as set out in the exclusion paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 relevant to the items of business set out in the report(s).

Cabinet considered the Public Interest Test in deciding whether to exclude the public from the meeting for the item of business where the Public Interest Test was relevant as set out in the report.

RESOLVED that the public be excluded for the following item(s) of business.

(CLOSED SESSION)

243. **DISPOSAL OF LAND AT TY COCH FARM - LAND AT CEFNGYFELACH.**

The Cabinet Member for Finance and Strategy submitted a report which sought consideration of options for the disposal of land at Ty Coch Farm, Land at Cefngyfelach.

CABINET DECISION

- 1) The recommendations as indicated in the report be approved.

Policy Framework

Asset Management Plan.

Reason for Decision

Potential disposal for a Capital receipt which will ultimately be in excess of delegated limits.

Consultation

Access to Services, Finance, Legal, Planning.

The meeting ended at 5.14 pm

CHAIR

Published 14th May 2015

CITY AND COUNTY OF SWANSEA

MINUTES OF THE MEETING OF SPECIAL CABINET

HELD AT THE LORD MAYOR'S RECEPTION ROOM, GUILDHALL,
SWANSEA ON TUESDAY 2 JUNE 2015 AT 1.00 P.M.

PRESENT: Councillor R C Stewart (Leader) presided

Councillor(s):

M C Child
W Evans
J E C Harris

Councillor(s):

D H Hopkins
C Lloyd

Councillor(s):

C Richards
M Thomas

1. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor M C Child, R Francis-Davies, Councillor D H Hopkins, Councillor J A Raynor and from J Straw.

2. **DISCLOSURES OF PERSONAL AND PREJUDICIAL INTEREST**

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

Councillor C Richards – Minutes No.6 - Home to School Transport Policy - Public Consultation on an Updated Policy – Governor of Gower College Swansea – Personal.

3. **LEADER OF THE COUNCIL'S REPORT**

The Leader of the Council had no reports.

4. **PUBLIC QUESTION TIME**

No questions were asked.

5. **COUNCILLOR'S QUESTION TIME**

No questions were asked.

6. **HOME TO SCHOOL TRANSPORT POLICY - PUBLIC CONSULTATION ON AN UPDATED POLICY**

The Leader stated that the report was affected by the recent judicial review judgment relating to Home to School Transport. He added that the Authority was still working through the judgment and was examining a range of options available in conjunction with transport providers and suggested that the report should be deferred in the circumstances.

CABINET DECISION

- (1) That the report be deferred until the Authority is in a position to discuss the matter further.

The meeting ended at 1.05 p.m.

CHAIR

Minutes Published 5 June 2015

S: Special Cabinet - 2 June 2015
(JEP) 02.06.2015

Agenda Item 8.a

Report of the Cabinet Member for Environment and Transportation

Cabinet - 18 June 2015

TACKLING ON STREET ENFORCEMENT

Purpose:	To consider the continuance of the provision of a partnership to provide effective enforcement to promote a cleaner, safer Swansea.
Policy Framework:	Clean Neighbourhoods and Environment Act 2005 (CNEA) Environmental Protection Act 1990 (EPA) Anti-social Behaviour, Crime and Policing Act 2014 (ASBCPA)
Reason for Decision:	To approve proposals to continue the partnership provision of on Street enforcement within public areas and open spaces of the City and County of Swansea.
Consultation:	Legal, Finance, Economic Regeneration & Planning, Access to Services.
Recommendation(s):	It is recommended that Cabinet approves:- The proposals as set out in paragraph 8.1 together with the financial implications.
Report Author:	Bob Fenwick
Finance Officer:	Paul Roach
Legal Officer:	Christopher Allingham
Access to Services:	Phil Couch

1.0 Introduction

- 1.1 In April 2013 Cabinet approved a trial to improve enforcement of litter related offences on the streets of Swansea. The trial involved engaging with a private partner to work alongside our internal enforcement team. The partner was to focus on reactive issuing of Fixed Penalty Notices (FPN's) This report details the outcomes of the trial and the plans to continue the partnership in relation to on street enforcement. The trial began in September 2013 and was for a period of one year plus the time required to undertake formal tendering.

2.0 Legislation

- 2.1 An authorised officer of the Council may issue a fixed penalty notice (FPN) for a variety of offenses under the above Acts. The CNEA allows enforcement of open spaces, the legislation used to enforce is listed below.

In relation to littering, FPN's are issued under EPA section 87/88 and the fines are £75 reduced to £50 if paid within 7 working days.

In relation to dog fouling, FPN's are given under Dogs (Fouling of Land) Act 1996. The current charge is set at £75 with no reduction for early payment. Failure to clean up after your dog has fouled may result in a fine of up to £1,000 upon conviction in the Magistrates' court.

The ASBCPA also allows FPNs to be served for in relation to Community Protection Notices and Public Spaces Protection Orders in relation to nuisance.

3.0 Statistics

- 3.1 The statistics for the first year of the trial are shown below. The arrangement is based on a charge of £40 per FPN issued correctly.

Number of FPN's Issued	3,460
Percentage Paid within period	73%
Number of court proceedings	303
Number of court proceedings pending	150 approx.
Percentage of Court proceedings won	99%
Income from payments of penalty notices	£134,315.00
Awarded income from court prosecutions/costs	£62,115.00
Total income from payments and court	£196,430.00
Cost to the Council	£166,380.00
FPN Balance to September 2014	£30,050.00

Total Balance to March 2015 including overheads and assuming non-payment of a proportion of court awarded costs is likely to be in the region of £5k-10k

These statistics cover the whole of the Council but despite approximately 1/3 of the enforcement time being spent outside the City Centre, it is estimated that 98% of the fines issued were within the City Centre core. In relation to the types of offence 98% were littering related and of those approximately 90% involved cigarettes. Only 26 dog fouling FPN's were issued despite weekly dog fouling patrols on reported problem areas.

4.0 Legislation

- 4.1 Trial Feedback

Officers from 3GS have worked well with Swansea Bid and Local Business and despite early teething problems in relation to the authority of officers the majority

of the feedback is positive, with businesses such as McDonald's requesting regular patrols in their parking areas. Swansea Bid had some initial concerns over the enforcement process but this relationship has improved and now the officers are supported with the exception of some traders within Swansea Market.

Cleansing Staff have reported a drop in the amount of litter noted in the city center and although this is not quantifiable it has been noted that the cigarette bins have to be emptied on a more frequent basis and less sweeping/power washing is required.

There are no issues reported by the police, early support was given however it was noted at an early meeting that the police could not support the staff on every instance where offenders were proving difficult however support would be given to identify anyone not providing details and instances where officers were under threat.

Corporate complaints have dealt with less than 20 formal complaints and of these, the vast majority have been not been upheld. The body cameras provided have been essential during this process. Less than 10 tickets have been cancelled due to incorrect issue.

Officers from 3GS have been assaulted on 3 occasions, 2 occasions were serious assault that resulted in the offender being arrested.

3GS have launched a prize draw for those in the city that are using bins correctly, raffle tickets are issued by Bid and Cleansing Staff with a prize being funded by 3GS. This is a new initiative and is only in its infancy.

4.2 Key Issues

- Cigarette litter is by far the greatest quantity of the tickets issued. Cleansing staff report that the cigarette bins in the city center now have to be regularly emptied, there is less cigarette litter on the ground and as a result less tar staining of the natural stone in the city center.
- Dog fouling remains a topic of conversation due to its high impact and whilst a disproportionate amount of time is spent patrols in relation to this topic compared to the number of tickets issued, it should remain a priority. Intelligence lead patrols are far more effective.
- There appears to be strong support for a tough line on enforcement.
- There is a perception that enforcement only takes place within the city centre when in actuality between 25-30% of the time spent patrolling is outside the city centre. This balance allows enforcement of the wider areas outside the city centre that would not be viable in terms of cost/FPN ratio.
- The cases prepared by both the partnership and internal teams are of a high quality with 99% receiving convictions.

- The scheme remains cost neutral with the small surplus return covering staff time and internal overheads.
- A small profit of £5k to £10k is likely in relation to outstanding court fees and pending cases, this element may take up to 3 years to realise with delays in payment of court awards..
- The following FPN's were issued during the trial period: Sept 93, Oct 426, Nov 427, Dec 291, Jan 383, Feb 278, Mar 263, April 242, May 226, June 254, July 201, Aug 139.

5.0 Internal Resources

5.1 The Environment department employs 4 enforcement officers whose hours of work are between 6am to 7pm over 7 days a week on a needs basis. They are all authorised to serve fixed penalty notices, their priorities are:-

- Waste put out on the wrong day
- Compliance with 3 bag limit
- Fly tipping
- Dog fouling
- Contamination of Recycling
- Littering

The engagement of the partnership has allowed these officers to focus on hot spots and work involving investigation, prosecution and education.

6.0 Approaches by other Authorities

6.1 Feedback from a recent Association of Public Service Excellence (APSE) conference suggests that many other Authorities are taking on enhanced enforcement duties largely through external partnerships, this is a growing area and the introduction of the ASBCPA will allow more carefully monitored enforcement in future. [During the trial the Authority has been approached by a number of other Authorities in relation to the partnership.](#) It would therefore appear we are therefore following the best practice model.

7.0 Enforcement of legislation by a third party organisation

7.1 The model used for the trial was a zero cost model for the partnership running separately but alongside an in house team. This has met the original target of 3,000 FPN's annually and remains viable. The mix of in house alongside external staff give advantages as the partnership focus on the routine whilst the in house staff deal with hotspots, education and other issues that would not be viable for the private partner on the current contract. The business model used by 3GS is based on a limited time frame as the number of FPN's issued as time progresses is expected to fall as less littering occurs and at some point it is expected to reduce to the extent that the operation is no-longer viable. This is not expected to occur with the short term or the term of the proposed contract.

8.0 Proposal

8.1 To appoint an external company by formal tender on a contractual basis to take enforcement action under the Council's powers to issue fixed penalty notices for offenses on the street under the above legislation including littering and dog waste. This tender to run for two years with a possible two year extension. This will be based on a nil cost model. The current arrangements with a single supplier were based on a year trial and if successful extended until such time that a formal tender could be put in place. Therefore the existing arrangements are to remain in place until the tender is implemented.

9.0 Equality and Engagement Implications

9.1 Environmental Impact Assessment screening gave mostly low impacts and no requirement for a full impact assessment. The operation will affect all members of society equally. Under 18's will not be issued FPN's in relation to littering.

10.0 Financial Implications

10.1 The financial implication of appointing an external company on a nil cost model is uncertain however based on the trial this is achievable and should have a net gain. The company would charge the Council for each properly issued fixed penalty notice. The Council would then be responsible for collecting this fixed penalty notice. The charge for each FPN would be dependent on the winning Tender.

10.2 Any over recovery of payments of fixed penalty notices levied are required by law to remain within the service area and reinvested to improve the service. The issuing of fixed penalty notices is not meant to be an income generation exercise.

11.0 Legal Implications

11.1 The Director of Place has delegated powers as amended by the CNEA to issue Fixed Penalty Notices for the following offences:-

Offence	Amount of Fine	Early Payment within 7 days
Dogs (Fouling of Land) Act 1996	£75	Not applicable
Sections 87 & 88 Environmental Protection Act 1990 - offences relating to littering	£75	£50
Section 6(1) Clean Neighbourhoods and Environment Act 2005 - Nuisance parking in relation to sale or repair of cars on a road.	£100	£60
Section 2A(1) Refuse Disposal (Amenity) Act 1978 - Abandoning a vehicle.	£200	£120
Section 94A(2) Environmental Protection Act 1990 - Breach of street litter control notice or litter clearing notice.	£100	£75
Section 43 Anti-Social Behaviour Act 2003 -	£75	£50

Graffiti and fly posting		
Section 34A(2) Environmental Protection Act 1990 - Failure to furnish waste transfer documents	£300 fixed	£180
Sections 47ZA & 47ZB Environmental Protection Act 1990 - Offences in relation to waste Receptacle.	£100 residential properties £150 commercial premises	£60 for residential properties £90 for commercial premises

11.2 Based on feedback from legal services there has been an additional burden on the legal team responsible for recovery of unpaid fines. Legal costs are recovered for court proceedings and are excluded in the estimated balance for the service however these costs awarded total approximately £40k since the start of the scheme. Both the Dogs (Fouling of Land) Act 1996 and the CNEA contain provisions allowing the appointment of “authorised officers” who are not employees of this Council. This allows the appointment of an external company to issue fixed penalty notices under the relevant legislation. The appointment of the individual authorised officers will be made by the Director of Place and appropriately recorded.

11.3 The ASBCPA is new legislation and appropriate authorisations will need to be put in place prior to any enforcement being carried out.

11.4 The terms of engagement with the external company will state that the Council is responsible for payment of the company’s fees irrespective of whether or not the fixed penalty is recovered. The risk is therefore with the Council.

11.5 The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) protects the rights of employees in respect of a retendering exercise and there may therefore be employment law related implications if the external company recruits staff to effect this contract and then subsequently the Council retenders or brings the service in house. There are proposed changes to TUPE which may affect this risk but these are not yet in force.

Background Papers:

- Report of the Director of Environment on Tackling the Dog Fouling Nuisance - Cabinet, April 2013
- Clean Neighbourhoods and Environment Act 2005 Report – Council, 4th December 2008.

Appendices: None

Agenda Item 8.b

Report of the Cabinet Member for Environment and Transportation

Cabinet – 18 June 2015

FINANCIAL PROCEDURE RULE 7 LOCAL TRANSPORT FUND GRANT 2015-2016

Purpose:	To confirm the bid for Local Transport Fund (LTF) Grant and seek approval for expenditure on the proposed schemes and projects in 2015/16.
Policy Framework:	Local Transport Plan 2015 – 2020
Reason for Decision:	To comply with Financial Procedure Rule No. 7 (Capital Programming and Appraisals): to commit and authorise schemes in the Capital Programme.
Consultation:	Legal & Democratic Services and Finance.
Recommendation(s):	That the LTF schemes, together with their financial implications, are approved.
Report Author:	Ben George
Finance Officer:	Jayne James
Legal Officer:	Chris Allingham
Access to Services Officer:	Phil Couch

1.0 Introduction / Background

- 1.1 Following the demise of the South West Wales Integrated Transport Consortium (SWWITCH), the Welsh Government changed the management of the conventional capital grant for transport schemes, by moving the management and allocation of the grant back from a regional approach to individual Local Authorities.
- 1.2 A funding bid for the LTF was submitted to the Welsh Government on 16th March 2015 in accordance with guidance from the Welsh Government. The guidance stated that there was a total funding pot of £15.4m and this would be allocated to schemes across Wales; each scheme could not bid for more than £1.5m. Whilst match funding was not a requirement of the funding bids, it was made clear that those

schemes which benefited from match funding, would be more likely to receive an LTF allocation. Finally, the Welsh Government also asked Local Authorities to prioritise their bids for funding consideration.

- 1.3 This report seeks approval to commit the successful LTF bid projects to the capital programme of the City & County of Swansea, in accordance with Financial Procedure Rules.

2.0 Submitted Bids

- 2.1 A total of £1.968m was bid for by the City & County of Swansea and the Welsh Government has subsequently allocated funding for the totality of the bid for 2015/16. The schemes and their allocations are shown in the table below:

Table One – Summary of LTF Allocation 2015/16

Scheme	Total LTF (£k)	Match funding (£k)	Total project cost (£k)
Morfa Distributor Road	1200	200	1400
Links to National Cycle Network Routes	410	455	865
Fabian Way	332	275	607
Active Travel Mapping (see 3.3)	26		26
Total	1968	930	2898

- 2.2 The match funding requirements for these schemes will be made from existing corporate funds and/or S106 Developer Contributions (as shown in the attached appendices).

- 2.3 In addition to the schemes for which the City & County of Swansea submitted a bid, the Welsh Government made a further allocation of £26k in support of the work required to conform to the statutory duties of the Active Travel (Wales) Act. All Welsh Local Authorities are required to prepare an Existing Route Map and Quality Audit for walking and cycling routes by 24th September 2015. These funds will be used to offset the cost of staff time and the preparation and printing costs of the maps.

3.0 Details of approved schemes

- 3.1 The projects approved in the bid are summarised below.

- 3.2 Morfa Distributor Road – A £1.2m bid was submitted to facilitate the ongoing delivery of this project. The latest substantive phase of new road building commenced in January 2015, having already completed improvement works at the existing junction of Morfa Road and New Cut Road. Match funding of £200k is required for 2015/16.

Cabinet approved a full Morfa Road programme of works on 11th February 2014. This LTF funding will allow for the continuation of the construction. A revised schedule of the Morfa Road works and funding is set out in Appendix A. The total value of the scheme has increased by £299k to £4,954k.

It is anticipated that a further £962k will be required in 2016/17 to complete the scheme, although the precise requirement will be better understood following completion of the 2015/16 programmed works.

3.3 Links to National Cycle Network Routes: This project represents the first phase of a long running project which aims to improve pedestrian and cycle connectivity into the National Cycle Network, Routes 4 & 43. The works planned for 2015/16 will deliver two distinct projects:

- Restoration of the Bascule Bridge at Landore to allow pedestrian and cycle access across it whilst also providing an improved section on NCN43, in an area which is currently constrained and does not conform to design standards. A toucan crossing and new link to the south of the Copper Quarter will also be provided.
- Construction of a shared use path between Pluck Pond and Jersey Road (1.8km), following the alignment of the former Swansea Vale Railway Line.

3.4 Fabian Way: This corridor has been targeted by a number of strategies and infrastructure investments in recent years in recognition of the high levels of development and growth that are being realised and forecasted over the coming years. The planned works for 2015/16 will deliver three distinct bodies of work:

1. The construction of a 3m wide shared use path on the north side of Fabian Way.
2. An options appraisal, preferred arrangement and outline design for Baldwin's Bridge in order to realise the required highway capacity in the coming years.
3. Upgrading of ten bus shelters and provision of electronic journey information in support of public transport use on the corridor, particularly in the light of the opening of the Bay Campus in September 2015 and the increase in public transport use that it will bring.
4. To upgrade the traffic management systems operating on the Port Tennant Road / Fabian Way junction and to improve its efficiency and reliability.

4.0 Equality and Engagement Implications

4.1 Equality Impact Assessments will be undertaken in line with the Council's Legislative duties.

4.2 All schemes will be designed in accordance with the national design guidance and will be fully compliant with the Equality Act 2010.

5.0 Financial Implications

5.1 Morfa Distributor Road (see Appendix A)

Stages 2 and 5 will be progressed in 2015/16. Stage 2 is to be completed in September 2015 enabling preliminary works for Stage 5 to begin. The total cost of these works will be £1400k. The works will be funded by LTF grant of £1200k and a further £200k from Corporate match funding.

5.2 Links to National Cycle Network Routes (see Appendix B)

The scheme is comprised of two distinct schemes.

- **Bascule Bridge:** This is estimated to cost £750k. £200k will be funded from LTF with a further £550k coming from existing corporate funds. A provision of £550k was added to the Capital Programme for the Bascule Bridge on 14th February 2013. This report will therefore allocate this fund to the restoration and refurbishment of the bridge.
- **Cycle Links:** Construction of a new shared path from Pluck Pond, Nantong Way to Jersey Road (1.8km). This will be funded from £210k LTF and £65k Corporate Funds. The £65k will be funded from the Bus Station Retail Units Capital Receipt which is currently attributed to Morfa Distributor Road.

5.3 Fabian Way (see Appendix C)

The scheme will deliver four elements.

- **Fabian Way Cycle Route:** £275k
- **Baldwins Bridge Options Appraisal:** £100k
- **Bus Stop Enhancements:** £192k
- **Port Tennant Road MOVA Upgrade:** £40k

A S106 Developer Contribution of £275k will be used to match fund the elements listed above. The funding is being provided by Neath Port Talbot County Borough Council from a developer contribution secured from the Swansea University Bay Campus development.

5.4 Active Travel Mapping (see Appendix D)

£26k has been allocated to meeting the mapping requirements of the Active Travel Act.

5.5 Claims are to be made to the Welsh Government on a quarterly basis. The grant must be claimed in full by 31 March 2016 otherwise it will be lost.

5.6 Any revenue costs arising from capital schemes will be met by existing revenue budgets.

6.0 Staffing / IT Implications

There are none.

7.0 Legal / Procurement Implications

A number of the elements outlined above will be subject to planning consent and all works will be procured in accordance with the Council's Contract Procedure Rules and EU Procurement Rules as appropriate. In respect of the Fabian Way s106 contribution, the Council are not a party to the section 106 agreement relating to Swansea University. It therefore has no direct legal claim to the funding secured by that agreement. The Council must rely on Neath Port Talbot County Borough Council to provide the funding.

Background Papers: Local Transport Fund Bid Documents

Appendices:

Appendix A – Morfa Distributor Road Financial Summary

Appendix B – Links to National Cycle Network Routes

Appendix C – Fabian Way

Appendix D – Active Travel Mapping

APPENDIX A – MORFA DISTRIBUTOR ROAD FINANCIAL SUMMARY

Portfolio: PLACE

Service: HIGHWAYS AND TRANSPORTATION

Scheme : MORFA DISTRIBUTOR ROAD

1. CAPITAL COSTS	Actual 2011/13 £'000	Actual 2013/14 £'000	Budget 2014/15 £'000	Budget 2015/16 £'000	Budget 2016/17 £'000	Budget 2017/18 £'000	TOTAL £'000
Stage 1							
Design	34	36					70
Works	35	420					455
Stage 2							
Design	110	200		15			325
Works		40	1040	500			1580
Stage3							
Design	15	15	70				100
Works					120	420	540
Stage 4							
Design	15		48				63
Works				100	820		920
Stage 5							
Design	15		80	25			120
Works				760	21		781
Contingency							
EXPENDITURE	224	711	1,238	1400	961	420	4954
<u>Financing</u>							
<i>Funding acquired</i>							
WG grant RTP approved	224	580	1,100	1200			3104
Addition WG Grant		131	138	200	132		600
Bus Station capital receipts					15	420	435
S106 Developer Contribution					220		220
<i>Funding not acquired</i>							
WG grant RTP required					514		515
Developer Contribution required					80		80
FINANCING	224	711	1,238	1400	961	420	4,954

<u>2. REVENUE COSTS</u>	2011/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	FULL YEAR £'000
<u>Service Controlled - Expenditure</u>							
Employees	)						0
	)						0
	ongoing						
	Revenue						
	costs						
	will be						
	met by						
	existing						
Maintenance	budgets						0
Equipment	)						0
Administration	)						0
NET EXPENDITURE	0	0	0	0	0	0	0

**APPENDIX B – LINKS TO NATIONAL CYCLE NETWORK
FINANCIAL SUMMARY**

Portfolio: PLACE

Service : HIGHWAYS

Scheme : LTF - LINKS TO NATIONAL CYCLE NETWORK

<u>1. CAPITAL COSTS</u>	2015/16 £'000	2016/17 £'000			TOTAL £'000
<u>Expenditure</u>					
Links to NCN Routes	865	160			1025
EXPENDITURE	865	160	0	0	1025
<u>Financing</u>					
LTF grant	410				410
Bascule Bridge Funding	390	160			550
Bus Station Capital Receipt	65				65
FINANCING	865	160	0	0	1025

<u>2. REVENUE COSTS</u>	2013/14 £'000	2014/15 £'000			FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)	)			0
	)	)	To be met from existing budgets		0
Maintenance	)	)			0
Equipment	)	)			0
Administration	)	)			0
NET EXPENDITURE	0	0	0	0	0

APPENDIX C – FABIAN WAY FINANCIAL SUMMARY

Portfolio: PLACE
Service : HIGHWAYS
Scheme : LTF - FABIAN WAY

<u>1. CAPITAL COSTS</u>	2015/16 £'000				TOTAL £'000
<u>Expenditure</u>					
Cycle Route	275				275
Bus Stop Enhancement	192				192
Baldwins Bridge	100				100
Port Tennant Road MOVA	40				40
EXPENDITURE	607	0	0	0	607
<u>Financing</u>					
LTF grant	332				332
S106 Developer Contribution (via NPTBC)	275				275
FINANCING	607	0	0	0	607

<u>2. REVENUE COSTS</u>	2015/16 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
Maintenance	) To be				0
Equipment	met from				
Administration	existing				0
	budgets				0
	)				0
	)				0
NET EXPENDITURE	0	0	0	0	0

APPENDIX D – ACTIVE TRAVEL MAPPING

Portfolio: PLACE

Service : HIGHWAYS

Scheme : LTF – ACTIVE TRAVEL MAPPING

<u>1. CAPITAL COSTS</u>	2015/16 £'000				TOTAL £'000
<u>Expenditure</u>					
Active Travel Mapping	26				26
EXPENDITURE	26	0	0	0	26
<u>Financing</u>					
LTF grant	26				26
Own resources	0				0
FINANCING	26	0	0	0	26

<u>2. REVENUE COSTS</u>	2015/16 £'000				FULL YEAR £'000
<u>Service Controlled - Expenditure</u>					
Employees	)				0
	) To be met from existing budgets				0
Maintenance	)				0
Equipment	)				0
Administration	)				0
NET EXPENDITURE	0	0	0	0	0

Agenda Item 9.a

Report of the Cabinet Member for Finance and Strategy

Cabinet – 18 June 2015

REVENUE BUDGET 2015/16 – POSITION STATEMENT AND INTERIM REVIEW

Purpose:	This report provides a snapshot one complete month in to new financial year to assess progress with budget proposals agreed at Council in February.
Policy framework:	Sustainable Swansea – Fit for the Future
Reason for decision:	To review and assess progress with Revenue Budget savings for 2015/16.
Consultation:	Cabinet Members & Executive Board
Recommendations:	Cabinet is asked to a) Note assessment of progress to date and b) Consider what emergency action might be required to address fundamental emerging shortfalls in delivery.
Report Author:	Mike Hawes
Finance Officer:	Mike Hawes
Legal Officer:	Patrick Arran
Access to Services Officer:	Sherill Hopkins

1 Introduction and background

1.1 This report details:

- Very early financial monitoring 2015/16
- Emerging shortfalls, with context for this as necessary
- Potential for action to address those shortfalls, including where a Cabinet steer is required

1.2 The budget set for 2015/16 included savings and funding requirements totalling £26.774m. In line with previous years this was proposed to be delivered by a mixture of savings, changes to inflation and reserves and council tax increases.

- 1.3 The bulk of the savings, £20.853m is to come from service specific savings, including schools and Sustainable Swansea delivery programmes.

2. Financial Monitoring 2015/16

- 2.1 £3.0m of savings were agreed within the *Sustainable Swansea* delivery programme as follows:

- Third Party Spend £1.75m
- Asset £1.25m

Plans are in place for the delivery of these savings but these will be considered separately as part of the review of the *Sustainable Swansea* programme, which is nearing completion.

- 2.2 A net £4.152m has been removed from schools cash budgets and in that sense alone the saving is considered delivered and assured from the authority's perspective. Schools do not have to set their budgets until the end of May, and it is only after that point we can assess the degree to which individual schools are able to deliver in practice. We also await any indication of any Welsh Government Ministerial response to our decision to reduce school budgets. Our assessment at this stage is that no Ministerial action is likely and that the majority of schools will be able to accommodate their spending plans within budget for 2015/16, having due regard to the growing scale of their reserves. However, this will be monitored closely over the coming months.

- 2.3 This leaves £13.701m of service specific savings which were agreed at Council.

	2015-16
	£'000
Original RAGs	4,742
New RAGs	7,126
Full year effect of 2014/15 Management and administration savings	1,833
Total	<u>13,701</u>
Corporate	1,828
Education	1,394
Social Services	4,524
Poverty and Prevention	237
Place	3,885
Full year effect of 2014/15 Management and administration savings	1,833

	13,701
--	---------------

- 2.4 The first month delivery tracker process has been completed and this has identified a significant number of gaps and emerging issues and risks in delivery. The detail is attached as an appendix for detailed review.

- 2.5 In terms of additional staff savings, totaling £1.833m the attached appendices indicate £1.649m of £1.833m target is forecast to be achieved, with just over £1.4m already considered firm. Whilst slightly disappointing the scale of shortfall is entirely manageable and will be delivered.

- 2.6 On the service specific savings £8.1m of the £11.9m of savings are currently forecast for the year with less than £5m considered firm. This is unacceptable and the scale of shortfall so significant as to cause immediate concern and a need for action. The significant shortfalls in forecast are as follows:

	15-16
	£m
Education	0.9
Social Services (mostly Adult)	2.5
Remainder (Place, Corporate, Poverty and Prevention combined)	0.4
Total	3.8

- 2.7 It is important that the context for the **Adult Social Care** savings is acknowledged. There are clearly significant senior management challenges in the Service at present. Although these are being addressed through interim arrangements, inevitably it will take some time to assess the current position and to bring forward a revised delivery plan for savings and, at the same, time ensure the safe delivery of services. In addition, 2 of the 3 planned commissioning reviews have been deferred to later in the year because of capacity issues. This means that it will not be possible to deliver the level of savings planned for 2015/16.

- 2.8 It is also the case that a number of the 2015/16 savings in ASC were included instead of the original planned strategy for older people's services and the move to more independent living and less reliance on residential care. This change of approach has inevitably impacted on our ability to deliver savings in year, pending agreement on our future strategy for older people, which needs to be agreed quickly to avoid a similar problem for 2016/17 and future years.

3. Potential responses

- 3.1 Council, Cabinet, individual Cabinet Members and individual Heads of Service proposed and agreed these savings. The budget cannot be balanced without achieving savings of equal magnitude. Any use of underspends from 2014/15 can only be on a one off basis and will simply defer not remove the problem.
- 3.2 As a first response, any deviation from planned savings must be expected to be matched by specific compensating alternative savings being proposed from the same service area, or failing this, elsewhere in the Directorate. If this is not possible it will be necessary to review all areas of the Councils activity. Heads of Service should be tasked with identifying those proportionate and compensating responses and agreeing these with the relevant Cabinet Member.
- 3.3 The review of the *Sustainable Swansea* programme will provide an opportunity to develop and extend savings, both in value and timing (i.e. bringing forward), as the workstreams are more fully worked up and clearer savings targets established.
- 3.4 A further alternative, which should be twin tracked as an alternative option, as undertaken in prior years is to propose to implement an immediate additional stretch target of £4m on all areas to deliver extra savings. There are a number of options for this:
- Review the previous considered workstream on workforce savings which includes reviewing and implementing changes to workforce terms and conditions, although some of these will have a longer lead in time than others once approved. Target an additional £2m in year for 2015-16, subject to consultation with the Trade Unions
 - A further management and administrative delayering target. An additional £2m in year 2015-16. £2m equates to around 80 posts
 - An increase in fees and charges across the board, for example. 20%

The need to utilise this option will be dependent upon the extent to which the review of the *Sustainable Swansea* programme assures as to credible and tangible in year additional delivery of savings.

- 3.5 We need a clear steer/mandate for some savings proposals where there is currently a risk to delivery. The key areas are as follows:

Breakfast Clubs	Full saving cannot be achieved due to delay in implementation, any further delay will place the full saving at risk
Behaviour Review	Agreement is required on the future shape of the service and the responsibility of schools if current planned savings are to be achieved
Mental Health Day Services/Transport Depot	Delivery of savings has been delayed; a clear view on the future of day services is required
Domiciliary Care	A clear outcome is required from the Commissioning Review so that changes can be implemented quickly
Residential Care	A clear outcome is required from the Commissioning Review so that changes can be implemented quickly (see comment in 2.8 above)

3.6 Cabinet is asked to consider this update and the options outlined and give guidance.

4 **Legal implications**

4.1 There are no direct legal implications arising from this report

5. **Equalities implications**

5.1 EIA screening will have to be undertaken in terms of any new savings delivery proposals and any existing EIA's will need review if impacted

Background papers: None.

Appendices: None.

Report of the Cabinet Member for Finance and Strategy

Cabinet – 18 June 2015

FINANCIAL PROCEDURE RULE 7 CAPITAL ALLOCATION TO HIGHWAY INFRASTRUCTURE ASSETS

Purpose:	To confirm the Capital work programmes for highway infrastructure assets
Policy Framework:	The Revenue and Capital budget as reported to and approved by Council on 24 February 2015
Reason for Decision:	To comply with Financial Procedure Rule No. 7 (Capital Programming and Appraisals) – to commit and authorise schemes to improve infrastructure assets
Recommendation(s):	It is recommended that Cabinet: - 1) Authorises that the proposed allocations, together with the Financial Implications set out in Appendix A , are approved and included in the Capital Programme.
Report Author:	Stuart Davies
Finance Officer:	Jayne James
Legal Officer:	Christopher Allingham
Access to Services Officer:	Phil Couch

1.0 Introduction

- 1.1 At its meeting of 24 February 2015, Council approved the Revenue and Capital Budget for 2014/15. The Capital budget included an allocation of £3.28m for highway infrastructure assets.
- 1.2 Furthermore, an additional allocation of £1m for 2015/16 has been made from insurance reserves to deal with cost avoidance by undertaking further repairs.

2.0 Objectives

- 2.1 The City and County of Swansea's infrastructure is in need of significant investment. The highway capital programme has been put in place to target the worst areas, in line with the Highway Asset Management Plan and Programme 2015-2020. This will ensure spending is targeted based on a whole life cost approach which will minimise financial and service risk.

3.0 Key Proposals

- 3.1 There are significant funding challenges for maintaining the bridges as there are 157 bridges, 44 culverts, 13 subways and 3 gantries within highway ownership. The programme to update bridges has been prepared to reflect requirements on strategic routes and those where strengthening is required.
- 3.2 The condition of highway retaining walls continues to give cause for concern. A number of recent collapses have required intervention and have or are to be funded from the urgent infrastructure budget. However, there is a need to take proactive works to prevent others from failing. This budget will also in the future, pick up all retaining walls within Council ownership. There are currently 404 retaining walls on the asset register with an approximate total length of 13km.
- 3.3 The River Tawe barrage infrastructure requires sustained investment to ensure operations associated with Marina and other waterside activities are maintained.
- 3.4 Street lighting infrastructure is still a cause for concern. A testing regime has been put in place to identify lighting columns at risk, and this resulted in a significant number of columns being removed. The majority of these have now been replaced, but further testing will identify more columns that need to be removed and replaced.
- 3.5 There is a significant backlog of works to refurbish footways. This also remains a concern as the issue is reflected in the level of third party claims for trips and falls.
- 3.6 The programme to install dropped crossings to meet the requirements of the Equality Act will continue for the foreseeable future.
- 3.7 Longstanding works to reduce flooding on the highway will be implemented across the Authority. This will include specific works on several culverted watercourses.

Investment this year has increased by over £1m to over £4m to address the backlog of repairs required on Swansea's roads. It is critical to ensure that investment in the highway network is sustained in future years.

- 3.8 An allocation has been made to deal with un-adopted highways and infrastructure on a prioritised basis. This is aligned with the move towards a "corporate ownership of assets". Paved and surfaced areas that are not part of the adopted highway are managed by Highways & Transportation who will inspect and maintain in accordance with an overall Asset Management Plan. A sum is therefore included to allow resurfacing and improvement to these areas on a prioritised basis.

- 3.9 There is a significant amount of work required to ensure that the Baling Plant and Household waste Recycling Centres are brought into compliance with the requirements of their Environmental Permits, now that the Authority has taken over responsibility for their operation from the Swansea City Waste Disposal Company. This work was started in 2013/14, however outstanding works include further surface repairs and drainage works.
- 3.10 The condition of the cycleway network is generally satisfactory but there are sections that are nearing or past the end of their life. An allocation for cycleway surfacing work is included.
- 3.11 There is a need to replace a significant percentage of highway safety barriers, and the programme will continue this year.
- 3.12 Works are required to mitigate the impact of windblown sand along the foreshore in Swansea as there are regular clearance costs and associated problems with surface water drainage systems. There are proposals to implement trial measures to reduce the level of windblown sand. These works will be partly funded by Natural Resources Wales and partly funded by the City and County of Swansea.
- 3.13 Recent winter storms have damaged sections of the coastal defences which require investment to prevent further damage. The programme includes for investment on the coastal defences along Loughor Foreshore.

4.0 Allocation

- 4.1 In the current year the funds will be allocated as follows:

Bridges and Retaining Walls	£405k
Marina & Barrage	£65k
Street Lighting Refurbishment	£250k
Footway Renewals	£650k
Dropped Crossings	£ 20k
Drainage/Flooding Works	£375k
Carriageway Resurfacing	£2,125k
Council-Owned but Unadopted Areas/Private Streets	£ 90k
Car Park Resurfacing and Improvements	£20k
Cycleway Surfacing	£30k
Replace Safety Barrier	£40k
Baling Plant Compliance	£100k
Coastal Defence Works	£100k
Windblown sand mitigation works	£10k
TOTAL	£4,280K

5.0 Equality and Engagement Implications

- 5.1 The Capital investment in Highway and related Infrastructure will assist all road users and the inclusion of funding for dropped crossings will particularly help less mobile pedestrians and wheelchair users.

6.0 Financial Implications

- 6.1 **Capital** - The full cost of the Highways and Other Infrastructure works for 2014/15 amounts to £4.28m and will be fully funded by the Authority's own resources. Details are set out in **Appendix A**.
- 6.2 **Revenue** - Future maintenance expenditure will be met from respective Revenue Service budgets. An effective capital investment programme will help reduce future revenue pressures.

7.0 Legal Implications

- 7.1 This investment will assist the Authority in discharging its statutory duty to maintain the Public Highway. All Procurements and Contracts intended to be let in respect of the above Schemes will need to be in accordance with current UK Legislation and EU Directives as well as complying with the Council's Contract Procedure Rules.

Background Papers: Revenue and Capital Budget approved by Council on 24th February 2015

Appendices:

Appendix A - Financial Implications

FINANCIAL IMPLICATIONS : SUMMARY

Portfolio: PLACE

Service : HIGHWAYS AND OTHER SERVICES

Scheme : HIGHWAYS AND OTHER INFRASTRUCTURE ASSETS CAPITAL MAINTENANCE

1.1. CAPITAL COSTS	Memo 2014/15 £'000	2015/16 Capital Programme				
		2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	TOTAL £'000
<u>Expenditure</u>						
Highways and Other Infrastructures						
Bridges/Retaining walls	405	405				405
Marina barrage	65	65				65
Street lighting refurbishment	250	250				250
Footways	650	650				650
Dropped crossings	20	20				20
Repairs to Baling plant	100	100				100
Drainage works	375	375				375
Safety barriers	40	40				40
Cycle ways	30	30				30
Carriageway resurfacing	2,235	2,125				2,125
Roads in cemeteries						
Unadopted areas/Private Streets	90	90				90
Car park resurfacing/improvements	20	20				20
Coastal Defence Works	0	100				100
Windblown sand mitigation works	0	10				10
EXPENDITURE	4,280	4,280	0	0	0	4,280
<u>Financing</u>						
Own resources	3,280	3,280				3,280
Insurance Fund	1,000	1,000				1,000
						0
FINANCING	4,280	4,280	0	0	0	4,280
1.2. REVENUE COSTS	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	FULL YEAR £'000
<u>Service Controlled - Expenditure</u>						
Employees)						
Maintenance)						
Equipment)						
Administration)						
NET EXPENDITURE	0	0	0			0

Agenda Item 10.a

Report of the Cabinet Member for Services for Children and Young People

Cabinet – 18 June 2015

SITE ACCOMMODATION REVIEW FOR THE CITY & COUNTY OF SWANSEA RESIDENTIAL HOME FOR LOOKED AFTER CHILDREN

Purpose:	Proposal recommending how to optimise the service delivery model of emergency and short term residential placements with appropriate accommodation fit for purpose.
Policy Framework:	LAC Reduction Strategy, Child and Family Business Plan, Strategic Delivery Plan, Corporate Plan and Sustainable Swansea Programme.
Reason for Decision:	Current accommodation is not fit for purpose. Agreement needed for relocation to new accommodation that is fit for purpose to deliver the new statement of purpose of a 2 bed, emergency, short term residential children's home for us to maximise efficiency, quality and outcomes for our Looked After children.
Consultation:	Head of Legal Democratic Services & Procurement Head of Financial Services Corporate Building and Property Services Access to Services
Recommendation(s):	It is recommended that: 1) It be agreed that the current site does not fit with the service delivery model agreed in November 2014; it is too large for the level of demand; is an inefficient use of Local Authority accommodation; is an incompatible environment for the service model and does not enable best or effective delivery of good quality care to improve outcomes for our Looked After Children. This site cannot be modified to make it fit for purpose. 2) It be agreed that delegated authority be given to Child & Family Services start a search for alternative smaller sites for the delivery of the service within the City & County boundary. Initially a search within the existing Local Authority estate would be completed. If an internal match fit for purpose is not identified, agreement be given to search for a residential property for purchase. 3) The financial implications of the move are agreed as proposed. Delegated authority is given to Child & Family Services to proceed with relocation in line with the proposed business case.

- 4) The legal and HR implications of the move are agreed as proposed.
- 5) The property is released for alternative use as considered appropriate by the Head of Corporate Property.

Report Author:	Karen Benjamin
Finance Officer:	Chris Davies / Geoff Bacon
Legal Officer:	Lucy Moore / Wendy Parkin
Access to Services Officer:	Euros Owen / Catherine Window
Property Officer:	David Turner / Geoff Bacon

1.0 Introduction

- 1.1 This report focusses on the accommodation aspect of the agreed service model for the residential home at Ty Nant (agreed in November 2014.) Specifically that the provision of emergency and short term accommodation for Looked after Children should remain an internal service offered by the Local Authority at a reduced level of capacity to maximise quality and efficiency of service; deliver improved value for money and a sustainable service into the future.
- 1.2 The report sets out why the current accommodation site is no longer fit for purpose as set out in 1.1.
- 1.3 The report sets out a specification proposal for a new site that is fit for purpose now and is sustainable moving forward to deliver positive outcomes for Looked After Children in line with our strategic direction.
- 1.4 The report sets out the financial business case for the move and how it is sustainable moving forward in the context of the financial challenges facing the City & County of Swansea.

2.0 Current Accommodation Site

- 2.1 The site was purpose built to accommodate a different service model of residential accommodation; to house 8 children spread over 2, 4 bedded buildings. An additional building was built on site to house the necessary business support for this size of home.
- 2.2 Since the beginning of 2013 when the service was reconfigured and reduced in size; 1 of the 3 buildings has been completely mothballed and lies empty.

- 2.3 Business support for the home over the same timeline has been scaled back for 2 main reasons. Firstly, demand has reduced in line with the reduction in size of the home. Secondly, due to developments in smarter ways of working, moving towards a paperless system wherever possible and enabling residential care workers to record directly onto our PARIS system. The administration block is only used for 3.5 hours per week. These tasks could be completed in the staff office in a home. Effectively this means 2 of the 3 buildings on site are empty.
- 2.4 The 3 buildings sit on a large site set up with car parking for a dozen or more cars; grassed area; patios front and back; plus basketball court. While this was ideal for a busy site with 8 children and associated staffing, it has a disused, empty feel about it given the current configuration. It is not a homely environment. Maintenance of the site to a good standard is essential however it is an unnecessary expenditure of time and resource in an underutilised site.
- 2.5 Moving on to consider the specification of the building that remains in use as a home. The home has a large double height entrance vestibule off which runs 2 staff offices, a staircase and corridor. The layout makes for an initial impression that is business / office like rather than homely. This can also be an area where young people in the home gather if they are heightened in mood because of its size and access routes. It's a location where a majority of significant events or behavioural episodes occur.
- 2.6 The 2 offices are unnecessary and do not support a culture of a home environment. Only 1 small office is required to house computer, safe, keys, confidential files and so on. Staff on shift should predominantly be engaging with the young people in the home not removed in an office environment. General meetings already take place in communal dining or lounge areas as young people are encouraged to participate in meetings relating to their care plan so office space is not required for large meetings.
- 2.7 There are 4 bedrooms in the building. We are reducing our capacity in line with the new service model to 2 so there will be surplus space in this main building.
- 2.8 Each of the 4 bedrooms upstairs has an ensuite bathroom. This is in addition to a large family bathroom. While the ensuite facilities do support high levels of privacy for the young people placed, they have proved to present a problem in terms of damage and maintenance, for example, flooding damaging the adjacent bedrooms. Given the home environments from which our young people are often accommodated and move on to; an ensuite bathroom is an anomaly. In a smaller homely environment use of a family bathroom and an additional toilet are far more likely to be the norm and encourage appropriate socialisation plus respect for the home environment.

- 2.9 The kitchen and dining areas are joined by a serving hatch rather than being open plan. While both areas are functional, observation of how children and staff engage in the home evidences that children want to be in the kitchen assisting staff in preparation of food and chatting through anything from the day's events to bigger issues impacting their care plan. They will often stand in the kitchen leaning against worktops to interact. The dining room by comparison can be underutilised. A kitchen / diner layout to fully support interaction would be more beneficial to the engagement of direct work with the children.
- 2.10 Other rooms in the building include a separate pantry, separate laundry room, 2 further rooms used for direct work or reading / education plus an ample size lounge.
- 2.11 The design of the buildings was a question in the Consultation with Stakeholders in autumn 2012. Feedback was generally consistent in relation to issues over design. The buildings are not sufficiently homely. There is an institutionalised feel of a purpose built unit rather than a home. It's too big with an inappropriate design. There is insufficient emphasis on space for children and young people rather than for staff and administration.
- 2.12 In the subsequent Report to Cabinet proposals were made around how the vacant home; Ty Felin and the administrative block on the site could be utilised, alongside the reduced capacity in Ty Nant. However CSSIW have been clear that they would not support use of the empty buildings on the site of the home due to the potential risks to and from the children placed in Ty Nant by alternative use.
- 2.13 A building of this size is simply no longer required. As parts of the site have become disused and underutilised it accentuates the lack of homeliness. While the 1 remaining building in use is made the best of by the current staff team it is incongruent with the purpose.
- 2.14 The geographical location of the home has been noted as providing challenges to integration within the local community and a source of comment by the Inspectorate. The size of the site, its perimeter fencing and location on a raised area above a roundabout make it stand apart from other residential settings on the estate. It is well known as a Children's Home; the result in terms of young people placed there is that they are known as Looked After Children rather than maintaining their privacy. This can increase vulnerabilities and risks to children being targeted by inappropriate adults, whether this is for exploitation or criminality.
- 2.15 Feedback in relation to the location of the home was almost universally negative during the Consultation. There was a general consensus that the location of the home within an area of high socio economic deprivation significantly undermines the effectiveness of care planning.

The issue of location featured strongly in the feedback across the whole range of themes consulted upon.

- 2.16 Whilst recognised that the individual safeguarding practice of staff was positive, the location of the home and in particular concerns about interactions with peers in the local community and the difficulty in maintaining boundaries where there are issues such as problematic substance use means that overall safeguarding was considered to be undermined.
- 2.17 Historically there have been physical confrontations between community members, group of youths in the community, residents and staff. Since the reconfiguration and reduction in capacity at Nant y Felin the staff group have worked hard to engage the local community. This has been successful and there are no current concerns about risk of direct conflict with the local community who are supportive of the staff team and children placed.
- 2.18 Since the Consultation with Stakeholders the question has been asked '*Whether emergency/ short term residential care can be successfully delivered from Nant Y Felin (site) given the concerns about location and design*'. For the reasons stated above it can be concluded that the site is not fit for purpose for a 2 bedded emergency / short term service model.

3.0 Proposed Specification of New Accommodation

3.1 Geographical Location Considerations

- 3.1.1 There is a helpful document that has been produced in England '*Children's homes regulations amendments 2014*' which can assist us in the consideration of a new location for the home. This document was produced in response to concerns around which agencies should be responsible for ensuring that children's homes are appropriately and safely located in communities plus a number of reviews that highlighted the targeting of children's homes by perpetrators of criminality. The document also recognises that children placed in homes in deprived areas may face disadvantage and lack opportunities to enjoy and achieve in these communities.

In summary it sets the scene as:

" This advice has been developed to support good practice in carrying out location assessments. It is intended to encourage collaboration and partnership between children's homes providers and local services so that children who live in children's homes can access the same benefits and protections as all other children.

In assessing the location of a children's home, a prospective provider of a new home or the manager of an established home will benefit from a clear understanding of the benefits and disadvantages of living in a specific location. This will help establish whether the area is suitable for a home, ensuring that

children feel safe and are able to benefit from good quality services. “ (p6. DFE-00529-2014)

- 3.1.2 Relating this to the identification of a new site for the current service, the proposal would be for the Home Manager to make a thorough location assessment, addressing the following considerations:

Consideration	Rationale
Whether the location of the home influences the potential for an already vulnerable child to be a victim of crime, such as being targeted for sexual exploitation, substance misuse, or criminality.	Safeguarding
Whether there is a likelihood of children placed in the home becoming drawn into gang crime or anti-social behaviour in the local area.	Safeguarding
The suitability of the local neighbourhood as a location to care for children who may have already been victims of abuse and neglect.	Safeguarding
Whether there are environmental factors that would represent a hazard to children, such as locations near level crossings or busy roads.	Safeguarding
Consultation with partners in the Police, LSCB, Probation, YOS, Education and Health to look at the make-up of the local community.	Safeguarding. Accessibility to local services
Opportunities to participate in leisure, sporting or cultural activities.	Accessibility to local services
Proximity to access appropriate education sites for the profile of children placed in the home.	Accessibility to local services
Proximity to access key support services for the profile of the children placed in the home.	Accessibility to local services
Access to public transport routes.	Accessibility to local services. Independence skills.

- 3.1.3 Once a location assessment is completed, a risk matrix will help determine the development of a risk management strategy. This would be submitted for consideration during Registration of the home and would be reviewed annually thereafter.

3.2 **Site specifications**

- 3.2.1 The Children’s Homes: National Minimum Standards sets out at Standard 10 – Providing a suitable physical environment for the child – the desired outcome that *“children live in well designed, safe, pleasant homes with adequate space in a suitable location where there is access to the necessary facilities for a range of activities which will promote their development”* it further sets out the home environment should support *“its aims and objectives and proposed models of care for children and young people”*. As a provider the City & County of Swansea would aspire

to exceed the minimum standards and ensure as best fit as possible for delivery of the service model.

3.2.2 Relating this to the site specification the proposal would be:

Specification	Rationale
Detached property, close to other homes so it's integrated and not easily identified but with sufficient distance for privacy. Not isolated.	Integration in the community
Avoid areas too central to an estate or cul-de-sac preferably on the periphery.	Integration in the community
Property set in small grounds to support external activities in a safe environment.	Healthy lifestyle
Domestic garden area with room for patio seating; area to play some games.	Healthy lifestyle
Shed for secure storage of equipment such as bikes, barbeque and camping equipment.	Healthy lifestyle
Private driveway for parking.	Minimise disruption to neighbours

3.3 Internal specifications

Specification	Rationale
3 bedrooms (similar sizes)	NMS
Family bathroom	NMS
Additional toilet (not ensuite)	NMS
Staff office	Confidential information storage
Open plan kitchen diner	Added value of layout
Lounge	NMS
Quiet room / study room	Added value for direct work
No external fire escape required but fire doors to be fitted	NMS
Furniture, fixtures & fittings transfer from existing home	NMS
New build rather than an older home is less likely to require modification of specification and more likely to meet NMS	Financial implications

3.3.1 The specification in relation to bedrooms is based on the model of 2 children's bedrooms and a staff bedroom. Should capacity become a future problem then the site remains sustainable as the 3rd bedroom could be changed into an additional children's bedroom with the agreement of the Inspectorate and we could revert to waking night staff on shift during these periods of higher occupancy. This risk management strategy will negate the potential concern regarding a future smaller site. At this time however the demand, occupancy rates and profile of the young people accommodated all continue to support the agreed reduction in capacity to 2 beds.

- 3.4 Any capacity issues that should on occasion exceed the above would be offset by our arrangements with local and regional providers contractually supported under the regional arrangement of the Children's Commissioning Consortium Cymru. This ensures that any private emergency beds that may have to be commissioned are at a competitive rate; quality assured and as close to Swansea as possible. Care plans would then consider as a priority a return to our internal in area provision.
- 3.5 Successful private providers delivering a model of emergency / short term residential care for children and young people with complex needs operate in the main to the specification as set out 3.1 – 3.3. Most homes are homes on residential streets, although usually detached; they are not visually marked out from neighbouring properties so avoiding a label or stigma to the children being accommodated. The homeliness and 'normality' of these environments sets the scene for enabling staff to meet the needs of children who find themselves at a point of crisis in their lives. It engenders a culture of stabilising, calming, assessing and supporting these children with the specific source of their needs before the next stage in their care plan.
- 3.6 The proposed relocation of residential provision in Swansea supports the objectives of reducing the number of LAC whilst helping ensure that when a child does need to be looked after they are able to remain living in or as close as possible to Swansea and are enabled to live within a family environment. During the period of accommodation the children are given every opportunity to stabilise, address the issues that precipitated the crises and move on to fulfil their potential with sustainable strategies for preventing future crisis.

4.0 Financial Implications of the Recommendations

- 4.1 There are financial implications attached to the recommendations within this briefing. Budgets and spend for the last 3 financial years are detailed for consideration.

Nant y Felin	Budget £'s	Actual £'s	Variance £'s
Year 12/13	746,000	1,001,000	255,000
Year 13/14	540,000	648,000	108,000
Year 14/15	551,000	557,000	6,000
Year 15/16	557,000		

- 4.2 For the financial year 2013/14 redeployment costs for staff associated with the reduction in the capacity from 8 beds to 4 beds equalled £100,000. Staffing was the only area of overspend for Ty Nant during the financial year 2013/14.
- 4.3 Sickness levels amongst staff have been successfully reduced since reconfiguration and this has successfully reduced costs in this area. This improvement should be maintained in the future.

- 4.4 Single Status has had an impact on the entitlement to payments for unsocial hours, waking night staff and weekend shifts on rota at the home. Irrelevant of site decisions these additional costs will have to be budgeted for. This impacted on the Budget for 2014/15. A 24 hour period of staffing incurs the following pay rates:

Shift	Rate
<i>6am-7pm</i>	<i>Basic Rate</i>
<i>7pm – 11pm</i>	<i>Unsocial Hours Rate (time and a third)</i>
<i>11pm – 6am</i>	<i>Night Shift Supplement + Unsocial Hours Rate</i>
<i>Saturdays</i>	<i>Time and a third (plus the above)</i>
<i>Sundays</i>	<i>Time and a half (plus the above)</i>

- 4.5 Staffing is the largest financial cost to the running of the home. Staffing costs for 2014/15 were at a budget of £507,000. Costs came in at £521,000. The overspend is attributable to coverage on additional hours against sickness and maternity leave equating to just under £20,000.
- 4.6 Based on the agreement to reduce capacity from 4 beds to 2 beds in November 2013, at point of relocation and implementation of the new model, proposed staffing levels would be reduced. There is a proposed reduction of 30% to the fulltime staff cohort, alongside a smaller reduction in the part-time contracts, which would allow us to maximise flexibility and responsiveness to the emergency service. This would still allow us to operate a strong key working ethos and deliver expertise in those areas of specific need for the profile of resident in Ty Nant.
- 4.7 The make-up of shifts could also be more cost effective in a new home where we could safely move from 2 waking night staff to 1 waking and 1 sleep-in night staff. Risk assessment on the current site due to its size and location necessitate 2 waking night staff. The majority of private providers are already able to run on 1 waking night and 1 sleep in to maximise efficiencies.
- 4.8 Short term of course there would be redeployment costs associated with staffing reductions during the financial year 2015/16 which would offset the savings in this financial year from the proposed reduction in staff. Estimated costs for this are at a maximum of £25,000.
- 4.9 Site costs will be an area where budget can be reduced although not as significant as staffing costs; over time this would be of value. Spend on premises for 2014/15 came in at £19,594. The current site has to have security and fire services that would be unnecessary in a smaller residential home. Similarly premises insurance and maintenance costs would reduce depending on the location and reduced size of the new home.
- 4.10 Relocation to a new smaller site fit for purpose would see staffing costs reduce to a predicted £350,000 pa. A saving of £170,000 on this year's costs. During the first year of relocation (2015/16) there would be the

costs of redeployment and costs of the relocation process itself that would offset this saving. Long term however there is a clear business case to reduce costs and improve outcomes for our Looked After Children by relocating the service to a new site.

4.11 Relocation costs will vary based on the identification of a specific site however we can consider those options in terms of a business case.

4.11.1 The furniture and many of the fixtures and fittings from the current home are appropriate to be moved straight into a new site. No costs are anticipated in this area.

4.11.2 Option 1

If an appropriate residential setting is identified as meeting the criteria of the Location Assessment (based on the Criteria in 3.1) within the existing Local Authority stock; the upfront costs of relocation are likely to be incurred by modernisation and modification of the site to achieve the specification set out at 3.2 – 3.3. The level of this cost would be wholly dependent on the condition and specification of the site at time of identification but you would not reasonably expect this to exceed a budget of £50,000. This amount along with the redeployment costs of staff would likely be offset against the first full financial year saving of £170,000.

4.11.3 Option 2

If a residential setting meeting the Location Assessment has to be purchased as there is nothing fit for purpose in the existing Estate then homes to the specification set out above can reasonably be expected to fall in the bracket £230,000 - £275,000 in the current market. In this case the outlay would be recouped, again in addition to potential redeployment costs within 2 full financial years of the move.

Financial Year	Annual Budget	Staffing Budget	Redeploy -ment *	New Site Existing Asset*	New Site Asset Purchase*	Revised Staffing Budget	Saving	Recoup -ment Period (months)
Option 1								
15/16	557	507	+25	+50		-170	95	2
16/17	375	350	0	0		0	182	-
Option 2								
15/16	557	507	+25		+275	-170	-130	12
16/17	375	350	0		0	0	52	10
17/18	375	350	0		0	0	182	-

*Estimated costings

4.11.4 Based on the longer term financial savings that would result in relocation to fit the statement of purpose and a maximum 2 year recoupment period of any investment associated with the relocation. The financial business case for the move is a sound one and would make the service sustainable into the future.

5.0 Legal Implications

- 5.1 There are no legal implications associated with this report. The requirement under the Children Act 1989 to consult with staff, young people and families was met during the reconfiguration process at the end of 2012.
- 5.2 The proposed recommendation to relocate would be completed in consultation with CSSIW.
- 5.3 Should redundancies become a possibility detailed advice should be obtained from the Human Resources Department in respect of process and timeline.
- 5.4 Under the Council's Land Transaction Procedure Rules, the relevant Responsible Officer will instruct the Chief Operating Officer or his nominee to negotiate, settle or confirm the terms of such acquisition after taking into account any relevant statutory provisions or guidance and any advice from the Head of Legal, Democratic Services and Procurement. The terms of acquisition may only be approved in writing by the Chief Operating Officer and will be in accordance with the market value of the interest to be acquired.

6.0 Property Implications

- 6.1 The relocation of the existing facility at Ty Nant provides opportunity for further savings within the Sustainable Swansea efficiency workstream for assets (accommodation and disposal strategies) It may be possible to consolidate alternative service providers at the unit and release part of the wider property portfolio which is no longer fit for purpose for disposal.
- 6.2 Disposal of part of the wider portfolio would generate premises costs savings and additional capital receipt for the disposal programme.
- 6.3 For clarity however; disposal of the current site for alternative use is not pivotal to the business case in this paper for relocation. The business case as set out at 4.11 considers recoupment on expenditure due to relocation within a maximum of 2 years plus savings on future budgets. It is not predicated on capital receipt generated by disposal of the existing site.

7.0 Equality and Engagement Implications

- 7.1 The Equality Impact Assessment (EIA) process was applied to the original report on the reconfiguration of the Residential Service (January 2012). An EIA screening document was subsequently completed for the Evaluation Report (October 2014).

7.2 An EIA screening document has been completed in relation to this current report (April 2015) and can be found at Appendix 1.

8.0 Conclusions

8.1 The existing site of the emergency short term residential provision is no longer fit for purpose because:

8.1.1 2 of the 3 buildings on site lay empty;

8.1.2 The 3rd building is too large for the new service model approved in November 2014;

8.1.3 The buildings are recognised by Stakeholders and the Inspectorate as inappropriate not being a homely environment nor having a design layout that supports best outcomes for children;

8.1.4 The location of the home is similarly recognised by Stakeholders and the Inspectorate as not being appropriate to support the care plans of the children placed there;

8.1.5 The reasons for which the site is no longer fit for purpose do not lend themselves to be remedied or adapted;

8.1.6 It is not an effective use of the Local Authority Estate when alternative resource would be better suited to the site;

8.1.7 Efficiencies and financial savings could be made by relocating.

8.2 There is recent guidance on Location Assessments, following a review of children's residential services in England, combined with the development of a service specification that not only meets National Minimum Standards but would optimise the outcomes for our Looked After Children using the service. This service specification enables us to move forward promptly once we have agreement to the proposed relocation of the service.

8.3 The relocation would enable us to reduce expenditure on the new model of service. This generates a potential saving of £170,000 pa moving forward in a sustainable way into the future of our services.

8.4 Relocation expenses would be recouped in a maximum 2 year financial period. This is a sound business case on which to agree relocation.

Background Papers:

None

Appendices: None.

Agenda Item 11.a

Report of the Cabinet Member for Services for Adults and Vulnerable People

Cabinet - 18 June 2015

WESTERN BAY REGIONAL AREA PLANNING BOARD FOR SUBSTANCE MISUSE – LEGAL AGREEMENT

Purpose:	To seek approval to enter into a legal agreement with Abertawe Bro Morgannwg University Health Board (ABMU), Bridgend County Borough Council (BCBC) and Neath Port Talbot County Borough Council (NPT) relating to regional arrangements for the funding and commissioning of substance misuse services.
Policy Framework:	Sustainable Social Services for Wales: A Framework for Action
Reason for Decision:	To seek approval to enter into a legal agreement with Western Bay partners regarding regional arrangements.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that Cabinet: 1) Agree to delegate authority to the Chief Officer for Social Services to finalise and enter into the legal agreement, under the guidance of the Head of Legal, Democratic Services and Procurement 2) Agree to nominate the Chief Officer for Social Services to act as Swansea's representative on the 'Executive Group' and delegate authority to this post holder to exercise any functions under the legal agreement. 3) Note that Swansea's remaining financial commitment is £6,650 in 2015/16 which will contribute to the additional legal and procurement support needed.
Report Author:	Dave Howes
Finance Officer:	Chris Davies
Legal Officer:	Debbie Smith
Access to Services Officer:	Catherine Window

1.0 Background

- 1.1 In 2010 regional Area Planning Boards (APBs) were set up with the overall objective of improving and strengthening the arrangements for planning, commissioning and performance management of substance misuse services in Wales.

APBs assist Community Safety partner organisations and other relevant partners to discharge this responsibility by providing a mechanism for them to pool resources and share expertise in the delivery of the Welsh Government's Substance Misuse Strategy.

From April 2013, the Welsh Government stipulated that the Substance Misuse Action Fund (SMAF) would be managed as one regional allocation, with one of the Local Authorities acting as the grant recipient body. In the case of Western Bay, it was agreed that NPTCBC would act as grant recipient body. Welsh Government also required assurances that the commissioning support previously focused at Local Authority level would instead form a regional commissioning structure and one organisation would act as a Host Authority.

At the end of 2013, Western Bay Programme Board approval was given to progress the work of establishing regional arrangements required to support the substance misuse commissioning arrangements.

At a meeting of the APB in late 2014, discussions took place regarding which of the 4 lead partners (NPTCBC, ABMU, BCBC and CCS) were best placed to act as Host Authority on behalf of Western Bay. It was agreed that NPTCBC would be the Host Authority. The intention was for this arrangement to formally take effect as soon as practicable after 1st April 2015.

NPTCBC has recruited a small team to support the work of the APB and NPTCBC's role of Host Authority on behalf of the region. This team is now in place.

2015/16 is a transitional year in which existing local contracts in the Swansea, Bridgend and Neath Port Talbot areas have been rolled forward for one additional year. However, the intention is that, from 2016/17 onwards, services will be regionally commissioned.

Options are currently being explored into ways in which the region could commission services going forward so that the SMAF is fully utilised in as cost effective way as possible across Western Bay. Whereas currently each organisation may hold a number of individual contracts with service providers, it is envisaged that going forward there will be a smaller number of higher value regional contracts. This will inevitably entail a complex and lengthy procurement exercise during 2015/16 to ensure that

service providers are ready to deliver as soon as practicable after 1st April 2106.

To this end, a regional Commissioning Strategy is being drafted and it is anticipated that the final draft will be completed in the next couple of months and this will be the subject of a further report once it has been approved by the APB. Once this is approved, 2015/16 will be used to procure the services required going forward.

2.0 Equality and Engagement Implications

- 2.1 The proposed recommendations have been screened in relation to Equalities. The proposed decisions themselves will have no impact on protected groups, so it is judged that a full Equality Impact Assessment is not required. However, it is recognised that a full Equality Impact Assessment will be required in due course for activity/work that emerges from the APB which will have a direct impact on service users.

3.0 Financial Implications

- 3.1 The total revenue SMAF budget for 2015/16 has been confirmed by Welsh Government as £3,624,414. In their confirmation letter, Welsh Government has indicated that they are changing the formula relating to allocations to take effect in the 2016/17 financial year. This could lead to either a decrease or increase in future financial years, which presents a risk around long-term commissioning. Welsh Government has however given assurances that they will give as much notice as possible in relation to any change in allocations.

In addition to the SMAF, there is an agreed budget of £708,356 which match funds the SMAF and is jointly funded by ABMU, CCS, BCBC, NPTCBC and Bridgend YOS. This budget and the arrangements surrounding it will be reviewed as part of the development of the Commissioning Strategy.

Partners have negotiated to contribute an additional total of £55,000 in the 2015/16 financial year towards the legal and procurement costs surrounding the new commissioning arrangements. The agreed contributions are as follows:

- | | |
|----------|---------|
| • CCS | £19,250 |
| • NPTCBC | £11,000 |
| • BCBC | £11,000 |
| • ABMU | £13,750 |

These contributions have been calculated on the basis of ABMU having a quarter share and the remaining three quarters split on the basis of population.

There was an underspend of £36,000 in 2014/15, which has been carried forward into a reserve. It has been agreed by the 'Executive Group' that this will be utilised to contribute to the above. Therefore the remaining contributions are as follows:

- CCS: £6,650
- NPTCBC: £3,800
- BCBC: £3,800
- ABMU: £4,750

4.0 Legal Implications

- 4.1 The APB itself is a large entity on which sit a number of representative organisations. It is also not a legal entity in its own right and as a consequence has no legal decision-making powers.

Following legal advice, it has therefore been agreed that a legal agreement needs to be drawn up between the 4 lead partners who will effectively act as the 'Executive Group' of the APB. These organisations are those statutory organisations that carry the financial and reputational risk linked to the work of the APB and the management of the SMAF. They are also those organisations that financially contribute to the services that are currently commissioned. This legal agreement allows for the 'Executive Group' to make decisions on behalf of the APB and also firms up NPTCBC's role as Host Authority as well as the distribution of financial and other risk amongst the 4 partners.

In time, a wider Memorandum of Understanding will be drafted for the APB as a whole, which will complement the legal agreement relating to the 'Executive Group'. Under this, it is envisaged that the APB will make recommendations to the 'Executive Group' for those areas of work where delegated authority is needed from the 4 organisations. In the future, the 'Executive Group' may be expanded to include other partners if they are mindful to financially contribute to services commissioned going forward.

In terms of the legal agreement itself, amongst other considerations provision is made for the following:

- Each organisation to nominate a representative and substitute to sit on the 'Executive Group' and have delegated authority to exercise all powers and duties required to provide services in accordance with the Agreement.
- The Executive Group to approve the annual budget, in line with the WG SMAF allocation and the associated match funding provided by partners for commissioned services.
- The allocation of a one-off contribution by each partner in 2015/16 to contribute to the additional legal and procurement costs that the APB will incur linked to the re-commissioning of services on a

regional basis. The detail of this is included in the Financial Implications section of this report.

At the time of writing this report, the legal agreement had not as yet been finalised. Therefore this report seeks approval to delegate authority to the Chief Officer for Social Services to finalise and enter into the Agreement under the guidance of the Head of Legal, Democratic Services and Procurement.

- 4.2 The intention to “roll over” contracts in the transistional period of 2015-2016 may carry a risk of challenge if those contracts do not include any provision to extend the term as proposed.
- 4.3 Any regional contracts entered into with providers will need to incorporate some flexibility in the event of a potential change in the level of WG funding as envisaged above.

Background Papers: None

Appendices: None

Report of the Cabinet Member for Transformation and Performance

Cabinet – 18 June 2015

SWANSEA COMMUNITY RENEWABLE ENERGY AND ENTERPRISE SCHEME

Purpose:	To develop the Community Renewable Energy & Enterprise Scheme (CREES) social enterprise in support of the ‘Tackling Poverty’ and ‘Building Sustainable Communities’ Corporate Priorities.
Policy Framework:	Sustainable Development Policy
Reason for Decision:	To agree options for developing the CREES social enterprise.
Consultation:	Legal, Finance and Access to Services.
Recommendation(s):	It is recommended that:
1)	The Council work with local communities to develop a social enterprise to own and run the Community Renewable Energy and Enterprise Scheme, based in and with controlling influence from the locality of the installations (Townhill, Penderry, Castle and the surrounding area).
2)	Model 3 is agreed as the most appropriate for the CREES scheme
3)	The Council should continue to provide officer support through development of the project including drafting and entering into roof lease agreements for the buildings that will host the PV systems.
4)	Support should be sought for the project through the Ynni'r Fro programme, including development officer input and grant funding for development work.
5)	The CREES Project Board should continue to explore options for developing a Council-owned scheme further with the Council’s Commercialisation Team.
Report Author:	Tanya Nash
Finance Officer:	Aimee Dyer
Legal Officer:	Debbie Smith
Access to Services Officer:	Phil Couch

1.0 Introduction

- 1.1 The Community Renewable Energy and Enterprise Scheme (CREES) concerns the development of community-scale renewable energy projects in the most economically deprived areas within Swansea, where local people benefit from the renewable energy produced.
- 1.2 The 'community-energy' scheme aims to promote skills, enterprise, economic growth and job creation by creating an income out of environmental assets and maximising the social and economic benefits for the local community. In addition to contributing towards Swansea's renewable energy targets, the project aims to act as a platform to help build capacity, credibility and confidence to the point where the community are able to develop further schemes to address their local needs.
- 1.3 The approach is in line with the Department of Energy & Climate Change (DECC) [Community Energy Strategy](#) launched in 2014 (updated March 2015) and is increasingly common across the country. Over 5,000 community energy groups have been set up in the UK since 2008, with 150-300 actively developing renewable energy projects. Examples include [Plymouth Energy Community](#), [Staffordshire Sunny Schools](#), [Egni](#) and [Repowering London](#).

2.0 Background

- 2.1 Previous decisions have been taken as part of the feasibility process, carried out by the Energy Saving Trust and Pure Leapfrog, to prioritise properties in the Target Areas of Penderry, Townhill and parts of Castle. It was recommended that CCS proceed with an approach, using photo-voltaic (PV) panels on non-domestic buildings in a first phase.
- 2.2 In Phase 1 of the scheme it was recommended that a social enterprise or the council could develop the scheme by:
 - raising capital through a community share offer, Council funds or a social investor
 - solar PV is installed on suitable non-domestic buildings, generating electricity
 - some of the electricity is used directly by the host building and sold to the building occupier at a reduced cost under a long-term agreement
 - a Feed-in-Tariff payment is received by the social enterprise for any surplus electricity exported to the grid. This is guaranteed for 20 years and increases annually with inflation.
 - This provides an income to:
 - cover the costs of maintaining the installations and running the scheme (e.g. management costs, insurances, accountancy and audit fees)
 - repay loans to investors and pay shareholders a return between 5-10% p/a depending on eligibility for tax relief)

- o surplus income is allocated to a community benefit fund to support the local community to develop skills, enterprise, economic growth and job creation

2.3 Feed-in Tariffs (FiTs) were introduced on 2010 as the main financial incentive to encourage uptake of renewable electricity-generating technologies in the UK. The economic viability of this project is directly linked to the FiT payments that are received from an energy supplier as a result of generating electricity from solar panels. The FiT rates are directly linked the amount of renewable energy installations across the UK, which is increasing, and the cost of installation, which is decreasing. As a result the FiT payments are reviewed every 3 months and continue to decrease to point at which as subsidy is no longer needed. Once a solar PV system has been registered, the tariff level is locked-in, meaning that the rate is guaranteed for the period of the tariff (up to 20 years) and are index-linked.

2.4 The viability of this scheme has been based on the FiT rates at the time of writing this report. Inevitably there will be a further reduction in the FiT payments before this scheme is at a stage where it can be registered. Recent UK Government directives showing support for both community ownership of renewable energy and rooftop-mounted systems should provide some comfort that there are unlikely to be significant changes in policy that would negatively affect this project in the short term (1-2 years). However there is a potential risk that should level of deployment of Solar PV across the UK continue to rise and the cost of installation continue to fall that at some point the FiT payments cease to exist in their current form and projects such as this may become unviable or may need to operate under a different business model in order to provide the social and economic benefits as outlined in this report. This is a recognised risk and can be managed by regularly reviewing the financial model which has to be independently verified before the share offer for the community energy enterprise is launched.

2.5 The initial feasibility study identified five potential business models for CREES with different financial and legal arrangements between the Council and the community-owned social enterprise. These are listed below:

Model 1	Model 2	Model 3	Model 4	Model 5
<p>LA has no financial involvement</p> <p>Community Enterprise develops and finances the whole scheme, providing 100% of the capital cost through a community share issue.</p>	<p>LA develops the scheme and sells it to a Community Enterprise</p>	<p>LA provides 50% of the capital cost through an equity investment.</p> <p>Community Enterprise develops the scheme and provides 50% of the capital cost through a community share issue.</p>	<p>LA provides low cost loan for 50% of the capital cost</p> <p>Community Enterprise develops the scheme and provides 50% of the capital cost through a community share issue.</p>	<p>LA is a 100% owner of the scheme and the Community Enterprise has no involvement.</p>

- 2.6 Models 1-4 involve different methods of collaboration between CCS and the social enterprise. Model 5 considers an option of 100% Council ownership of the social enterprise. The decision on which of these models would be most appropriate relies on the level of appetite within the community to work with CCS in developing the scheme. Whilst Model 5 maximises the return for the Council, a community approach has significant additional benefits such as: the development of a sustainable finance for the community; the development of technical skills relating to not only the installation and maintenance of PV panels but business and administration skills as well; increased community self-confidence and identity. It also supports the Council's priorities of tackling poverty and building sustainable communities and supporting local community action.
- 2.7 Further work was required to identify the most suitable business model for delivering the project's objectives:
- Technical surveys investigating the structural and electrical integrity of the non-domestic building stock identified in the initial feasibility
 - Stakeholder engagement with community and industry representatives
 - Financial and business modelling based on intelligence gathered from above.

These studies have been completed and this report makes recommendations on the most suitable model for delivering the scheme.

3.0 Technical Feasibility

- 3.1 Building upon the original desktop study, on-site electrical and structural surveys have been carried out by the council and solar installers on CCS owned non-domestic stock in or close to the Target Areas. These surveys and additional studies carried out by the CREES Project Team assess a number of factors to evaluate each site's suitability for solar PV.
- 3.2 Following the completion of the detailed technical feasibility work, it is recommended that the 14 CCS-owned non-domestic properties listed form the 1st phase of CREES. These sites, most of which are schools, have a theoretical capacity of 481.75kWp and would cost approximately £561,000 to install. Additional buildings just outside of the original Target Areas have been included to increase the solar potential for the scheme.
- 3.3 As expected for a project such as this, there are some structural and grid capacity issues that need to be resolved and the overall capacity of the scheme is likely to drop to between 405kWp-450kWp. It is not uncommon for community energy schemes to raise capital for schemes based on theoretical capacities as all figures will inevitably change once validated by an MCS accredited solar installer and their structural engineers prior to installation.

4.0 Stakeholder Feasibility

- 4.1 During the initial feasibility study, structure telephone interviews were conducted with a variety of local stakeholders. As part of the second feasibility study, five focus groups were held with 30-40 stakeholders made up of professionals in the community energy and renewable energy sectors, local residents, ward councillors, school caretakers and community-based organisations. The groups explored topics relating to each of the five possible business models to help identify the most appropriate approach to deliver the scheme's objectives.
- 4.2 The focus groups identified broad support for the scheme from all stakeholders. There was a preference for community ownership and control but specific concerns were voiced over the current capacity of the community to deliver the project.
- 4.3 The key messages are summarised below:
- a community-owned model would create the most economic benefit
 - ancillary benefits such as skills development, confidence building, administration etc. should be maximised
 - professionals in the community energy sector, community organisations and business development organisations are interested in helping local residents develop the scheme
 - there is a lack of trust between representatives of voluntary sector organisations and the Council, relating to past funding issues and budget cuts leading to suspicion over the authority's motives
 - residents were keen for decisions regarding the community benefit fund to be made by local people for local people with a focus on work-experience, skills development and apprenticeships
 - the opportunity to educate and engage school children in renewable energy should be a priority
 - there is a need to proceed with the scheme quickly before further Feed-in-Tariff reductions affect the viability of the business model
 - it is unlikely that many residents from the immediate area would purchase shares in a scheme regardless of the minimum threshold. Therefore local personal financial gain should not be a priority.

5.0 Financial and Business Modelling

- 5.1 The business models from the initial feasibility study that deliver both speed of development and strong community involvement and ownership are Models 1, 2 and 3. These models require varying levels of support from both CCS and/or the community energy sector to set-up and develop the scheme and act as a mentor to the local community.
- 5.2 A financial analysis has been performed on each of the five possible business models. This analysis details:
- the capital costs,
 - building and business set-up costs,

- operating costs,
- annual cash flows,
- returns to investors
- financial surpluses allocated to a community benefit fund.

The analysis is based on the assumption of installing 427.5kWp of Solar PV which reflects the grid capacity of the sites rather than the theoretical solar capacity.

- 5.3 The consultants have advised that the Council can choose with confidence several of the model choices and feel assured of seeing investment returned. The key considerations should be around how to value the impact of the project, both internally for the Council and externally in the community.
- 5.4 The business modelling suggests that Models 1 or 3 would provide the best combination of community benefit, return on investment and simplicity of structure.
- 5.5 In Model 1, the Council has no financial involvement. Community Enterprise develops and finances the whole scheme providing 100% of the capital cost through a community share issue:
- No investment cost to CCS
 - Capital is returned to investors in years 4-17.
 - Investors receive share interest payments totalling £407,236 in years 1-17, giving an IRR of 5.94% (Investor IRR with EIS relief is 10.69%)
 - The cumulative financial surplus at the end of 20 years is £273,144.
 - The total community benefit is £563,428.
 - The NPV of the cumulative financial surplus is £115,660.
 - The NPV of the total community benefit is £253,310.
- 5.6 With Model 3, the Council provides 50% of the capital cost through an equity investment. Community Enterprise develops the scheme and provides 50% of the capital cost through a community share issue:
- The financing outcomes are identical to Model 1, apart from CCS receives 50% of the share interest payments as an investor.
 - Cost to CCS: £294,385
 - Share interest payments of £203,618 (IRR of 5.97%)
- 5.7 The choice between the two models is based on the Council's ability and appetite to invest in the project. As the Council is developing its commercialism agenda, with energy identified as a pathfinder for the first phase, Model 3 would meet the aims and aspirations of this agenda with a potential internal rate of return (IRR) of 5.97%.
- 5.8 Despite not needing direct financial investment from the Council, support for the community will be needed to carry out Model 3, both in the form of CCS officer time and support from the Welsh Government's Ynni'r Fro Programme that is made available to community energy projects in Wales. This support

typically consists of development grants or loans and/or the allocation of a community energy development officer to support the delivery of a scheme.

5.9 Limited officer time may be available from the Council's Sustainable Development Team to support to next stage of development. However, it is felt that additional external support will be needed to deliver the scheme quickly. It has been advised that the Council or the community should look to access support through the Welsh Government's Ynni'r Fro programme for the next phase of development. This should be tailored towards overcoming the concerns and lack of confidence within the community, enabling timely delivery of the project and building the capacity of the community to manage and develop the project in future. Support available from Ynni'r Fro could include:

- Development Officer support –from programme staff to plan and develop the project.
- Preparatory grant – funding for feasibility and project development costs, which may be appropriate to resource expert project development activity for the project.
- Loan finance – for later stage development and potentially capital from the project.
- The monies could help support the creation of the necessary legal documents.
- The project should be well placed as the group will have a clear line of sight of the project, particularly with feasibility work having been carried out and a draft business plan in place.

6.0 Next Steps

6.1 If the Cabinet agree to move forward with Model 3, then Council Officers will need to support community representatives, an existing community enterprise and industry representatives in establishing a new social enterprise to develop and implement CREES in the Townhill and Penderry communities. This will include:

- Legal steps regarding the setting up of the new social enterprise and lease arrangements regarding the roofs and license arrangement to procure the electricity.
- Complete structural surveys/EPCs etc.
- Preparation of share offer (concurrent with above actions)
- Share offer marketing/Funding work
- Procurement of installer
- Installation

7.0 Equality and Engagement Implications

7.1 There are no equality and engagement implications with this report.

8.0 Financial Implications

8.1 Model 3 was recommended as being the most appropriate business model. The financial implications:

8.2 The Council provides 50% of the capital cost through an equity investment. The Social Enterprise develops the scheme and provides 50% of the capital cost through a community share issue:

- The Council receives 50% of the share interest payments as an investor.
- Cost to CCS: £294,385
- Community Benefit Value is predicted to be is £563,428.
- Share interest payments of £203,618 (IRR of 5.97%)

9.0 Legal Implications

9.1 The legal implications of this report are:

- Legal issues will need to be explored regarding the procurement/ granting rights to community groups to install on properties
- The Council will need to agree lease/licensing arrangement to allow the community group to install solar PV on the council's non-domestic asset.
- The Council is the legal owner of school buildings and land but the Governors of Schools have governance and control over school property. The Governors have responsibility for the controlling the use of premises, inspecting the premises and equipment annually and ensuring the school estate is properly maintained. Regarding the installation of Solar Panels, each school currently needs authority from the Council as legal owner of the property as this goes beyond "managing" the property as the works involved would be materially changing the fabric and structure of the building.

Background Papers: None.

Appendices: None.